APPAREL HOLDING CORP.

FORM S-1/A
(Securities Registration Statement)

Filed 11/12/13

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SIC Code	5600 - Retail-Apparel & Accessory Stores
Fiscal Year	02/02

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As filed with the Securities and Exchange Commission on November 12, 2013

Registration No. 333-191336

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

AMENDMENT NO. 3
TO
FORM S-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

APPAREL HOLDING CORP.*

(Exact name of registrant as specified in its charter)

Delaware	5600	75-3264870
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1441 Broadway—6th Floor
New York, New York 10018
(212) 515-2600

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

Lisa Klinger
Chief Financial Officer and Treasurer
1441 Broadway—6th Floor
New York, New York 10018
(212) 515-2600
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Gerald T. Nowak, P.C.	Kevin P. Kennedy
Kirkland & Ellis LLP	Simpson Thacher & Bartlett LLP
300 North LaSalle	2475 Hanover Street
Chicago, Illinois 60654	Palo Alto, California 94304
(312) 862-2000	(650) 251-5000

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

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, 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. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ (Do not check if a smaller reporting company) Smaller reporting company ☐

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Estimated Maximum Offering Price per Share(2)	Estimated Maximum Aggregate Offering Price(2)(3)	Amount of Registration Fee(3)(4)
Common stock, par value $0.01 per share	11,500,000	$18.00	$207,000,000	$28,181.60

(1) Includes 1,500,000 additional shares of common stock that the underwriters have the option to purchase from the selling stockholders.
(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.
(3) Includes the offering price of any additional shares of common stock that the underwriters have the option to purchase.
(4) Of this amount, $27,280 was previously paid in connection with the initial filing of this registration statement and $901.60 has been paid in connection with this filing.

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 this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

* Apparel Holding Corp., the registrant whose name appears on the cover of this registration statement, is a Delaware corporation. Immediately prior to the consummation of this offering, Apparel Holding Corp. will change its name to Vince Holding Corp. Shares of the common stock of Vince Holding Corp. are being offered by the prospectus.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated November 12, 2013

10,000,000 Shares

VINCE.

Apparel Holding Corp.

Common Stock

This is an initial public offering of shares of common stock of Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of this offering). Apparel Holding Corp. is selling 10,000,000 shares of common stock in this offering.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $17.00 and $19.00. We intend to list the common stock on the New York Stock Exchange under the symbol "VNCE".

We are an "emerging growth company" as defined under the federal securities laws and are therefore subject to reduced public company reporting requirements.

See " Risk Factors " on page 30 to read about the factors you should consider before buying shares of the common stock .

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to us	$	$

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See "Other Information Related to this Offering—Underwriting."

To the extent that the underwriters sell more than 10,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 1,500,000 shares from the selling stockholders at the initial price to the public less the underwriting discount. We will not receive any proceeds with respect to such shares.

The underwriters expect to deliver the shares against payment in New York, New York on or about , 2013.

Goldman, Sachs & Co. **Baird**

BofA Merrill Lynch **Barclays** **J.P. Morgan** **Wells Fargo Securities**

KeyBanc Capital Markets **Stifel** **William Blair**

Prospectus dated , 2013.

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We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Persons who come into possession of this prospectus and any such free writing prospectus in jurisdictions outside the United States (the "U.S.") are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus and any such free writing prospectus applicable to that jurisdiction.

Market and Industry Data

We obtained the industry, market and competitive position data throughout this prospectus from our own internal estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties, including (i) the *Worldwide Luxury Markets Monitor, Spring 2012 Update* (dated May 7, 2012), the *2012 Luxury Goods Worldwide Market Study (11th Edition)* (dated October 15, 2012) and the *Worldwide Luxury Markets Monitor, Spring 2013 Update* (dated May 16, 2013) (the "Bain Studies") each of which was prepared by the Altagamma Foundation in cooperation with Bain & Company and (ii) the *Vince Survey Among Qualified Non-Customers* (dated January 9, 2013) (the "Harris Study") which was prepared by Harris Interactive. Industry publications, studies and surveys generally state that they have been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified market and industry data from third-party sources. Further, while we believe the market opportunity information included in this prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us. See "Special Note Regarding Forward-Looking Statements."

The Bain Studies analyze the global luxury market, including the market and financial performance of more than 230 of the world's leading luxury goods companies and brands. All 2012 figures derived from the Bain Studies are based on an exchange rate of $1.00 to € 0.809.

We commissioned the Harris Study to analyze awareness of the Vince brand, affinity for the Vince brand and overall brand and purchase behavior among 500 qualified respondents.

Basis of Presentation

Our fiscal year ends on the Saturday closest to January 31. Fiscal years are identified in this prospectus according to the calendar year prior to the calendar year in which they end. For example, references to "2012," "fiscal 2012" or "fiscal year 2012" or similar references refer to the fiscal year ended on February 2, 2013. References to the "first six months of fiscal 2012" and the "first six months of fiscal 2013" refer to the six month periods ended July 28, 2012 and August 3, 2013, respectively.

Unless the context otherwise requires, references to the "company," "we," "us" and "our" collectively refer to Vince Holding Corp. (currently known as Apparel Holding Corp.) and its consolidated subsidiaries, which will include Vince, LLC after giving effect to the transactions to be effected immediately prior to the consummation of this offering. When discussing periods prior to the consummation of this offering, such references refer to the historical results and operations of Vince, LLC. We describe these transactions in the "Restructuring Transactions" section of this prospectus as "IPO Restructuring Transactions". Additionally, unless the context otherwise requires, references to:

- "AHC" refer to Apparel Holding Corp. and its consolidated subsidiaries (including Kellwood Company) prior to the completion of the IPO Restructuring Transactions. Apparel Holding Corp. is the historical owner and operator of the Vince and non-Vince businesses;

- “Kellwood” refer to Kellwood Holding, LLC and its consolidated subsidiaries (including Kellwood Company, LLC) after giving effect to the IPO Restructuring Transactions, as the future owner and operator of the non-Vince businesses, or to the non-Vince businesses of AHC prior to the completion of the IPO Restructuring Transactions, as the context requires;
- “Kellwood Company” refer to Kellwood Company prior to the completion of the IPO Restructuring Transactions and “Kellwood Company, LLC” references refer to such entity after completion of the IPO Restructuring Transactions;
- “Vince” refer to the Vince business after giving effect to the IPO Restructuring Transactions; and
- “Vince, LLC” refer to the entity that has historically held the Vince assets and liabilities and will continue to do so after completion of the IPO Restructuring Transactions and the consummation of this offering and the application of the proceeds of this offering as described herein. Apparel Holding Corp. is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC.

In connection with the IPO Restructuring Transactions, affiliates of Sun Capital Partners, Inc. (“Sun Capital”) will retain their ownership of the non-Vince businesses through their ownership of Kellwood Holding, LLC.

Trademarks

Prior to giving effect to the IPO Restructuring Transactions, AHC owned or had rights to trademarks or trade names that it used in conjunction with the operation of both the Vince and non-Vince businesses, including Vince ®, Rebecca Taylor ®, David Meister ®, My Michelle ®, XOXO ®, Jolt ®, Rewind ®, Democracy™, Sag Harbor ®, Briggs New York ®, Jax ®, Sangria™, Kelty ®, Sierra Designs ®, Ultimate Direction ®, Slumberjack ®, Wenzel ® and Isis ®. After giving effect to the IPO Restructuring Transactions, we will own or have the right to use the Vince ® trademark, under which we will operate our business, and Kellwood will continue to own the trademarks and tradenames necessary to operate the non-Vince businesses. 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. In this prospectus, we also refer to product names, trademarks, trade names and service marks that are the property of other companies. Each of the trademarks, trade names or service marks of other companies appearing in this prospectus belongs to its owners. Our use or display of other companies’ product names, trademarks, trade names or service marks is not intended to and does not imply a relationship with, or endorsement or sponsorship by us of, the product, trademark, trade name or service mark owner, unless we otherwise indicate.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. It does not contain all of the information that may be important to you and your investment decision. You should carefully read the following summary together with the entire prospectus, including the matters set forth under "Risk Factors," "Additional Information Related to Vince—Supplemental Management's Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC" and our financial statements and related notes included in the "Additional Information Related to Vince—Supplemental Selected Historical Financial Data of Vince, LLC" section of this prospectus. Some of the statements in this prospectus constitute forward-looking statements. See "Special Note Regarding Forward-Looking Statements." Statement of operations data set forth in this "Prospectus Summary" and the "Additional Information Related to Vince—Vince Business" and "Risk Factors—Risks Related to Vince" sections are calculated and presented on a stand-alone basis for Vince, LLC as if the Vince Transfer (as defined below in "—Corporate and Other Information") was consummated on the first day of the applicable period, unless the context otherwise requires. See "—Summary Historical Financial Data of Vince, LLC" for additional information.

Restructuring Transactions

Apparel Holding Corp. was formed to hold the assets and liabilities of Kellwood Company in connection with the February 2008 acquisition of Kellwood Company by affiliates of Sun Capital Partners, Inc. ("Sun Capital"). In September 2012, Kellwood Company transferred the assets and liabilities of the Vince business to Vince, LLC in anticipation of this offering. Immediately prior to the consummation of this offering, affiliates of Sun Capital will engage in a series of transactions pursuant to which they will establish new corporate entities that will retain all of the non-Vince businesses after this offering. These non-Vince businesses will accordingly remain privately-held and will not be owned by the investors in this offering. In addition, in connection with the IPO Restructuring Transactions, as described below in "—The Offering—Restructuring Transactions," Apparel Holding Corp., the entity offering stock in this offering, will change its name to Vince Holding Corp. and its only assets, liabilities, and operations will consist of the Vince business. Vince is the business in which you are investing by buying shares of common stock in this offering. Notwithstanding the foregoing, an investment in us is not the same as an investment in Vince, LLC as there are assets and liabilities of Apparel Holding Corp. not reflected in the Vince, LLC balance sheet. These assets and liabilities will be significantly impacted by the IPO Restructuring Transactions and the application of the net proceeds of this offering. See "Additional Information Related to AHC—Unaudited Pro Forma Consolidated Financial Data of AHC."

Consummation of this offering is conditioned upon the successful completion of the IPO Restructuring Transactions, including entry into the Transfer Agreement, which requires the issuance of the Kellwood Note Receivable, the application of the proceeds of this offering to the repayment of the Kellwood Note Receivable and the repayment, discharge or refinancing, as applicable, of certain indebtedness of Kellwood Company. The indebtedness that is to be repaid or discharged immediately after the closing of this offering (after giving effect to an additional capital contribution to be made by affiliates of Sun Capital as part of the IPO Restructuring Transactions) includes the Cerberus Term Loan Agreement, which had an outstanding balance of $45.7 million as of August 3, 2013, and the Sun Term Loan Agreements, which totaled $118.0 million in the aggregate as of August 3, 2013 (each as defined in "Restructuring Transactions"). Kellwood Company, LLC will also, at closing, issue an unconditional redemption notice to redeem all of its 12.875% Second-Priority Senior Secured Payment-In-Kind Notes due 2014, which totaled $146.8 million as of August 3, 2013 (the "12.875% Notes"), and refinance its $155 million revolving credit facility (the "Wells Fargo Facility"), which had an

outstanding balance of $115.6 million as of August 3, 2013, to, among other things, release Vince, LLC as a guarantor. At or after the closing of this offering, Kellwood Company, LLC may use proceeds remaining from the repayment of the Kellwood Note Receivable to repurchase some or all of its 7.625% 1997 Debentures due 2017, which totaled $87.0 million in the aggregate as of August 3, 2013 (the "7.625% Notes") and some or all of its 3.5% 2004 Convertible Debentures due June 15, 2034, which totaled $0.2 million in the aggregate as of August 3, 2013 (the "3.5% Convertible Notes"). Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of the 7.625% Notes or the 3.5% Convertible Notes. Although the repayment, discharge, repurchase or refinancing of the Kellwood Company indebtedness described in this paragraph is not a condition to the closing of this offering, the Transfer Agreement requires that Kellwood Company, LLC apply the proceeds from the repayment of the Kellwood Note Receivable to effect such repayments, discharges, repurchases and refinancings and entry into the Transfer Agreement is a closing condition. See "Restructuring Transactions," "Use of Proceeds" and "Other Information Related to this Offering—Description of Certain Indebtedness of AHC" for additional information. If any of these conditions are not satisfied, the offering will not be consummated and you will not receive or be obligated to pay for shares of Vince Holding Corp. common stock until such time as all such conditions are satisfied or the offering is withdrawn in accordance with applicable law.

Our Company

Apparel Holding Corp. is currently a diversified apparel company that designs, manufactures, and markets a collection of fashion brands which include Vince, Rebecca Taylor, David Meister, Sag Harbor, My Michelle and XOXO, along with numerous private label businesses for major retailers. AHC has four reportable segments which include (i) Vince, contemporary fashion apparel and accessories sold under the Vince ® brand name; (ii) American Recreational Products ("ARP"), recreational apparel and products sold under Kelty, Sierra Designs, Ultimate Direction, Slumberjack, Wenzel and Isis brand names; (iii) Juniors, a collection of denim, dresses and sportswear labels sold under the Rewind, My Michelle and Jolt brand name as well as private label; and (iv) Moderate, moderately priced related separates and pants covering career and casual lifestyles sold through wholesale distribution and produced under private labels, as well as under the Sag Harbor and Briggs New York brands. After giving effect to the IPO Restructuring Transactions, Apparel Holding Corp. will be renamed Vince Holding Corp. and its assets, liabilities, and operations will consist solely of the Vince business. An investment in us is an investment in the Vince business.

Vince is a prominent, high-growth contemporary apparel brand known for its modern, effortless style and everyday luxury essentials. The Vince brand was founded in 2002 with a collection of stylish women's knits and cashmere sweaters that rapidly attracted a loyal customer base drawn to the casual sophistication and luxurious feel of our products. Over the last decade, Vince has generated strong sales momentum and has successfully grown to include a men's collection in 2007, expanded denim, leather and outerwear lines in 2010 and women's footwear, which was launched through a licensing partnership in 2012. The Vince brand is synonymous with a clean, timeless aesthetic, sophisticated design and superior quality. We believe these attributes have generated strong customer loyalty and allow us to hold a distinctive position among contemporary apparel brands. We also believe that we will achieve continued success by expanding our product assortment and distributing this expanded product assortment through our premier wholesale partners in the U.S. and select international markets, as well as through our growing number of branded retail locations and on our e-commerce platform.

The strength of the Vince brand is demonstrated by our growth trajectory, with net sales, comparable store sales growth, Adjusted EBITDA and net income, as set forth below, for each of fiscal 2010, fiscal 2011 and fiscal 2012 and the first six months of fiscal 2012 and 2013:

Period (Dollars in Millions)	Net Sales	Change from Prior Period	Comparable Store Sales Growth	Adjusted EBITDA	Change from Prior Period	Net Income
Fiscal 2010	$ 111.5	—	9.3%	$ 23.6	—	$ 9.1
Fiscal 2011	175.3	57.2%	7.6%	44.2	86.9%	16.7
Fiscal 2012	240.4	37.1%	23.1%	51.5	16.6%	10.3
First six months of Fiscal 2012	90.5	—	13.9%	15.3	—	1.2
First six months of Fiscal 2013	114.7	26.6%	31.7%	21.5	40.9%	2.4

See "—Non-GAAP Financial Measures" for the definition of Adjusted EBITDA and a reconciliation from net income to Adjusted EBITDA.

Led by an experienced management team, Vince is evolving from a U.S. wholesale-driven women's apparel business to a global, dual-gender, multi-channel lifestyle brand. We believe we have significant and visible growth opportunities that include:

- expanding the brand's appeal with new product offerings;
- increasing wholesale penetration and productivity in premier department stores and specialty stores;
- opening new retail locations and improving productivity in existing Vince stores;
- growing our e-commerce business;
- selectively adding new points of distribution globally; and
- building brand awareness to attract new customers.

We serve our customers through a variety of channels that reinforce the Vince brand image. Our diversified channel strategy allows us to introduce our products to customers through multiple distribution points that are reported in two segments: wholesale and direct-to-consumer. Our wholesale segment is comprised of sales to premier department stores and specialty stores in the U.S. and in select international markets, with U.S. wholesale representing 76% of our fiscal 2012 sales and 70.4% of our sales for the first six months of fiscal 2013. We believe that our success in the U.S. wholesale segment and strong relationships with premier wholesale partners provide opportunities for continued growth. These growth initiatives include creating enhanced product assortments and brand extensions through both in-house development activities and licensing arrangements, as well as by continuing the build-out of Vince branded shop-in-shops in select wholesale partner locations. We also believe international wholesale, which represented 8% of net sales for fiscal year 2012 and 10.3% of net sales for the first six months of fiscal 2013, presents a significant growth opportunity as we strengthen our presence in existing geographies and introduce Vince in new markets globally.

In 2008, we began to broaden our distribution beyond the wholesale channel with the opening of our first retail store. Since then, we have expanded our direct-to-consumer presence, and as of October 5, 2013, we operated 27 stores, which consist of 21 full-price retail stores and six outlet locations. Based on a combination of third-party analyses and internal projections, we believe the U.S. market can currently support at least 100 free-standing Vince store locations. The direct-to-consumer

segment also includes our website, *www.vince.com* , which was launched in 2008. The direct-to-consumer segment accounted for 15.5% of fiscal 2012 net sales and 19.3% of net sales for the first six months of fiscal 2013, and we expect sales from this channel to accelerate as we drive productivity in existing stores, open new stores and upgrade and re-launch our website in 2014.

Our Competitive Strengths

Differentiated Brand for Everyday Luxury Essentials. We believe that the Vince brand holds a distinct position in today's marketplace driven by a premium product assortment that combines sophisticated comfort with contemporary and timeless fashion that can be worn virtually everyday. The Vince brand is distinguished by a refined, modern aesthetic with superior quality and attention to detail and fit. The premium nature of the Vince brand is reinforced through our highly selective wholesale partnerships with premier department stores and specialty stores and a retail strategy designed to ensure a consistent brand presentation and enhanced customer experience. We believe the enduring fashion and effortless style of the Vince brand, coupled with a pricing strategy that positions us as an affordable luxury, have created strong and proven global appeal.

Exceptional Customer Loyalty and Reach. The quality, consistency and design of our products have attracted a loyal following among style-savvy consumers across a broad age demographic. Based on a 2012 third-party survey that we commissioned among 500 qualified consumers, Vince has high levels of brand affinity and purchase intent. Among women surveyed who are aware of Vince, 41% express that they "love" the brand, and 35% report that they are "highly likely" to purchase the brand within the next six months, representing the highest levels of affinity and purchase intent compared to 20 other peer brands included in the survey. While our target customer is between the ages of 30 and 50, we have successfully attracted fashion-conscious customers as young as 18 and customers over 55 who appreciate our brand's sophistication and design aesthetic.

Established Network of Premier Wholesale Partners . Vince is a leading brand in premier U.S. department stores, including Nordstrom, Saks Fifth Avenue, Neiman Marcus and Bloomingdale's, as well as in select specialty stores nationwide. Based on industry experience, we believe that in the majority of these U.S. department stores, Vince was a top selling brand on the contemporary floor in fiscal 2012 and the first six months of fiscal 2013. Our product offerings and brand also resonate with customers outside the U.S., as demonstrated by the strong growth experienced through premium international stores including Harrods and Harvey Nichols in both these periods and by Lane Crawford in the first six months of fiscal 2013. Looking forward, we believe there are opportunities for further growth and productivity gains with our wholesale partners through new initiatives such as product line extensions and the transformation of Vince product displays at select department stores into branded shop-in-shops.

Scalable and Flexible Retail Format. We opened our first retail location in 2008 and have since grown our retail footprint in the U.S. to a total of 27 stores, which consist of 21 full-price retail stores and six outlet locations, as of October 5, 2013. Our stores offer a personalized, service-oriented shopping experience in a boutique setting that reflects the lifestyle and modern aesthetic of the brand. We have a proven and flexible full-price retail format that targets both street and mall locations, which can accommodate both dual and single gender assortments. The strength of our retail channel is evidenced by the revenue growth across our existing store base, with a 9.3%, 7.6% and 23.1% comparable store sales growth in fiscal 2010, fiscal 2011 and fiscal 2012, respectively, and 31.7% comparable store sales growth in the first six months of fiscal 2013. We continue to open retail locations and invest in infrastructure to support the long-term growth of this channel.

Experienced Management Team. We have assembled a world-class management team with extensive experience across a broad range of disciplines including global brand building, merchandising, marketing, design, operations, retail, international, licensing and finance. Our highly skilled team is led by our Chief Executive Officer ("CEO"), Jill Granoff, who was previously CEO of Kenneth Cole Productions, our President and Chief Creative Officer, Karin Gregersen, who was previously Managing Director of Chloé/Richemont Americas, and our Chief Financial Officer ("CFO"), Lisa Klinger, who was previously CFO of The Fresh Market.

Growth Strategy

Capitalize on New and Existing Product Opportunities. We believe there are significant opportunities to capitalize on our strong customer loyalty and growing customer base by enhancing our current product assortment and introducing new product categories in order to provide additional reasons to shop the Vince brand. We plan to build sales of existing product categories by elevating our men's collection, expanding our denim and outerwear offerings, increasing our assortment of women's bottoms and dresses and implementing a replenishment program for core items. Additionally, we continue to identify new product categories that will allow us to capture incremental share from existing customers and attract new customers. Categories already identified include handbags and leather accessories, which we anticipate launching in 2015, as well as more tailored collections for women and men. We also entered into a licensing agreement for women's footwear, which launched in 2012, and signed a licensing agreement in 2013 for the launch of children's apparel in 2014. We also anticipate launching men's footwear in 2014 through a licensing partner. We will continue to explore additional licensing opportunities for select categories requiring specialized expertise, such as intimates/loungewear, men's footwear and fashion accessories.

Increase Wholesale Penetration . In fiscal 2012, we grew our wholesale net sales in the U.S. by 35% compared to fiscal 2011. This revenue growth exceeded our growth of 17% in the number of wholesale doors during fiscal 2012, which illustrates our ability to improve productivity within existing locations. We believe we can continue to increase wholesale net sales by enhancing assortments in existing product categories, introducing new product categories and improving our visual presentation, space layout and fixtures. Working with our wholesale partners, we are planning to open 15 to 20 new branded shop-in-shops in fiscal 2013 and believe there is an attractive opportunity to open additional shop-in-shops in 2014 and beyond. We believe our shop-in-shop strategy will provide our customers with a more elevated retail shopping experience and allow us to better showcase the Vince lifestyle.

Accelerate Growth of U.S. Direct-to-Consumer Segment. As of October 5, 2013, we operated 27 stores, which consist of 21 full-price retail stores and six outlet locations. Based on a combination of third-party analyses and internal projections, we believe the U.S. market can currently support at least 100 free-standing Vince store locations. We plan to double our current store base over the next three to five years, including opening a net total of six new stores in fiscal 2013. Our new full-price store model ranges from 2,000 to 3,000 gross square feet, and we target a payback period on our new store investments of two to three years. In addition to new store expansion, we also have an opportunity to increase productivity in our existing stores through enhanced merchandising with a focus on a broad lifestyle presentation, personalized customer service strategies, the launch of new product categories, improved inventory management and the expansion of made-for-outlet product. We believe our recently enhanced e-commerce strategy creates additional opportunities for growth. As a component of this strategy, we intend to upgrade and re-launch our *www.vince.com* website in 2014 to offer a more compelling shopping experience and richer content to increase customer engagement and visit frequency.

Expand Our International Business. Given increasing worldwide demand for affordable luxury goods, targeted international expansion represents a compelling growth opportunity. Vince products are currently sold in 43 countries, either directly to premier department and specialty stores, or through distribution relationships with highly-regarded international partners with exclusive rights to certain territories. As of October 5, 2013, we had eight international shop-in-shops. We believe we can increase international sales by supplementing existing distribution partnerships, increasing wholesale penetration and productivity and selectively adding retail locations with current and prospective partners in attractive international markets including Canada, select European countries, Asia and the Middle East.

Build Our Brand Awareness . Vince has a significant opportunity to increase brand awareness and drive incremental sales. Based on a 2012 third-party consumer survey we commissioned, Vince has aided brand awareness of 20% compared to 30% to 50% for other contemporary brands and approximately 75% to 90% for brands like Michael Kors, Diane von Furstenburg and Ralph Lauren. Aided brand awareness is when a respondent indicates recognition of a specific brand from a list of possible names presented by those conducting the survey instead of indicating recognition of a specific brand without being offered a list of potential responses. Our low awareness level, coupled with the high affinity and purchase intent we have among existing consumers, underscores what we believe is a significant growth opportunity to convert potential new customers to loyal brand enthusiasts. To address this opportunity, we intend to increase our marketing investment across a range of strategic initiatives, including cooperative advertising with wholesale partners, print media, digital media, editorial coverage, direct mail, search engine optimization, social media initiatives, targeted product placement, celebrity outreach and in-store events. We also believe our brand awareness will increase as we open new retail stores in prominent, high-visibility locations, increase the number of shop-in-shops at our wholesale partner locations and upgrade and re-launch our *www.vince.com* website.

Recent Developments of Apparel Holding Corp.

Set forth below is selected preliminary, unaudited consolidated financial data of Apparel Holding Corp. and its consolidated subsidiaries for the third quarter of fiscal 2013, based upon AHC's estimates. It includes selected preliminary, unaudited consolidated financial data associated with the combined Vince and non-Vince businesses and assets and liabilities associated with the Vince business as well as the non-Vince businesses that will be transferred to Kellwood Holding, LLC and its consolidated subsidiaries in connection with the IPO Restructuring Transactions. An investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. We will not have ongoing involvement with the non-Vince businesses following separation, with the exception of our payments to Kellwood for certain services to be provided under the Shared Services Agreement as further described elsewhere in this prospectus. Similarly, Kellwood will not have ongoing involvement in our business, other than pursuant to the Shared Services Agreement. Once we have completed the IPO Restructuring Transactions, results of operations of the non-Vince businesses will be reported as discontinued operations for accounting purposes and our continuing operations will consist solely of the Vince business.

This data has been prepared by, and is the responsibility of, AHC management. AHC's independent registered public accounting firm, PricewaterhouseCoopers LLP, has not audited, reviewed, compiled or performed any procedures related to, and does not express an opinion or any other form of assurance with respect to, this data. This summary is not a comprehensive statement of AHC's financial results for the third quarter of fiscal 2013 and AHC's actual results may differ materially from these estimates due to the completion of its financial closing procedures, final adjustments and

other developments that may arise between now and the time the financial results for this period are finalized.

- Net sales are estimated to be between $212.9 million and $215.0 million for the third quarter of fiscal 2013, an increase of 5.0% at the midpoint of the range as compared to $203.4 million for the third quarter of fiscal 2012. The estimated increase in net sales is primarily due to higher net sales within our Vince and Juniors segments, partially offset by lower net sales within our ARP segment.
- Gross margin rate for the third quarter of fiscal 2013 is estimated to be between 31.3% and 32.7%, an increase of approximately 110 basis points compared to the third quarter fiscal 2012 rate of 30.9%. The estimated increase in gross margin is driven primarily by a higher percentage of our sales coming from the Vince segment, in which AHC generally recognizes higher margins.
- Income from operations is estimated to be between $12.0 million and $15.0 million for the third quarter of fiscal 2013 as compared to $16.1 million for the third quarter of fiscal 2012. The increase in net sales noted above is expected to be offset by increased selling, general and administrative expenses, which are expected to be between $52.8 million and $53.8 million, primarily in its Vince segment and partially offset by a decrease in unallocated corporate selling, general and administrative expenses.
- Net loss is estimated to be between $(4.5) million and $(1.5) million for the third quarter of fiscal 2013 as compared to net loss of $(14.9) million for the third quarter of fiscal 2012. The estimated decrease in net loss compared to the corresponding period in fiscal 2012 is primarily driven by the net loss from discontinued operations of $6.7 million for the third quarter of fiscal 2012, which was not repeated in fiscal 2013.
- Adjusted EBITDA is estimated to be between $16.1 million and $20.3 million for the third quarter of fiscal 2013, as compared to $21.5 million for the third quarter of fiscal 2012. AHC's adjusted EBITDA estimate for the third quarter of fiscal 2013 reflects AHC's estimated net loss from continuing operations before income taxes of between $(4.4) million and $(1.4) million, plus estimated deprecation of $1.2 million, plus estimated amortization of $0.5 million, plus estimated interest expense, net of $14.8 million plus estimated restructuring, environmental and other charges of between $0.1 million and $1.3 million, plus estimated public company transition costs of $3.2 million. AHC's Adjusted EBITDA for the third quarter of fiscal 2012 reflects AHC's loss from continuing operations before provision of income taxes of $(8.3) million plus depreciation of $1.0 million, plus amortization of $0.5 million, plus interest expense, net of $23.8 million, plus restructuring, environmental and other charges of $0.6 million plus public company transition costs of $3.9 million, in each case for the third quarter of fiscal 2012.

AHC includes Adjusted EBITDA for a number of reasons as described in "Additional Information Related to AHC—Management's Discussion and Analysis of Financial Condition and Results of Operations of AHC." AHC's use of Adjusted EBITDA has certain limitations because it does not reflect all items of income and expense that affect AHC's operations. Investors are encouraged to review AHC's financial information in its entirety and not rely on a single financial measure.

AHC has provided a range from the preliminary results described above primarily because its financial closing procedures for the month ended November 2, 2013 and the third quarter of fiscal 2013 have not yet been completed and as such, the financial closing procedures are not yet complete. As a result, AHC expects that its financial results upon completion of our closing procedures will vary from the preliminary estimates within the ranges as described above. Among the components of AHC's financial results as to which it is unable to determine specific amounts prior to the completion of its

quarter end closing procedures are: (i) net sales, which AHC estimates based upon recent historical trends, internal analysis and forecasting and preliminary unaudited results for the two fiscal months ended October 5, 2013; (ii) certain general operating expenses associated with accrued liabilities arising at the end of the period, which are estimated based upon recent historical trends and internal reporting and forecasting; (iii) employee bonus expenses, which are included in AHC's operating expenses and estimated based upon a formula that is dependent upon AHC's forecasted Adjusted EBITDA; (iv) certain operating expenses associated with commitments and contingencies; and (v) AHC's income tax provision, which has been estimated based upon AHC's current tax provision as of and at August 3, 2013 and AHC's forecasted pre-tax income (loss) for the period. AHC expects to complete its closing procedures with respect to the month ending November 2, 2013 and the third quarter of fiscal 2013 in December 2013.

Recent Developments of Vince, LLC

Set forth below is selected preliminary, unaudited financial data of Vince, LLC for the third quarter of fiscal 2013, based upon our estimates. This data has been prepared by, and is the responsibility of, management. Our independent auditor, PricewaterhouseCoopers LLP, has not audited, reviewed, compiled or performed any procedures, and does not express an opinion or any other form of assurance with respect to this data. This summary is not a comprehensive statement of our financial results for this period and our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for this period are finalized.

Please note the following:

- **Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of this offering) is the legal issuer of the shares offered in this offering.**
- **The information set forth below is provided as supplemental information and should not be considered in lieu of the information pertaining to Apparel Holding Corp; and**
- **The financial information included in this discussion and in Vince, LLC's historical financial statements may not be indicative of Apparel Holding Corp.'s financial position, operating results and changes in equity after the completion of the IPO Restructuring Transactions, or what they would have been had the Vince business operated separately from the non-Vince businesses during the periods presented.**
- Net sales for the third quarter of fiscal 2013 are estimated to be between $85.3 million and $86.2 million, an increase of 10.8% to 11.9% as compared to $77.0 million for the third quarter of fiscal 2012. This net sales growth is on top of a 34.0% increase in net sales during the corresponding third quarter period in fiscal 2012. The increase in net sales is expected to be primarily due to an increase in our direct to consumer channel with comparable store sales growth of 16.5%, the opening of seven additional retail stores, and increased e-commerce sales volume. The 16.5% comparable store sales growth expectation for the third quarter of fiscal 2013 is in addition to 23.4% comparable store sales growth reported in the third quarter of fiscal 2012. We also estimate 2.0% to 3.0% growth in the wholesale channel driven by net sales growth in the high-teens at our premier U.S. wholesale partners and the opening of 13 new global shop-in-shops, mostly offset by the fact that our international wholesale partners shifted some of their purchases from the third quarter of fiscal 2013 to the second quarter of fiscal 2013 and the fact that our off-price partners shifted some of their purchases into the fourth quarter of fiscal 2013. These timing shifts impacted our third quarter fiscal 2013 wholesale sales growth by eight percentage points.

- Gross margin rate for the third quarter of fiscal 2013 is estimated to be between 48.5% and 49.0%, an increase of approximately 290 to 340 basis points compared to the third quarter fiscal 2012 rate of 45.6%. The estimated increase in gross margin is driven by (i) a higher percentage of our sales coming from the direct-to-consumer segment, where we generally recognize higher margins, which we estimate will deliver approximately 200 to 240 basis points of gross margin expansion and (ii) an increased percentage of full-price sales compared to off-price sales in the third quarter of fiscal 2013, which we estimate will deliver approximately 300 to 350 basis points of gross margin improvement relative to the third quarter of fiscal 2012. These margin expansion drivers will be partially offset by increased margin contribution payments provided to our wholesale partners in the third quarter of fiscal 2013, which are estimated to result in a 210 to 250 basis points decline in gross margin.
- Income from operations for the third quarter of fiscal 2013 is estimated to be between $17.3 million and $17.8 million, an increase of 11.4% to 14.2% as compared to $15.6 million for the third quarter of fiscal 2012. The estimated increase in income from operations compared to the corresponding period in fiscal 2012 is primarily due to increased net sales, partially offset by higher selling, general and administrative ("SG&A") expenses. Total SG&A expenses are estimated to be between $23.9 million and $24.3 million, or 28.0% to 28.2% as a percentage of sales, versus $19.4 million, or 25.2% as a percentage of sales, in the corresponding period in fiscal 2012. The increased SG&A expenses were driven by incremental compensation costs associated with the hiring of the stand-alone Vince management team estimated at 80 to 85 basis points, incremental new store costs estimated at 145 to 155 basis points and increased marketing and design expense estimated at 55 to 60 basis points, each of which reflect continued investment in the business for future growth.
- Net income for the third quarter of fiscal 2013 is estimated to be between $6.3 million and $6.5 million, an increase of 12.7% to 16.7% as compared to net income of $5.6 million for the third quarter of fiscal 2012. The estimated increase in net income versus the corresponding period in fiscal 2012 is primarily due to increased net sales, partially offset by higher SG&A expenses.
- Adjusted EBITDA for the third quarter of fiscal 2013 is estimated to be between $21.1 million and $21.6 million, an increase of 6.4% to 8.6% as compared to $19.9 million for the third quarter of fiscal 2012. Our adjusted EBITDA estimate for the third quarter of fiscal 2013 reflects estimated income before income taxes of between $10.4 million and $10.7 million, plus estimated depreciation of $0.6 million, plus estimated amortization of $0.2 million, plus estimated net interest expense of between $6.8 million and $6.9 million, plus estimated public company transition costs of $3.2 million. The adjusted EBITDA for the third quarter of fiscal 2012 reflects income before income taxes of $9.3 million plus depreciation of $0.4 million, plus amortization of $0.2 million, plus net interest expense of $6.1 million, plus public company transition costs of $3.9 million.

We include Adjusted EBITDA for a number of reasons as described in "Additional Information Related to Vince—Management's Discussion and Analysis of Financial Condition and Results of Operations of Vince." Our use of Adjusted EBITDA has certain limitations because it does not reflect all items of income and expense that affect our operations. Investors are encouraged to review our financial information in its entirety and not rely on a single financial measure.

We have provided a range from the preliminary results described above primarily because the financial closing procedures for the month ended November 2, 2013 and the third quarter of fiscal 2013 have not yet been completed. As a result, we expect that our financial results upon completion of our closing procedures will vary from our preliminary estimates within the ranges as described above.

Among the components of our financial results as to which we are unable to determine specific amounts prior to the completion of its quarter end closing procedures are : (i) net sales, which we estimate based upon recent historical trends, internal analysis and forecasting and preliminary unaudited results for the two months ended October 5, 2013; (ii) certain general operating expenses associated with accrued liabilities arising at the end of the period, which are estimated based upon recent historical trends and internal reporting and forecasting; (iii) employee bonus expenses, which are included in our operating expenses and estimated based upon a formula that is dependent upon our forecasted Adjusted EBITDA; (iv) certain operating expenses associated with commitments and contingencies; and (v) our income tax provision, which has been estimated based upon our current tax provision as of and at August 3, 2013 and our forecasted pre-tax income for the period. We expect to complete our closing procedures with respect to the month ending November 2, 2013 and the third quarter of fiscal 2013 in December 2013.

Our Market Opportunity

We operate in the global personal luxury goods industry. According to the Bain Studies, the luxury goods market grew at a compound annual growth rate of approximately 6% between 1996 and 2012, with estimated sales of approximately $260 billion in 2012. The Bain Studies define the global personal luxury goods market to include design, hospitality, wines & spirits, food, cars and yachts. According to the Bain Studies, for fiscal 2010 through fiscal 2012, the global personal luxury goods market grew at an 11% compounded annual growth rate. Going forward, Bain & Company expects the global personal luxury goods market to grow 4% to 5% in 2013, and at a 5% to 6% compounded annual growth rate over the next few years, reflecting a growing middle class possessing increased purchasing power in select international markets, increased demand for higher-end apparel and leather goods, and growing demand for luxury goods in China and South-East Asia. We believe our business is well-positioned to benefit from these trends.

Risks Associated with our Business

There are a number of risks and uncertainties that may affect our financial and operating performance and our growth prospects. You should carefully consider all of the risks discussed in “Risk Factors” before investing in our common stock. Some of these risks include the following:

- General economic conditions in the U.S. and other parts of the world, including a continued weakening of the economy and restricted credit markets, can affect consumer confidence and consumer spending patterns;
- Intense competition in the apparel industry could reduce our sales and profitability;
- A substantial portion of our revenue is derived from a small number of large wholesale partners, and the loss of any of these wholesale partners could substantially reduce our total revenue;
- We have grown rapidly in recent years and we have limited operating experience as a team at our current scale of operations. If we are unable to manage our operations at our current size or are unable to manage any future growth effectively, our business results and financial performance may suffer;
- Kellwood provides us with certain key services for our business. If Kellwood fails to perform its obligations to us or if we do not find appropriate replacement services, we may be unable to perform these services or implement substitute arrangements on a timely and cost-effective basis on terms favorable to us; and
- Our historical financial information may not be representative of our results as a stand-alone public company.

Our Equity Sponsor

Sun Capital is a leading private investment firm focused on leveraged buyouts, equity, debt and other investments in market-leading companies that can benefit from its in-house operating professionals and experience. Since its inception in 1995, Sun Capital affiliates have invested in over 320 companies worldwide with combined sales in excess of $45 billion. Sun Capital affiliates have invested in several specialty retail and apparel companies, including Gerber Childrenswear, Hanna Andersson, Limited Stores, Gordmans, Scotch & Soda, Mattress Firm, Pamida and Shopko Stores.

On February 12, 2008, investment funds advised by affiliates of Sun Capital acquired Kellwood Company for aggregate consideration of $955.4 million, including the assumption of debt, in a cash tender offer and subsequent squeeze-out merger. Sun Cardinal, LLC ("Sun Cardinal") and SCSF Cardinal, LLC ("SCSF Cardinal"), affiliates of Sun Capital and the selling stockholders in this offering, have offered the underwriters an option to purchase an additional 1,500,000 shares in this offering. Following consummation of this offering, affiliates of Sun Capital will own approximately 72% of our outstanding common stock, or 68% if the underwriters' option to purchase additional shares from the selling stockholders is fully exercised. See "Other Information Related to this Offering—Security Ownership of Certain Beneficial Owners of AHC." Sun Cardinal, LLC, a Sun Capital affiliate, will have the ability to designate a majority of our directors for so long as affiliates of Sun Capital own 30% or more of the outstanding shares of our common stock. As a result, funds advised by affiliates of Sun Capital will be able to have a significant effect relating to votes over fundamental and significant corporate matters and transactions. See "Risk Factors—Risks Related to this Offering and Our Common Stock—We are a "controlled company," controlled by investment funds advised by affiliates of Sun Capital, whose interests in our business may be different from yours."

Company History

Kellwood Company was founded in 1961 as the successor by merger of fifteen independent suppliers to Sears, Roebuck & Co. Beginning in 1985, Kellwood implemented a strategy to expand its branded business, broaden its customer base, diversify its distribution channels and further develop its global sourcing capability. In 2006, Kellwood Company acquired the Vince business from its founders. As described above, affiliates of Sun Capital acquired Kellwood Company in February 2008 through Apparel Holding Corp. Affiliates of Sun Capital will continue to control the non-Vince businesses through their ownership of Kellwood Holding, LLC, after giving effect to the IPO Restructuring Transactions.

Corporate and Other Information

Apparel Holding Corp. was incorporated in Delaware in February 2008 in connection with the acquisition of Kellwood Company by affiliates of Sun Capital. In September 2012, Kellwood Company formed Vince, LLC and all assets constituting the Vince business were contributed to Vince, LLC at such time (the "Vince Transfer"). Immediately prior to the consummation of this offering, Apparel Holding Corp. will be renamed Vince Holding Corp., the entity issuing common stock in this offering. Our principal executive office is located at 1441 Broadway, 6th Floor, New York, New York 10018 and our telephone number is (212) 515-2600. Our corporate website address is *www.vince.com* . The information contained on, or accessible through, our corporate website does not constitute part of this prospectus.

Affiliates of Sun Capital are Apparel Holding Corp.'s controlling stockholders. After consummation of this offering, affiliates of Sun Capital will continue to control both Kellwood and Vince. Kellwood will continue to provide certain services to us through the Shared Services Agreement (as described in "Other

Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement"), such as distribution, information technology and back office support.

Emerging Growth Company Status

We are, and will continue to be after completing the IPO Restructuring Transactions, an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). For as long as we are an "emerging growth company," we may 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(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding advisory "say-on-pay" votes on executive compensation and stockholder advisory votes on golden parachute compensation.

Under the JOBS Act, we will remain an "emerging growth company" until the earliest of:

- the last day of the fiscal year during which we have total annual gross revenues of $1 billion or more;
- the last day of the fiscal year following the fifth anniversary of the consummation of this offering;
- the date on which we have, during the previous three-year period, issued more than $1 billion in non-convertible debt; and
- the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We will qualify as a large accelerated filer as of the first day of the first fiscal year after we have (i) more than $700 million in outstanding common equity held by our non-affiliates and (ii) been public for at least 12 months. The value of our outstanding common equity will be measured each year on the last day of our second fiscal quarter.

The JOBS Act also provides that an "emerging growth company" can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act") for complying with new or revised accounting standards. However, we are choosing to "opt out" of such extended transition period, 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 companies that are not "emerging growth companies." Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

The Offering	
Common stock offered by us	10,000,000 shares.
Option to purchase additional shares offered by the selling stockholders	The selling stockholders have agreed to allow the underwriters to purchase up to an additional 1,500,000 shares in the aggregate from them, at the public offering price, less the underwriting discount, within 30 days of the date of this prospectus. We will not receive proceeds, if any, from the underwriters' option to purchase additional shares.
Common stock outstanding immediately after the offering	36,263,585 shares.
Selling stockholders	Sun Cardinal, LLC and SCSF Cardinal, LLC, affiliates of Sun Capital.
Use of proceeds	We expect to receive net proceeds from this offering of approximately $159 million, based upon an assumed initial public offering price of $18.00 per share, the midpoint of the range set forth on the cover of this prospectus, and after deducting underwriting discounts and estimated offering expenses payable by us. We expect to receive approximately $159 million of net proceeds from this offering and retain approximately $5.0 million of such net proceeds for general corporate purposes. We expect to use the remaining estimated net proceeds, together with net borrowings of $169.5 million under our new term loan facility, to repay the Kellwood Note Receivable, as described in "Restructuring Transactions." The final amount of the Kellwood Note Receivable will equal the sum of net proceeds from this offering plus net borrowings under our new term loan facility. We estimate that the Kellwood Note Receivable will total $323.5 million, based on our current estimated net offering proceeds and anticipated net borrowings under our new term loan facility. After giving effect to the contribution of certain indebtedness under the Sun Term Loan Agreements to be made by Sun Capital or its affiliates as part of the IPO Restructuring Transactions (the "Additional Sun Capital Contribution"), which capital contribution will be in addition to the Sun Capital Contribution, as described below in "—Restructuring Transactions," Kellwood Company, LLC will use

	proceeds from our repayment of the Kellwood Note Receivable to repay, discharge or repurchase a portion of its indebtedness, including fees, expenses and accrued and unpaid interest related thereto. Additionally, Kellwood Company, LLC will refinance the remainder of such then outstanding indebtedness for which Apparel Holding Corp. or Vince, LLC is a guarantor or obligor. Kellwood Company, LLC also intends to utilize a portion of the proceeds from repayment of the Kellwood Note Receivable to pay (i) a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Partners Management V, LLC ("Sun Capital Management") pursuant to that certain management services agreement, as described in "Other Information Related to this Offering—Certain Relationships and Related Party— Transactions of AHC—Management Fees" (the "Management Services Agreement") and (ii) a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in "Additional Information Related to Vince—Vince Executive Compensation— Employment Agreements." See "Restructuring Transactions" and "Use of Proceeds" for additional information. It is currently estimated that the restructuring fee described in clause (i) above and payable to Sun Capital Management in connection with this offering will total $3.1 million.
Restructuring Transactions	Effective September 1, 2012, Kellwood Company, a wholly-owned subsidiary of Apparel Holding Corp., contributed the assets and liabilities constituting the Vince business to Vince, LLC, a Delaware limited liability company and wholly-owned subsidiary of Kellwood Company, in the Vince Transfer. In anticipation of this offering and effective June 18, 2013, affiliates of Sun Capital, contributed $407.5 million of indebtedness to Apparel Holding Corp. as a capital contribution. We refer to this contribution as the "Sun Capital Contribution." Affiliates of Sun Capital will contribute an estimated $87.9 million of indebtedness under the Sun Term Loan Agreements to Apparel Holding Corp. in the Additional Sun Capital Contribution as part of the IPO Restructuring Transactions. Such number assumes that the amount of the Kellwood Note Receivable will be $323.5 million and that the aggregate amount of uses of the Kellwood Note

	Receivable proceeds (as described in “Use of Proceeds”) totals $411.4 million. We will complete the IPO Restructuring Transactions immediately prior to the consummation of this offering through which (i) Kellwood Holding, LLC will acquire the non-Vince businesses, which include Kellwood Company, LLC (to be converted from Kellwood Company in connection with these transactions) and (ii) Vince Intermediate Holding, LLC, a to be formed direct subsidiary of Apparel Holding Corp., will retain the Vince business, which includes Vince, LLC. Sun Capital affiliates will continue to own and control the non-Vince businesses through their ownership of Kellwood Holding, LLC after giving effect to the IPO Restructuring Transactions. Additionally, immediately prior to consummation of this offering, and as part of the IPO Restructuring Transactions, Apparel Holding Corp. will (A) convert all of its issued and outstanding non-voting common stock into common stock on a one-for-one basis, (B) effect a stock split of its common stock on a 28.5177 for one basis and (C) change its name to Vince Holding Corp. We refer to the Vince Transfer, the Sun Capital Contribution and the IPO Restructuring Transactions collectively as the “Restructuring Transactions.” Successful completion of the IPO Restructuring Transactions is a condition to the consummation of this offering. For a more detailed discussion and charts showing our structure before and after consummation of this offering, see “Restructuring Transactions.”
Dividend policy	We currently expect to retain all available funds and any future earnings to fund the development and growth of our business and to repay indebtedness and therefore we do not anticipate paying any cash dividends in the foreseeable future. We anticipate that our ability to pay dividends on our common stock will be limited by our new revolving credit facility and our new term loan facility and may be further restricted by the terms of any other of our future debt or preferred securities. See “Dividend Policy of AHC” and “Additional Information Related to Vince—Description of Certain Indebtedness of Vince, LLC.”
Risk factors	See “Risk Factors” and the other information in this prospectus for a discussion of the factors you should consider before you decide to invest in our common stock.
Proposed New York Stock Exchange Symbol	We intend to apply to list our common stock on the New York Stock Exchange (the “NYSE”) under the symbol “VNCE”.

The number of shares of our common stock to be outstanding following this offering is based on shares of our common stock outstanding as of October 15, 2013, and excludes:

- 99,812 shares of our common stock issuable upon the exercise of options that we intend to grant under our new management equity incentive plan (the "Vince 2013 Incentive Plan"), as described in “Additional Information Related to Vince—Vince Executive Compensation —Employee Stock Plans—Vince 2013 Incentive Plan,” to our Chief Financial Officer with an exercise price equal to the public offering price set forth on the cover of this prospectus in connection with the consummation of this offering;
- up to approximately 260,000 shares of our common stock issuable upon the exercise of options that we intend to grant under the Vince 2013 Incentive Plan to certain of our employees (excluding our named executive officers) with an exercise price equal to the public offering price set forth on the cover of this prospectus in connection with the consummation of this offering;
- approximately 2,208,290 shares of our common stock issuable upon the exercise of options that were issued to Vince employees and a former AHC executive under the 2010 Option Plan of Kellwood Company (the “2010 Option Plan”), after giving effect to the IPO Restructuring Transactions (including the related stock split) and Apparel Holding Corp.’s assumption of Kellwood Company’s remaining obligations under the 2010 Option Plan. Affiliates of Sun Capital have the right to acquire the 262,112 shares of stock issuable upon the exercise of options previously granted to such former AHC executive and to exercise those options upon the closing of this offering, or the options themselves. See note (5) to “Additional Information Related to AHC—AHC Executive Compensation—Outstanding Equity Awards at Fiscal 2012 Year-End” for additional information regarding such options and the related purchase right held by affiliates of Sun Capital. The exact number of options to be so issued to each employee shall be calculated by dividing the aggregate spread value of such employee’s options (determined as the difference between the exercise price and the public offering price set forth on the cover of this prospectus, multiplied by the aggregate number of vested options held by such employee) by this public offering price. Assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus, these options would have a weighted average exercise price of $5.38 per share. See “Additional Information Related to AHC—AHC Executive Compensation—Employee Stock Plans—2010 Option Plan” for a description of the impact of a $1.00 increase or $1.00 decrease to the assumed initial public offering price of $18.00 per share on the adjusted exercise prices and the number of adjusted options;
- up to approximately 204,447 shares of our common stock which are to be issued to non-Vince employees in exchange for their vested Kellwood Company stock options previously issued under the 2010 Option Plan (as such options are adjusted to give effect to the IPO Restructuring Transactions, including the related stock split). The exact number of shares to be so issued to each employee shall be calculated by dividing the aggregate spread value of such employee’s vested options (determined as the difference between the exercise price and the public offering price set forth on the cover of this prospectus) by this public offering price See “Additional Information Related to AHC—AHC Executive Compensation—Employee Stock Plans—2010 Option Plan” for a description of the impact of a $1.00 increase or $1.00 decrease to the assumed initial public offering price of $18.00 per share on the number of shares of our common stock to be issued to such non-Vince employees;
- 8,333 restricted stock units, representing the right, at the option of the company, to deliver 8,333 shares of our common stock or an equivalent cash amount, that we intend to grant to our

non-employee directors in the aggregate in connection with the consummation of this offering (assuming the midpoint of the initial public offering price range indicated on the cover of this prospectus);

- approximately 3,000,000 shares of our common stock that will be reserved and available for issuance under our Vince 2013 Incentive Plan, after giving effect to the option and restricted stock grants described above, to certain of our employees (including our Chief Financial Officer) at or after the consummation of this offering; and
- 1,000,000 shares of our common stock reserved for future issuance under our 2013 Employee Stock Purchase Plan (the "Vince ESPP") which we plan to adopt in connection with this offering (as described in “Additional Information Related to Vince—Vince Executive Compensation—Employee Stock Plans—Employee Stock Purchase Plan”).

Unless otherwise indicated, this prospectus reflects and assumes the following:

- the conversion of all of our issued and outstanding non-voting common stock into common stock on a one-for-one basis;
- the subsequent stock split of our common stock on a 28.5177 for one basis;
- the completion of the remainder of the IPO Restructuring Transactions; and
- an initial public offering price of $18.00 per share, the midpoint of the initial public offering price range indicated on the cover of this prospectus.

Summary Historical Consolidated Financial Data of Apparel Holding Corp.

The following tables set forth summary historical consolidated financial data of Apparel Holding Corp. and its consolidated subsidiaries. They include the results of operations associated with the combined Vince and non-Vince businesses and assets and liabilities associated with the Vince business as well as the non-Vince businesses that will be transferred to Kellwood Holding, LLC and its consolidated subsidiaries in connection with the IPO Restructuring Transactions. An investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. We will not have ongoing involvement with the non-Vince businesses following separation, with the exception of our payments to Kellwood for certain services to be provided under the Shared Services Agreement as further described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement" contained elsewhere in this prospectus. Similarly, Kellwood will not have ongoing involvement in our business, other than pursuant to the Shared Services Agreement. You should read the information set forth below in conjunction with "Use of Proceeds," "Capitalization of AHC," "Additional Information Related to AHC—Selected Historical Consolidated Financial Data of AHC," "Additional Information Related to AHC—Management's Discussion and Analysis of Financial Condition and Results of Operations of AHC" and Apparel Holding Corp.'s audited historical consolidated financial statements and notes thereto included elsewhere in this prospectus.

The statement of operations data for each of fiscal 2010, fiscal 2011 and fiscal 2012 set forth below are derived from AHC's audited consolidated financial statements included elsewhere in this prospectus. The statements of operations data for each of the six month periods ended July 28, 2012 and August 3, 2013 and the balance sheet data as of August 3, 2013 set forth below are derived from AHC's unaudited quarterly consolidated financial statements included elsewhere in this prospectus and contain all adjustments, consisting of normal recurring adjustments, that management considers necessary for a fair presentation of our financial position and results of operations for the periods presented. Operating results for the six month periods are not necessarily indicative of results for a full financial year, or any other periods. Historical results are not necessarily indicative of results to be expected for future periods.

Once we have completed the IPO Restructuring Transactions, results of operations of the non-Vince businesses will be reported as discontinued operations for accounting purposes and our continuing operations will consist solely of the Vince business. See "—Summary Historical Financial Data of Vince, LLC" for additional information regarding the operations and assets and liabilities of Vince, LLC.

	Fiscal Year			Six Months Ended	
(In thousands, except per share data)	**2010(1)**	**2011(1)**	**2012**	**July 28, 2012**	**August 3, 2013**
				(unaudited)	**(unaudited)**
Statement of Operations Data:					
Net sales	$586,574	$ 662,846	$ 707,995	$ 319,445	$ 363,967
Cost of products sold	430,801	490,110	507,905	235,293	256,031
Gross profit	155,773	172,736	200,090	84,152	107,936
Operating expenses:					
Selling, general and administrative expenses	140,567	155,220	177,755	83,526	93,503
Amortization of intangible assets	954	1,941	1,899	950	950
Restructuring, environmental remediation and other charges(2)	9,729	2,651	5,091	2,264	827
Impairment of long-lived assets (excluding goodwill)	438	2,504	2,349	717	—
Impairment of goodwill	—	10,821	—	—	—
Change in fair value of contingent consideration, net(3)	—	(1,578)	(7,162)	(4,507)	(54)
Total operating expenses	151,688	171,559	179,932	82,950	95,226
Income from operations	4,085	1,177	20,158	1,202	12,710
Interest expense, net	103,074	127,148	122,383	74,151	43,671
Gain on acquisition, net of tax(3)	(939)	—	—	—	—
Gain on debt extinguishment(3)	(15,912)	—	—	—	—
Other expense, net	2,442	1,914	2,723	1,215	1,233
Loss before provision for income taxes	(84,580)	(127,885)	(104,948)	(74,164)	(32,194)
Provision for income taxes	3,507	3,401	708	2,245	2,679

(In thousands, except per share data)	Fiscal Year 2010(1)	Fiscal Year 2011(1)	Fiscal Year 2012	Six Months Ended July 28, 2012 (unaudited)	Six Months Ended August 3, 2013 (unaudited)
Net loss from continuing operations(2)(3)	$ (88,087)	$ (131,286)	$ (105,656)	$ (76,409)	$ (34,873)
Net (loss) income from discontinued operations(2)(4)	(16,391)	(16,580)	(2,053)	(4,798)	9,230
Net loss	$ (104,478)	$ (147,866)	$ (107,709)	$ (81,207)	$ (25,643)
Pro forma basic and diluted loss per share from continuing operations(5)	$ (3.36)	$ (5.00)	$ (4.03)	$ (2.92)	$ (1.33)
Pro forma basic and diluted (loss) income per share from discontinued operation(5)	(.63)	(.63)	(.08)	(.18)	.35
Pro forma basic and diluted loss per share(5)	$ (3.99)	$ (5.63)	$ (4.11)	$ (3.10)	$ (.98)
Pro forma weighted average shares outstanding:					
Basic and diluted(5)	26,211,131	26,211,131	26,211,131	26,211,131	26,211,131

(1) In January 2011, AHC acquired Rebecca Taylor, a women's contemporary apparel and accessory company. In July 2011, AHC acquired Zobha, a women's athletic apparel brand, primarily focused on the yoga market. See "Additional Information Related to AHC—Management's Discussion and Analysis or Financial Condition and Results of Operations of AHC—Basis of Presentation" for information regarding AHC's decision to divest the Zobha business during the second quarter of 2013.

(2) During the years presented, AHC performed several rationalization efforts aimed at improving its operational efficiency to streamline the fashion apparel and recreational apparel and products businesses. These restructuring activities, along with impairment of long-lived assets, environmental remediation charges and other charges included in net loss from continuing operations, are $10.2 million in fiscal 2010, $16.0 million in fiscal 2011, $7.4 million in fiscal 2012, $3.0 million in the first six months of fiscal 2012 and $0.8 million in the first six months of fiscal 2013. These restructuring activities, along with impairment of long-lived assets and other charges included in net (loss) income from discontinued operations, are $27.7 million in fiscal 2010, $6.6 million in fiscal 2011, $4.8 million in fiscal 2012, $0.2 million in the six months of fiscal 2012 and $0.9 million in the six months of fiscal 2013.

(3) Net loss from continuing operations includes net gains affecting comparability of the following:

- $16.8 million in fiscal 2010 comprised of a $0.9 million gain on the acquisition of certain net assets from Adampluseve, Inc, (the "Adam operations") as the fair value of the identifiable assets less the liabilities assumed exceeded the fair value of the purchase price consideration, and a $15.9 million gain on debt extinguishment as a result of AHC's repurchase of $29.7 million of face value of certain notes outstanding from an affiliate of Sun Capital for $9.1 million in cash;
- $1.6 million in fiscal 2011 due to a reduction in the estimated contingent payments related to the acquisitions of Rebecca Taylor and Zobha as those purchase agreements contained provisions for contingent consideration that would be paid to the respective sellers if certain performance targets are met within a specified timeframe and during the periods presented expectations related to the achievement of these targets were revised; and
- $7.2 million in fiscal 2012, of which $4.5 million was recognized during the six months ended July 28, 2012, due to further reductions in the estimated contingent payments related to the acquisitions of Rebecca Taylor and Zobha.

(4) During fiscal 2011, AHC discontinued its Adam operations and Koret wholesale operations. During fiscal 2012, AHC discontinued its Baby Phat wholesale and Lamb & Flag businesses. Additionally, AHC sold its Royal Robbins and BLK DNM businesses. During the first quarter of fiscal 2013, AHC discontinued its Phat Licensing business because it sold the related trademarks. During the second quarter of fiscal 2013, AHC divested its Zobha business. As such, these operations have been reflected as discontinued operations for all periods presented.

(5) Gives effect to the stock split of our common stock on a 28.5177 for one basis.

AHC's consolidated balance sheet data as of August 3, 2013 is presented on an actual basis:

(In thousands)	As of August 3, 2013 Actual (unaudited)
Balance Sheet Data:	
Cash and cash equivalents	$ 2,178
Total current assets	228,891
Total assets	467,791
Total current liabilities	221,230
Long-term debt	386,842
Total stockholders' deficit	(179,102)
Total liabilities and stockholders' deficit	467,791

For information relating to the impact of the IPO Restructuring Transactions and this offering on AHC's consolidated balance sheet, see the balance sheet data of AHC, as presented as of August 3, 2013 on an actual, pro forma and pro forma, as adjusted basis in "—Summary Historical Financial Data of Vince, LLC."

Summary Unaudited Pro Forma Consolidated Financial Data of AHC

The following tables set forth the summary unaudited consolidated pro forma financial data of AHC for fiscal 2012 and the first six months of fiscal 2013. They give effect to anticipated transactions and adjustments that are relevant to the understanding of the business being offered and will have a material impact on the comparability of AHC's results of operations. They are described below and are as follows: (i) "—Kellwood Separation,' (ii) "—Sun Capital Contribution and Tax Receivable Agreement,' and (iii) "—This Offering." You should read the information set forth below together with "Additional Information Related to AHC—Unaudited Pro Forma Consolidated Financial Data of AHC" included elsewhere in this prospectus for our pro forma results of operations for fiscal 2010 and fiscal 2011. For summary information related to the pro forma, as adjusted balance sheet of AHC after giving effect to this offering, please see "Summary Historical Financial Data of Vince, LLC." Finally, for additional information relating to the IPO Restructuring Transactions and the use of our proceeds from this offering, please see "Restructuring Transactions," "Use of Proceeds," and "Capitalization of AHC."

The Kellwood Separation. AHC will use a series of transactions (including the Additional Sun Capital Contribution) to legally separate the Vince business from the non-Vince businesses immediately prior to consummation of this offering. We refer to this series of transactions as the "Kellwood Separation." Once these transactions have occurred, the non-Vince businesses will be owned and operated separately from us. After consummation of this offering, the Vince business will be our only assets, liabilities and operations. Although Apparel Holding Corp. is the legal issuer of the shares offered in this offering, an investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business.

Sun Capital Contribution and Tax Receivable Agreement. Additional restructuring activities that have occurred or will occur in order to effect the consummation of this offering, include the following:

- effective June 18, 2013, affiliates of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes (each as defined in "Restructuring Transactions") as a capital contribution to Apparel Holding Corp. in the Sun Capital Contribution; and
- we will enter into a tax receivable agreement (the "Tax Receivable Agreement" or "TRA") with our stockholders immediately prior to the consummation of this offering (which will include affiliates of Sun Capital, the "Pre-IPO Stockholders").

This Offering. Pro forma adjustments to reflect (i) our receipt of the estimated net proceeds from the sale of common stock by us in the offering at an assumed initial public offering price of $18.00 per share, the midpoint of the range appearing on the cover page of this prospectus, after deducting the assumed underwriting discount and commissions and estimated fees and expenses payable by us; and (ii) our use of these proceeds and the incurrence of approximately $175 million of borrowings under our new term loan facility, as described in "Use of Proceeds," including repayment of the Kellwood Note Receivable, are described as "Offering Adjustments."

Fiscal 2012 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC(1)

(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation: Kellwood Separation Adjustments(2)	Kellwood Separation: Pro Forma	Sun Capital Contribution and TRA: Sun Capital Contribution and TRA Adjustments(3)	Sun Capital Contribution and TRA: Pro Forma	This Offering(4): Adjustments	This Offering(4): Pro Forma, As Adjusted
Net sales	$ 707,995	$ (467,643)	$ 240,352	$ —	$ 240,352	$ —	$ 240,352
Cost of products sold	507,905	(375,749)	132,156	—	132,156	—	132,156
Gross profit	200,090	(91,894)	108,196	—	108,196	—	108,196
Operating Expenses:							
Selling, general and administrative expenses	177,755	(111,094)	66,661	—	66,661	—	66,661
Amortization of intangible assets	1,899	(1,301)	598	—	598	—	598
Impairment (excluding goodwill), restructuring, environmental remediation, and other charges	7,440	(7,440)	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—
Change in fair value of contingent consideration, net	(7,162)	7,162	—	—	—	—	—
Total operating expenses	179,932	(112,673)	67,259	—	67,259	—	67,259
Income from operations	20,158	20,779	40,937	—	40,937	—	40,937
Interest expense, net(5)	122,383	(53,700)	68,683	(68,683)	—	11,400	11,400
Other expense, net	2,723	(1,944)	779	—	779	—	779
(Loss) income before provision for income taxes	(104,948)	76,423	(28,525)	68,683	40,158	(11,400)	28,758
Provision for income taxes(6)	708	15,512	16,220	—	16,220	(4,560)	11,660
Net (loss) income from continuing operations	$ (105,656)	$ 60,911	$ (44,745)	$ 68,683	$ 23,938	$ (6,840)	$ 17,098
Basic earnings (loss) per share(7)	$ (4.03)		$ (1.71)		$ .91		$ .47
Diluted earnings (loss) per share (7)	$ (4.03)		$ (1.71)		$ .89		$ .46
Weighted average number of common shares outstanding, basic(7)	26,211,131		26,211,131		26,211,131		36,211,131
Weighted average number of common shares outstanding, diluted(7)	26,211,131		26,211,131		26,858,255		36,858,255

See accompanying notes to Summary Unaudited Pro Forma Consolidated Financial Data of AHC.

First Six Months of 2013 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC(1)

(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation: Kellwood Separation Adjustments(2)	Kellwood Separation: Pro Forma	Sun Capital Contribution and TRA: Sun Capital Contribution and TRA Adjustments(3)	Sun Capital Contribution and TRA: Pro Forma	This Offering(4): Adjustments	This Offering(4): Pro Forma, As Adjusted
Net sales	$ 363,967	$ (249,310)	$ 114,657	$ —	$ 114,657	$ —	$ 114,657
Cost of products sold	256,031	(192,525)	63,506	—	63,506	—	63,506
Gross profit	107,936	(56,785)	51,151	—	51,151		51,151
Operating Expenses:							
Selling, general and administrative expenses	93,503	(59,537)	33,966	—	33,966	—	33,966
Amortization of intangible assets	950	(650)	300	—	300	—	300
Impairment (excluding goodwill), restructuring, environmental remediation, and other charges	827	(827)	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—
Change in fair value of contingent consideration, net	(54)	54	—	—	—	—	—
Total operating expenses	95,226	(60,960)	34,266	—	34,266	—	34,266
Income from operations	12,710	4,175	16,885	—	16,887	—	16,887
Interest expense, net(5)	43,671	(27,788)	15,883	(15,883)	—	5,700	5,700
Other expense, net	1,233	(721)	512	—	512	—	512
(Loss) income before provision for income taxes	(32,194)	32,684	490	15,883	16,375	(5,700)	10,675
Provision for income taxes(6)	2,679	3,909	6,588	—	6,588	(2,280)	4,308
Net (loss) income from continuing operations	$ (34,873)	$ 28,775	$ (6,098)	$ 15,883	$ 9,787	$ (3,420)	$ 6,367
Basic earnings (loss) per share(7)	$ (1.33)		$ (.23)		$ .37		$ .18
Diluted earnings (loss) per share (7)	$ (1.33)		$ (.23)		$ .37		$ .17
Weighted average number of common shares outstanding, basic(7)	26,211,131		26,211,131		26,211,131		36,211,131
Weighted average number of common shares outstanding, diluted(7)	26,211,131		26,211,131		26,715,649		36,715,649

See accompanying notes to Summary Unaudited Pro Forma Consolidated Financial Data of AHC.

(1) You should refer to the Notes to the Unaudited Pro Forma Consolidated Financial Data of AHC contained in "Additional Information Related to AHC—Unaudited Pro Forma Consolidated Financial Data of AHC" for detailed information regarding the pro forma adjustments.

(2) As described within "Restructuring Transactions" included elsewhere in this prospectus, AHC will use a series of transactions (including the Additional Sun Capital Contribution) to legally separate the non-Vince businesses from the Vince business immediately prior to the consummation of this offering. Once these transactions have occurred, the non-Vince businesses will be owned and operated separately from us. After consummation of this offering, the Vince business will be our only assets, liabilities and operations. An investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. We will not have ongoing involvement with the non-Vince businesses following separation, with the exception of our payments to Kellwood for certain services to be provided under the Shared Services Agreement as further described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement" contained elsewhere in this prospectus. Similarly, Kellwood will not have ongoing involvement in our business, other than pursuant to the Shared Services Agreement. Following the consummation of this offering, we expect to report the non-Vince businesses as discontinued operations in accordance with ASC Topic 205 *Presentation of Financial Statements* beginning with our first financial statements filed after the effectiveness of the registration statement of which this prospectus forms a part. All pro forma adjustments to AHC's historical financial statements that relate to the separation of the Vince business from the non-Vince businesses are described as Kellwood Separation Adjustments and they are included under the caption "Kellwood Separation."

(3) On June 18, 2013, affiliates of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes to AHC in the Sun Capital Contribution. As such, the related interest expense on such indebtedness has been removed from AHC's pro forma statements of operations for fiscal 2012 and the first six months of fiscal 2013.

(4) Reflects pro forma adjustments related to (i) our receipt of the estimated net proceeds from the sale of common stock by us in the offering at an assumed initial public offering price of $18.00 per share, the midpoint of the range appearing on the cover page of this prospectus, after deducting the assumed underwriting discount and commissions and estimated fees and expenses payable by us; (ii) our use of these proceeds and the incurrence of approximately $175 million of borrowings under our new term loan facility, as described in "Use of Proceeds," including repayment of the Kellwood Note Receivable; and (iii) recognition of applicable deferred financing costs capitalized; interest expense on our new term loan facility at 6% per annum (including amortization of deferred financing costs); related adjustment to provision for income taxes at a 40% effective tax rate; and pro forma basic and diluted weighted average shares outstanding have been adjusted to reflect the offering of 10,000,000 shares and impact of potential dilutive shares as applicable. As reflected in the table, the interest expense of this borrowing, had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

(5) Historical AHC interest represents interest costs and amortization of debt issuance costs on the following indebtedness: the Wells Fargo Facility, the Sun Capital Loan Agreement, the Sun Promissory Notes, the Cerberus Term Loan, the Sun Term Loan Agreements, the 12.875% Notes, the 7.625% Notes and the 3.5% Convertible Notes (each as defined and described in "Restructuring Transactions"). Pro forma for Kellwood Separation interest represents interest costs on the Sun Capital Loan Agreement and the Sun Promissory Notes. Pro forma for Sun Capital Contribution and Tax Receivable Agreement contains no interest. Pro forma, as adjusted includes interest costs on a new revolving credit facility and a new term loan facility we expect to enter into in connection with the consummation of this offering.

(6) AHC has historically included the operating results of the combined Vince business and non-Vince businesses in its U.S. federal and state income tax returns. Provision for income taxes in this pro forma presentation have been determined assuming the Kellwood Separation had occurred at the beginning of the earliest period presented, and would therefore exclude the historical operating results of the non-Vince businesses. These amounts are not necessarily indicative of the provision for income taxes that would have been recorded had we operated separately from the non-Vince businesses during the periods presented. The adjustment represents the difference between the amount calculated in accordance with the methodology described herein and the historical amounts recorded.

(7) Gives effect to the stock split of our common stock on a 28.5177 for one basis.

Summary Historical Financial Data of Vince, LLC

The following tables set forth the summary historical financial data of Vince, LLC, the entity that has historically held the Vince assets and liabilities and will continue to do so after completion of the IPO Restructuring Transactions and the consummation of this offering.

Please note the following:

- **Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of this offering) is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC;**
- **The information set forth below is provided as supplemental information and should not be considered in lieu of the information pertaining to Apparel Holding Corp; and**
- **The financial information included in this discussion and in Vince, LLC's historical financial statements may not be indicative of Apparel Holding Corp.'s financial position, operating results and changes in equity after the completion of the IPO Restructuring Transactions, or what they would have been had the Vince business operated separately from the non-Vince businesses during the periods presented.**

You should read the information set forth below in conjunction with "Use of Proceeds," "Capitalization of AHC," "Additional Information Related to Vince—Supplemental Management's Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC," "Additional Information Related to Vince—Supplemental Selected Historical Financial Data of Vince, LLC," and Vince, LLC's audited financial statements and notes thereto included elsewhere in this prospectus. The statement of operations data for each of fiscal 2010, fiscal 2011 and fiscal 2012 are derived from Vince, LLC's audited financial statements included elsewhere in this prospectus.

The statement of operations data for the six month periods ended July 28, 2012 and August 3, 2013 and the balance sheet of Vince, LLC dated as of August 3, 2013 set forth below are derived from Vince, LLC's unaudited quarterly financial statements and contain all adjustments, consisting of normal recurring adjustments, that our management considers necessary for a fair presentation of our financial position and results of operations for the periods presented. The balance sheet data of AHC dated as of August 3, 2013 set forth below is derived from AHC's unaudited quarterly consolidated financial statements included elsewhere in this prospectus and contain all adjustments, consisting of normal recurring adjustments, that AHC's management considers necessary for a fair presentation of our financial position and results of operation for the periods presented. We have included the balance sheet data of AHC on an actual, pro forma and pro forma, as adjusted basis, each as of August 3, 2013, to reflect the assets and liabilities of the business in which you will be investing.

Operating results for the six month periods are not necessarily indicative of results for a full financial year, or any other periods. Vince, LLC's summary historical financial data include charges from Kellwood Company for certain expenses, including centralized legal, tax, treasury, information technology, employee benefits and other centralized services and infrastructure costs. The charges have been determined on bases that we consider to be reasonable reflections of the utilization of services provided or the benefit received by Vince, LLC.

Summary Historical Financial Data of Vince, LLC

(In thousands, except for percentages and store counts)	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Six Months Ended July 28, 2012 (unaudited)	Six Months Ended August 3, 2013 (unaudited)
Statement of Operations Data:					
Net sales	$111,492	$175,255	$240,352	$ 90,531	$ 114,657
Cost of products sold	55,695	89,545	132,156	50,119	63,506
Gross profit	55,797	85,710	108,196	40,412	51,151
Operating expenses:					
Selling, general and administrative expenses(1)(2)	32,704	42,148	66,639	27,057	33,954
Amortization of intangible assets	598	599	598	299	300
Total operating expenses	33,302	42,747	67,237	27,356	34,254
Income from operations	22,495	42,963	40,959	13,056	16,897
Interest expense(3)	7,172	15,004	22,903	10,690	12,429
Other expense, net	350	478	779	396	512
Income before provision for income taxes	14,973	27,481	17,277	1,970	3,956
Provision for income taxes	5,923	10,812	6,964	789	1,556
Net income	$ 9,050	$ 16,669	$ 10,313	$ 1,181	$ 2,400
Other Operating and Financial Data:					
Total stores at end of period	16	19	22	19	24
Comparable store sales growth	9.3%	7.6%	23.1%	13.9%	31.7%
Capital expenditures	$ 1,602	$ 1,450	$ 1,821	$ 457	$ 3,406

(1) Includes the impact of our public company transition costs and certain one-time costs of $9.3 million, $1.7 million and $4.0 million for fiscal 2012, the first six months of fiscal 2012 and the first six months of fiscal 2013, respectively. These costs include transition payments to our founders, charges that are directly attributable to this offering, incremental costs for external legal counsel and consulting fees incurred to effect the Restructuring Transactions and other one-time charges. We expect additional transaction costs (excluding underwriting discounts and commissions) of approximately $5.0 million for the remainder of fiscal 2013 will be charged to selling, general and administrative expenses ("SG&A").

(2) Vince, LLC is charged for the use of services provided by the departments and shared facilities of Kellwood, which will own and operate the non-Vince businesses after the consummation of this offering. These charges are based upon the actual cost incurred, without markup. These functions and facilities will remain with Kellwood upon separation in the IPO Restructuring Transactions and will continue to be an integral part of the non-Vince businesses going forward. Vince, LLC will continue to use certain of these services for a period of time through the Shared Services Agreement described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement" and will be charged accordingly. The charges to Vince, LLC may not be representative of what the costs would have been had Vince, LLC been a separate, stand-alone entity during the periods presented.

(3) Interest expense for fiscal 2010, fiscal 2011 and fiscal 2012 and the six month periods ended July 28, 2012 and August 3, 2013 represents interest costs and amortization of debt issuance costs on certain Kellwood Company indebtedness, including the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements (each as defined and described in "Restructuring Transactions"). These debt instruments and related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. We intend to enter into a new revolving credit facility and a new term loan facility in connection with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We also intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing (including amortization of deferred financing costs), had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million for fiscal 2012 or the six months ended August 3, 2013, respectively.

The balance sheet data as of August 3, 2013 is presented:

- on an actual basis for Vince, LLC;
- on an actual basis for AHC.;

- on a pro forma basis to reflect changes in AHC's balance sheet assuming (i) the separation of the assets constituting the Vince business from those of the non-Vince businesses and (ii) our entry into the Tax Receivable Agreement, each in the IPO Restructuring Transactions (as further described in "Restructuring Transactions") and as if such transactions had occurred on August 3, 2013. See "Restructuring Transactions" for additional information; and
- on a pro forma, as adjusted basis to further reflect changes in AHC's balance sheet including (i) our receipt of the estimated net proceeds from the sale of 10,000,000 shares of common stock by us in this offering at an assumed initial public offering price of $18.00 per share, the midpoint of the range appearing on the cover page of this prospectus, after deducting the underwriting discount and commissions payable by us, (ii) our use of these proceeds as described in "Use of Proceeds," including repayment of the Kellwood Note Receivable and (iii) our entry into our new term loan and revolving credit facilities and approximately $175 million of borrowings under such term loan facility.

	As of August 3, 2013			
(In thousands)	Actual (Vince, LLC)	Actual (AHC)	Pro Forma (AHC)	Pro Forma, As Adjusted (AHC)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Balance Sheet Data:				
Cash and cash equivalents	$ 106	$ 2,178	$ 325	$ 5,325
Total current assets	82,603	228,891	82,892	87,892
Total assets	290,562	467,791	389,580	400,080
Kellwood Note Receivable(1)	—	—	323,500	—
Total current liabilities	148,005(2)	221,230	356,023	32,523
Long-term debt	163,675(2)	386,842	—	175,000
Tax Receivable Agreement due(3)	—	—	172,151	172,151
Invested equity/Stockholders' deficit	(26,159)	(179,102)	(141,836)	17,164
Total liabilities and invested equity/Stockholders' deficit	290,562	467,791	389,580	400,080

(1) In connection with Vince Intermediate Holding, LLC's acquisition of Vince, LLC in the IPO Restructuring Transactions, Vince Intermediate Holding, LLC will issue the Kellwood Note Receivable to Kellwood Company, LLC. The principal amount of the Kellwood Note Receivable represents (i) the face value of the indebtedness, including accrued and unpaid interest and any related fees and expenses, to be repaid, discharged or repurchased by Kellwood Company, LLC in connection with the consummation of this offering, (ii) a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement, as described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Management Fees," and (iii) a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in "Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements," all after giving effect to the Additional Sun Capital Contribution. It is currently estimated that the restructuring fee described in clause (ii) above and payable to Sun Capital Management in connection with this offering will total $3.1 million. Most of the proceeds from this offering, along with the net borrowings under our new term loan facility, will be used to repay the Kellwood Note Receivable.

(2) Included within current liabilities are short-term borrowings under the Wells Fargo Facility of $115.6 million as of August 3, 2013. Long-term debt includes the Cerberus Term Loan and the Sun Term Loan Agreements. Total current liabilities Pro Forma (AHC) include amounts outstanding under the Kellwood Note Receivable. These debt instruments and the related capitalized deferred issuance costs are included in the Vince, LLC financial statements as Vince, LLC is a borrower party. This debt was incurred to fund the operation and growth of the Vince and non-Vince businesses, including to finance certain acquisitions made by AHC since 2008. As discussed above, we intend to enter into a new revolving credit facility and a new term loan facility with the consummation of this offering. We also intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing, (including amortization of deferred financing costs) had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

(3) As described in "Other Information Related to the Offering — Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement" included elsewhere in this Prospectus, we will enter into the Tax Receivable Agreement with the Pre-IPO Stockholders, where we will be obligated to pay 85% of cash savings on federal, state and local income taxes realized by us through our use of certain net tax assets held by us subsequent to the IPO Restructuring Transactions. The amount set forth in this line represents 85% of the value of these net tax assets.

Non-GAAP Financial Measures

To provide investors with additional information about our financial results, we disclose within this prospectus Adjusted EBITDA, a non-GAAP financial measure of Vince, LLC, after giving effect to the Vince Transfer. This metric is derived exclusively from the operations of the Vince business, as reflected in the Vince, LLC financial statements and results of operations. We have provided below a reconciliation between Adjusted EBITDA and net income. Net income is the most directly comparable financial measure prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

We have included Adjusted EBITDA in this prospectus because we believe it enhances investors' understanding of Vince, LLC's operating results. Adjusted EBITDA is provided because management believes it is an important measure of financial performance commonly used to determine the value of companies, to define standards for borrowing from institutional lenders and because it is the primary measure used by management to evaluate our performance.

Some limitations of Adjusted EBITDA are:

- Adjusted EBITDA does not reflect the interest expense of, or the cash requirements necessary to service interest or principal payments on, our debts;
- Adjusted EBITDA does not reflect income tax payments that may represent a reduction in cash available to us;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future; and
- other companies may calculate Adjusted EBITDA differently or not at all, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income and Vince, LLC's audited historical financial results presented elsewhere in the prospectus in accordance with GAAP.

The following table presents a reconciliation of Vince, LLC net income to Adjusted EBITDA based on Vince, LLC's statements of operations for each of the periods indicated:

	Fiscal Year			Six Months Ended	
(In thousands)	2010	2011	2012	July 28, 2012	August 3, 2013
				(unaudited)	(unaudited)
Net income	$ 9,050	$16,669	$10,313	$ 1,181	$ 2,400
Interest expense(a)	7,172	15,004	22,903	10,690	12,429
Provision for income taxes	5,923	10,812	6,964	789	1,556
Depreciation and amortization expense	1,492	1,701	2,009	921	1,106
EBITDA	23,637	44,186	42,189	13,581	17,491
Public company transition costs(b)	—	—	9,331	1,679	4,011
Adjusted EBITDA	$23,637	$44,186	$51,520	$ 15,260	$ 21,502

(a) Interest expense for fiscal 2010, fiscal 2011 and fiscal 2012 and the six month periods ended July 28, 2012 and August 3, 2013 represents certain interest costs and amortization of debt issuance costs on Kellwood Company indebtedness, including the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements. These debt instruments and related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. We intend to enter into a new revolving credit facility and new term loan facility in connection with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We also intend to borrow approximately

	$175 million under our new term loan facility at that time. The interest expense of this borrowing (including amortization of deferred financing costs), had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.
(b)	Adjusted EBITDA does not include the impact of our public company transition costs and certain one-time costs of $9.3 million, $1.7 million and $4.0 million for fiscal 2012, the first six months of fiscal 2012 and the first six months of fiscal 2013, respectively. These costs include transition payments to our founders, charges that are directly attributable to this offering, incremental costs for external legal counsel and consulting fees incurred to effect the Restructuring Transactions and other one-time costs. These charges are excluded due to their non-recurring nature and ability to impact comparability to other periods.

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before making an investment decision. If any of the following risks actually occurs, our business, financial condition and results of operations could be materially and adversely affected. In that event, the trading price of our common stock could decline and you could lose all or part of your investment.

We have divided the risk factors set forth in this section into the following four categories: (i) Risks Related to Vince; (ii) Risks Related to the Restructuring Transactions; (iii) Risks Related to AHC; and (iv) Risks Related to this Offering and Our Common Stock. The risks set forth in the "Risks Related to AHC" section of this "Risk Factors" section relate to risks related to the Apparel Holding Corp. business (which includes the Vince and non-Vince businesses). Although Apparel Holding Corp. is the legal issuer of the shares offered in this offering, an investment in our common stock is an investment in the Vince business and does not constitute an investment in the non-Vince businesses.

Risks Related to Vince

General economic conditions in the U.S. and other parts of the world, including a continued weakening of the economy and restricted credit markets, can affect consumer confidence and consumer spending patterns.

The apparel industry has historically been subject to cyclical variations, recessions in the general economy or uncertainties regarding future economic prospects that affect consumer spending habits which could negatively impact our business overall, the carrying value of our tangible and intangible assets and specifically sales, gross margins and profitability. The success of our operations depends on consumer spending. Consumer spending is impacted by a number of factors, including actual and perceived economic conditions affecting disposable consumer income (such as unemployment, wages, energy costs and consumer debt levels), business conditions, interest rates and availability of credit and tax rates in the general economy and in the international, regional and local markets in which our products are sold.

Recent global economic conditions have included significant recessionary pressures and declines in employment levels, disposable income and actual and/or perceived wealth and further declines in consumer confidence and economic growth. These conditions have led and could lead to continued declines in consumer spending over the foreseeable future and may have resulted in a shift in consumer spending habits that makes it unlikely that spending will return to prior levels for the foreseeable future. The current depressed economic environment has been characterized by a decline in consumer discretionary spending and has disproportionately affected retailers and sellers of consumer goods, particularly those whose goods are viewed as discretionary or luxury purchases, including fashion apparel such as ours. While we have seen occasional signs of stabilization in the North American markets during 2012 and 2013, a shift towards continued recessionary conditions could adversely impact our sales volumes and overall profitability in the future. Further, the European debt crisis resulting from growing concerns that European countries could default on their national debt, has caused instability in the European economy, which is one of the areas that we are currently targeting for international expansion. Continued economic volatility and declines in the value of the Euro or other foreign currencies could negatively impact the global economy as a whole. Such a condition may have a material adverse impact on the profitability and liquidity of our international operations, as well as hinder our ability to grow through expansion in the international markets.

Economic conditions have also led to a highly promotional environment and strong discounting pressure from both our wholesale partners and retail customers, which have had a negative impact on our revenues and profitability. This promotional environment may continue even after economic growth

returns, as we expect consumer spending trends are likely to remain at historically depressed levels for the foreseeable future. The domestic and international political situation also affects consumer confidence. The threat, outbreak or escalation of terrorism, military conflicts or other hostilities around the world could lead to further decreases in consumer spending.

Intense competition in the apparel industry could reduce our sales and profitability.

As an apparel company, we face intense competition from other domestic and foreign apparel, footwear and accessories manufacturers and retailers. Competition may result in pricing pressures, reduced profit margins, lost market share or failure to grow our market share, any of which could substantially harm our business and results of operations. Competition is based on many factors including, without limitation, the following:

- establishing and maintaining favorable brand recognition;
- developing products that appeal to consumers;
- pricing products appropriately;
- determining and maintaining product quality;
- obtaining access to sufficient floor space in retail locations;
- providing appropriate services and support to retailers;
- maintaining and growing market share;
- hiring and retaining key employees; and
- protecting intellectual property.

Competition in the apparel industry is intense and is dominated by a number of very large brands, many of which have longer operating histories, larger customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution and other resources than we do. These capabilities of our competitors may allow them to better withstand downturns in the economy or apparel industry. Any increased competition, or our failure to adequately address any of these competitive factors, could result in reduced sales, which could adversely affect our business, financial condition and operating results.

Competition, along with such other factors as consolidation within the retail industry and changes in consumer spending patterns, could also result in significant pricing pressure. These factors may cause us to reduce our sales prices to our wholesale partners and retail consumers, which could cause our gross margins to decline if we are unable to appropriately manage inventory levels and/or otherwise offset price reductions with comparable reductions in our operating costs. If our sales prices decline and we fail to sufficiently reduce our product costs or operating expenses, our profitability may decline, which could have a material adverse effect on our business, financial condition and operating results.

Our business depends on a strong brand image, and if we are not able to maintain or enhance our brand, particularly in new markets where we have limited brand recognition, we may be unable to sell sufficient quantities of our merchandise, which would harm our business and cause our results of operations to suffer.

We believe that maintaining and enhancing the Vince brand is critical to maintaining and expanding our customer base. Maintaining and enhancing our brand may require us to make substantial investments in areas such as visual merchandising (including working with our wholesale partners to transform select Vince displays into branded shop-in-shops), marketing and advertising,

employee training and store operations. A primary component of our strategy involves expanding into other geographic markets and working with existing wholesale partners, particularly within the U.S. We anticipate that, as our business expands into new markets and further penetrates existing markets, and as the markets in which we operate become increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Certain of our competitors in the apparel industry have faced adverse publicity surrounding the quality, attributes and performance of their products. Our brand may similarly be adversely affected if our public image or reputation is tarnished by failing to maintain high standards for merchandise quality and integrity. Any negative publicity about these types of concerns may reduce demand for our merchandise. Maintaining and enhancing our brand will depend largely on our ability to be a leader in the contemporary apparel industry and to continue to provide high quality products. If we are unable to maintain or enhance our brand image, our results of operations may suffer and our business may be harmed.

A substantial portion of our revenue is derived from a small number of large wholesale partners, and the loss of any of these wholesale partners could substantially reduce our total revenue.

We have a small number of wholesale partners who account for a significant portion of our net sales. Net sales to the full-price, off-price and e-commerce operations of our four largest wholesale partners were 61% of our total revenue for fiscal 2012 and 63% of our total revenue for the first six months of fiscal 2013. These partners, each of which accounted for more than 10% of our total revenue for fiscal 2012, include Nordstrom, Saks Fifth Avenue, Neiman Marcus and Bloomingdale's. Nordstrom, Saks Fifth Avenue and Neiman Marcus each accounted for more than 10% of our total revenue for the first six months of fiscal 2013 and collectively represented 55.7% of our total revenue in such period. We do not have written agreements with any of our wholesale partners, and purchases generally occur on an order-by-order basis. A decision by any of our major wholesale partners, whether motivated by marketing strategy, competitive conditions, financial difficulties or otherwise, to significantly decrease the amount of merchandise purchased from us or our licensing partners, or to change their manner of doing business with us or our licensing partners, could substantially reduce our revenue and have a material adverse effect on our profitability. Furthermore, due to the concentration of our wholesale partner base, our results of operations could be adversely affected if any of these customers fails to satisfy its payment obligations to us when due. During the past several years, the retail industry has experienced a great deal of ownership change, and we expect such change will continue. For example, Saks Fifth Avenue, one of our top four customers, recently agreed to be acquired by a third party. We cannot guarantee that our relationship with Saks Fifth Avenue will not be impacted by this ownership change and any strategic changes Saks Fifth Avenue may implement as a result. In addition, store closings by our wholesale partners decrease the number of stores carrying our products, while the remaining stores may purchase a smaller amount of our products and may reduce the retail floor space designated for our brand. In the future, retailers may further consolidate, undergo restructurings or reorganizations, realign their affiliations or reposition their stores' target markets. Any of these types of actions could decrease the number of stores that carry our products or increase the ownership concentration within the retail industry. These changes could decrease our opportunities in the market, increase our reliance on a diminishing number of large wholesale partners and decrease our negotiating strength with our wholesale partners. These factors could have a material adverse effect on our business, financial condition and operating results.

We may not be able to successfully expand our wholesale partnership base or grow our presence with existing wholesale partners.

As part of our growth strategy, we intend to increase productivity and penetration with existing wholesale partners and form relationships with new, international wholesale partners. These initiatives may include the establishment of additional shop-in-shops within select department stores. The

location of Vince displays or shop-in-shops within department stores is controlled in large part by our wholesale partners. Although the investments made by us and our wholesale partners in the development and installation of Vince displays and shop-in-shops decreases the risk that our wholesale partners will require us to move to a less desirable area of their store or reduce the space allocated to such displays and shops, they are not contractually prohibited from doing so or required to grant additional or more desirable space to us. As of October 5, 2013, we had seven shop-in-shops with our U.S. wholesale partners and eight shop-in-shops with our international wholesale partners. While expanding the number of shop-in-shops is part of our growth strategy, there can be no assurances we will be able to align our wholesale partners with this strategy and continue to receive floor space from our wholesale partners to open or expand shop-in-shops.

Our ability to attract customers to our stores depends heavily on successfully locating our stores in suitable locations and any impairment of a store location, including any decrease in customer traffic, could cause our sales to be less than expected.

Our approach to identifying locations for our retail stores typically favors street and mall locations near luxury and contemporary retailers that we believe are consistent with our key customers' demographics and shopping preferences. Sales at these stores are derived, in part, from the volume of foot traffic in these locations. Changes in areas around our existing retail locations that result in reductions in customer foot traffic or otherwise render the locations unsuitable could cause our sales to be less than expected and the related leases are generally non-cancelable. Store locations may become unsuitable due to, and our sales volume and customer traffic generally may be harmed by, among other things:

- economic downturns in a particular area;
- competition from nearby retailers selling similar apparel;
- changing consumer demographics in a particular market;
- changing preferences of consumers in a particular market;
- the closing or decline in popularity of other businesses located near our store; and
- store impairments due to acts of God or terrorism.

Our ability to successfully open and operate new retail stores depends on many factors, including, among others, our ability to:

- identify new markets where our products and brand image will be accepted or the performance of our retail stores will be successful;
- obtain desired locations, including store size and adjacencies, in targeted malls or streets;
- negotiate acceptable lease terms, including desired rent and tenant improvement allowances, to secure suitable store locations;
- achieve brand awareness, affinity and purchase intent in the new markets;
- hire, train and retain store associates and field management;
- assimilate new store associates and field management into our corporate culture;
- source and supply sufficient inventory levels; and
- successfully integrate new retail stores into our existing operations and information technology systems, which will initially be provided by Kellwood under the terms of the Shared Services Agreement.

As of October 5, 2013, we had 27 stores, which consist of 21 full-price retail stores and six outlet locations. We plan to double our store base over the next three to five years, including opening a net total of six new stores in fiscal 2013. Our new stores, however, may not be immediately profitable and

we may incur losses until these stores become profitable. Unavailability of desired store locations, delays in the acquisition or opening of new stores, delays or costs resulting from a decrease in commercial development due to capital restraints, difficulties in staffing and operating new store locations or a lack of customer acceptance of stores in new market areas may negatively impact our new store growth and the costs or the profitability associated with new stores. There can be no assurance that we will open the planned number of stores in fiscal 2013 or thereafter. Any failure to successfully open and operate new stores may adversely affect our business, financial condition and operating results.

As we expand our store base, we may be unable to maintain or grow comparable store sales or average sales per square foot at the same rates that we have achieved in the past, which could cause our share price to decline.

As we expand our store base, we may not be able to maintain or grow at the same rates of comparable store sales growth that we have achieved historically. In addition, we may not be able to maintain or grow our historic average sales per square foot as we move into new markets. If our future comparable store sales or average sales per square foot decline or fail to meet market expectations, the price of our common stock could decline. In addition, the aggregate results of operations through our wholesale partners and at our retail locations have fluctuated in the past and can be expected to continue to fluctuate in the future. A variety of factors affect both comparable store sales and average sales per square foot, including, among others, consumer spending patterns, fashion trends, competition, current economic conditions, pricing, inflation, the timing of the release of new merchandise and promotional events, changes in our product assortment, the success of marketing programs and weather conditions. If we misjudge the market for our products, we may incur excess inventory for some of our products and miss opportunities for other products. These factors may cause our comparable store sales results and average sales per square foot in the future to be materially lower than recent periods or our expectations, which could harm our results of operations and result in a decline in the price of our common stock.

We have grown rapidly in recent years and we have limited operating experience as a team at our current scale of operations. If we are unable to manage our operations at our current size or are unable to manage any future growth effectively, our business results and financial performance may suffer.

We have expanded our operations rapidly since our inception in 2002, and we have limited operating experience at our current size. Our business has more than doubled over the past two years, as we have grown our total net sales from $111.5 million in fiscal 2010 to $240.4 million in fiscal 2012 and from $90.5 million for the first six months of fiscal 2012 to $114.7 million for the first six months of fiscal 2013. We have made and are making investments to support our near and longer-term growth. If our operations continue to grow over the longer term, of which there can be no assurance, we will be required to expand our sales and marketing, product development and distribution functions, to upgrade our management information systems and other processes, and to obtain more space for our expanding administrative support and other headquarters personnel. Kellwood will continue to provide services to us after this offering under the Shared Services Agreement. Our expansion may exceed the capacity that Kellwood is able to provide, on attractive pricing terms or at all, under the terms of the Shared Services Agreement (as more fully described below in “—Problems with our distribution system could harm our ability to meet customer expectations, manage inventory, complete sales and achieve targeted operating efficiencies”). Our continued growth could strain our existing resources, and we could experience operating difficulties, including obtaining sufficient raw materials at acceptable prices, securing manufacturing capacity to produce our products and experiencing delays in production and shipments. These difficulties would likely lead to a decrease in net revenue, income from operations and the price of our common stock.

Kellwood provides us with certain key services for our business. If Kellwood fails to perform its obligations to us or if we do not find appropriate replacement services, we may be unable to perform these services or implement substitute arrangements on a timely and cost-effective basis on terms favorable to us.

As a business unit of Kellwood, we have historically relied on the financial resources and the administrative and operational support systems of Kellwood to run our business. Some of the Kellwood systems we are using include enterprise resource planning ("ERP"), human resource management systems and distribution applications. Many of these systems are complex and either highly customized or proprietary. In conjunction with our separation from Kellwood, we are in the process of separating our assets from those of Kellwood and either creating our own financial, administrative, operational and other support systems or contracting with third parties to replace Kellwood's systems that will not be provided to us under the terms of the Shared Services Agreement as discussed below. In order to successfully implement our own systems and operate as a stand-alone business, we must be able to attract and retain a number of highly skilled employees. We must also obtain goods, technology and services without the benefit of Kellwood's purchasing power. As an entity separate from Kellwood, we may be unable to obtain such goods, technology and services at prices and on terms as favorable as those available to us prior to the separation, which could increase our costs and reduce our profitability.

We will enter into the Shared Services Agreement in connection with the consummation of the IPO Restructuring Transactions. The Shared Services Agreement will govern the provision by Kellwood of certain support services to us, including distribution, information technology and back office support. Kellwood will provide these services until we elect to terminate the provision thereof in accordance with the terms of such agreement or, for services which require a term as a matter of law or which are based on a third-party agreement with a set term, the related termination date specified in the schedule thereto. Upon the termination of certain services, Kellwood may no longer be in a position to provide certain other related services. Assuming we proceed with our request to terminate the original services, such related services shall also be terminated in connection with such termination. The Shared Services Agreement will terminate automatically upon the termination of all services provided thereunder, unless earlier terminated by either party in connection with the other party's material breach upon 30 days prior notice to such defaulting party. After termination of the agreement, Kellwood will have no obligation to provide any services to us. See "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement" for a description of these services. The services provided under the Shared Services Agreement (as may be amended from time to time) may not be sufficient to meet our needs and we may not be able to replace these services at favorable costs and on favorable terms, if at all. In addition, Kellwood has experienced financial difficulty in the past. For example, in 2009, Kellwood's independent auditors raised substantial doubt regarding Kellwood's ability to continue as a going concern. If Kellwood encounters any issues during the transitional period which impact its ability to provide services pursuant to the Shared Services Agreement, our business could be materially harmed. Any failure or significant downtime in our own financial or administrative systems or in Kellwood's financial or administrative systems during the transitional period and any difficulty in separating our assets from Kellwood's assets and integrating newly acquired assets into our business could result in unexpected costs, impact our results or prevent us from paying our suppliers and employees and performing other administrative services on a timely basis and could materially harm our business, financial condition, results of operations and cash flows.

Our limited operating experience and brand recognition in international markets may delay our expansion strategy and cause our business and growth to suffer.

We face additional risks with respect to our strategy to expand internationally, including our efforts to further expand our business in Canada, select European countries, Asia and the Middle East

through arrangements with international partners. Our current operations are based largely in the U.S., with international sales representing approximately 8% of net sales for fiscal 2012 and 10.3% of net sales for the first six months of fiscal 2013. Therefore we have a limited number of customers and experience in operating outside of the U.S. We also do not have extensive experience with regulatory environments and market practices outside of the U.S. and cannot guarantee, notwithstanding our international partners' familiarity with such environments and market practices, that we will be able to penetrate or successfully operate in any market outside of the U.S. Many of these markets have different operational characteristics, including employment and labor regulations, transportation, logistics, real estate (including lease terms) and local reporting or legal requirements. Furthermore, consumer demand and behavior, as well as style preferences, size and fit, and purchasing trends, may differ in these markets and, as a result, sales of our product may not be successful, or the margins on those sales may not be in line with those that we currently anticipate. In addition, in many of these markets there is significant competition to attract and retain experienced and talented employees. Failure to develop new markets outside of the U.S. or disappointing sales growth outside of the U.S. may harm our business and results of operations.

Our plans to improve and expand our product offerings may not be successful, and the implementation of these plans may divert our operational, managerial and administrative resources, which could harm our competitive position and reduce our net revenue and profitability.

In addition to our store expansion strategy, we plan to grow our business by increasing our core product offerings, which includes expanding our men's collection, denim, outerwear, women's bottoms and dresses assortment. We also plan to develop and introduce select new product categories and pursue select additional licensing opportunities such as intimates/loungewear, men's footwear and fashion accessories.

The principal risks to our ability to successfully carry out our plans to improve and expand our product offerings are that:

- if our expected product offerings fail to maintain and enhance our brand identity, our image may be diminished or diluted and our sales may decrease;
- if we fail to find and enter into relationships with external partners with the necessary specialized expertise or execution capabilities, we may be unable to offer our planned product extensions or to realize the additional revenue we have targeted for those extensions; and
- the use of licensing partners may limit our ability to conduct comprehensive final quality checks on merchandise before it is shipped to our stores or to our wholesale partners.

In addition, our ability to successfully carry out our plans to improve and expand our product offerings may be affected by economic and competitive conditions, changes in consumer spending patterns and changes in consumer preferences and style trends. These plans could be abandoned, could cost more than anticipated and could divert resources from other areas of our business, any of which could impact our competitive position and reduce our net revenue and profitability.

Our current and future licensing arrangements may not be successful and may make us susceptible to the actions of third parties over whom we have limited control.

Our current and future licensing arrangements may not be successful and may make us susceptible to the actions of third parties over whom we have limited control. We entered into a licensing agreement when we launched women's footwear in 2012 and signed a licensing agreement in 2013 for the launch of children's apparel in 2014. We also anticipate launching men's footwear in 2014 through a licensing partner. In the future, we may enter into select additional licensing

arrangements for product offerings which require specialized expertise. We may also enter into select licensing agreements pursuant to which we may grant third parties the right to distribute and sell our products in certain geographic areas. Although we have taken and will continue to take steps to select potential licensing partners carefully and monitor the activities of our licensing partners (through, among other things, approval rights over product design, production quality, packaging, merchandising, marketing, distribution and advertising), such arrangements may not be successful. Our licensing partners may fail to fulfill their obligations under their license agreements or have interests that differ from or conflict with our own, such as the pricing of our products and the offering of competitive products. In addition, the risks applicable to the business of our licensing partners may be different than the risks applicable to our business, including risks associated with each such partner's ability to:

- obtain capital;
- exercise operational and financial control over its business;
- manage its labor relations;
- maintain relationships with suppliers;
- manage its credit and bankruptcy risks; and
- maintain customer relationships.

Any of the foregoing risks, or the inability of any of our licensing partners to successfully market our products or otherwise conduct its business, may result in loss of revenue and competitive harm to our operations in regions or product categories where we have entered into such licensing arrangements.

Our business will suffer if we fail to respond to changing customer tastes.

Customer tastes can change rapidly. We may not be able to anticipate, gauge or respond to these changes within a timely manner. We may also not be able to continue to satisfy our customers' existing tastes and preferences. If we misjudge the market for products or product groups, or if we fail to identify and respond appropriately to changing consumer demands, we may be faced with unsold finished goods inventory, which could materially adversely affect expected operating results and decrease sales, gross margins and profitability.

If we are unable to accurately forecast customer demand for our products, our manufacturers may not be able to deliver products to meet our requirements, and this could result in delays in the shipment of products to our stores and to wholesale partners.

We stock our stores, and provide inventory to our wholesale partners, based on our or their estimates of future demand for particular products. Our inventory management and planning team determines the number of pieces of each product that we will order from our manufacturers based upon past sales of similar products, sales trend information and anticipated demand at our suggested retail prices. However, if our inventory and planning team fails to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products. There can be no assurance that we will be able to successfully manage our inventory at a level appropriate for future customer demand.

Factors that could affect our inventory management and planning team's ability to accurately forecast customer demand for our products include:

- a substantial increase or decrease in demand for our products or for products of our competitors;

- our failure to accurately forecast customer acceptance for our new products;
- new product introductions or pricing strategies by competitors;
- more limited historical store sales information for our newer markets;
- weakening of economic conditions or consumer confidence in the future, which could reduce demand for discretionary items, such as our products; and
- acts or threats of war or terrorism which could adversely affect consumer confidence and spending or interrupt production and distribution of our products and our raw materials.

Because of our rapid growth, we have occasionally placed insufficient levels of desirable product with our wholesale partners and in our retail locations such that we were unable to fully satisfy customer demand at those locations. We cannot guarantee that we will be able to match supply with demand in all cases in the future, whether as a result of our inability to produce sufficient levels of desirable product or our failure to forecast demand accurately. As a result of these inabilities or failures, we may encounter difficulties in filling customer orders or in liquidating excess inventory at discount prices and may experience significant write-offs. Additionally, if we over-produce a product based on an aggressive forecast of demand, retailers may not be able to sell the product and cancel future orders or require give backs. These outcomes could have a material adverse effect on brand image and adversely impact sales, gross margins and profitability **.**

Our senior management team has limited experience working together as a group, and may not be able to manage our business effectively.

Our CEO, Jill Granoff, and CFO, Lisa Klinger, joined the company in 2012. Many of the other members of our senior management team, including our new President and Chief Creative Officer, Karin Gregersen, have been with us less than one year. As a result, our senior management team has limited experience working together as a group. This lack of shared experience could negatively impact our senior management team's ability to quickly and efficiently respond to problems and effectively manage our business. If our management team is not able to work together as a group, our results of operations may suffer and our business may be harmed.

Loss of key personnel could disrupt our operations.

Our continued success is dependent on the ability to attract, retain and motivate qualified management, designers, administrative talent and sales associates to support existing operations and future growth. Competition for qualified talent in the apparel industry is intense, and we compete for these individuals with other companies that in many cases have greater financial and other resources. The loss of the services of any members of senior management or the inability to attract and retain other qualified executives could have a material adverse effect on our business, results of operations and financial condition.

Our competitive position could suffer if our intellectual property rights are not protected.

We believe that our trademarks and designs are of great value. From time to time, third parties have challenged, and may in the future try to challenge, our ownership of our intellectual property. In some cases, third parties with similar trademarks or other intellectual property may have pre-existing and potentially conflicting trademark registrations. We rely on cooperation from third parties with similar trademarks to be able to register our trademarks in jurisdictions in which such third parties have already registered their trademarks. We are susceptible to others imitating our products and infringing our intellectual property rights. Imitation or counterfeiting of our products or infringement of our intellectual property rights could diminish the value of our brands or otherwise adversely affect our

revenues. The actions we have taken to establish and protect our trademarks and other intellectual property rights may not be adequate to prevent imitation of our products by others or to prevent others from seeking to invalidate our trademarks or block sales of our products as a violation of the trademarks and intellectual property rights of others. In addition, others may assert rights in, or ownership of, our trademarks and other intellectual property rights or in similar marks or marks that we license and/or market and we may not be able to successfully resolve these conflicts to our satisfaction. We may need to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of resources. Successful infringement claims against us could result in significant monetary liability or prevent us from selling some of our products. In addition, resolution of claims may require us to redesign our products, license rights from third parties or cease using those rights altogether. Any of these events could harm our business and cause our results of operations, liquidity and financial condition to suffer.

We license our website domain name from a third-party. Pursuant to the license agreement (the “License Agreement”), our license to use *www.vince.com* will expire in 2018 and will automatically renew for successive one year periods, subject to our right to terminate the arrangement with or without cause; provided, that we must pay the applicable early termination fee and provide 30 days prior notice in connection with a termination without cause. The licensor has no termination rights under the License Agreement. Any failure by the licensor to perform its obligations under the License Agreement could adversely affect our brand and make it more difficult for users to find our website.

Problems with our distribution system could harm our ability to meet customer expectations, manage inventory, complete sales and achieve targeted operating efficiencies.

In the U.S., we rely on a distribution facility operated by Kellwood in City of Industry, California. Our ability to meet the needs of our wholesale partners and our own retail stores depends on the proper operation of this distribution facility. Kellwood will continue to provide distribution services, until we elect to terminate such services, as part of the Shared Services Agreement, as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement.” We also have a warehouse in Belgium operated by a third-party logistics provider to support our wholesale orders for customers located in Europe. There can be no assurance that we will be able to enter into other contracts for an alternate or replacement distribution centers on acceptable terms or at all. Such an event could disrupt our operations. In addition, because substantially all of our products are distributed from one location, our operations could also be interrupted by labor difficulties, or by floods, fires, earthquakes or other natural disasters near such facility. We maintain business interruption insurance and are a beneficiary under similar Kellwood insurance policies related to Kellwood assets or services we will continue to utilize under the Shared Services Agreement. These policies, however, may not adequately protect us from the adverse effects that could result from significant disruptions to our distribution system. If we encounter problems with our distribution system, our ability to meet customer expectations, manage inventory, complete sales and achieve targeted operating efficiencies could be harmed. Any of the foregoing factors could have a material adverse effect on our business, financial condition and operating results.

The extent of our foreign sourcing may adversely affect our business.

Our products are primarily produced by, and purchased or procured from, independent manufacturing contractors located outside of the U.S., with approximately 94% of our total revenue for fiscal 2012 and 93% of our total revenue for the first six months of fiscal 2013 attributable to manufacturing contractors located outside of the U.S. These manufacturing contractors are located mainly in countries in Asia and South America, with approximately 70% and 21% of our purchases for fiscal 2012 and approximately 73% and 21% of our purchases for the first six months of fiscal 2013, attributable to manufacturing contractors located in China and Peru, respectively. A manufacturing

contractor's failure to ship products to us in a timely manner or to meet the required quality standards could cause us to miss the delivery date requirements of our customers for those items. The failure to make timely deliveries may cause customers to cancel orders, refuse to accept deliveries or demand reduced prices, any of which could have a material adverse effect on us. As a result of the magnitude of our foreign sourcing, our business is subject to the following risks:

- political and economic instability in countries or regions, especially Asia, including heightened terrorism and other security concerns, which could subject imported or exported goods to additional or more frequent inspections, leading to delays in deliveries or impoundment of goods;
- imposition of regulations, quotas and other trade restrictions relating to imports, including quotas imposed by bilateral textile agreements between the U.S. and foreign countries;
- imposition of increased duties, taxes and other charges on imports;
- labor union strikes at ports through which our products enter the U.S.;
- labor shortages in countries where contractors and suppliers are located;
- a significant decrease in availability or an increase in the cost of raw materials;
- restrictions on the transfer of funds to or from foreign countries;
- disease epidemics and health-related concerns, which could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargoing of goods produced in infected areas;
- the migration and development of manufacturing contractors, which could affect where our products are or are planned to be produced;
- increases in the costs of fuel, travel and transportation;
- reduced manufacturing flexibility because of geographic distance between our foreign manufacturers and us, increasing the risk that we may have to mark down unsold inventory as a result of misjudging the market for a foreign-made product; and
- violations by foreign contractors of labor and wage standards and resulting adverse publicity.

If these risks limit or prevent us from manufacturing products in any significant international market, prevent us from acquiring products from foreign suppliers, or significantly increase the cost of our products, our operations could be seriously disrupted until alternative suppliers are found or alternative markets are developed, which could negatively impact our business.

We do not have written agreements with any of our third-party manufacturing contractors. As a result, any single manufacturing contractor could unilaterally terminate its relationship with us at any time. Two of our manufacturers in China, one of which we have worked with since our inception in 2002 and the other with whom we have worked for over five years, accounted for the production of approximately 25% and 23.5% of our finished products during fiscal 2012 and the first six months of fiscal 2013, respectively. Supply disruptions from these manufacturers (or any of our other manufacturers) could have a material adverse effect on our ability to meet customer demands, if we are unable to source suitable replacement materials at acceptable prices or at all. Our inability to promptly replace manufacturing contractors that terminate their relationships with us or cease to provide high quality products in a timely and cost-efficient manner could have a material adverse effect on our business, financial condition and operating results.

Fluctuations in the price, availability and quality of raw materials could cause delays and increase costs and cause our operating results and financial condition to suffer.

Fluctuations in the price, availability and quality of the fabrics or other raw materials, particularly cotton, leather, and synthetics used in our manufactured apparel, could have a material adverse effect on cost of sales or our ability to meet customer demands. The prices of fabrics depend largely on the market prices of the raw materials used to produce them. The price and availability of the raw materials and, in turn, the fabrics used in our apparel may fluctuate significantly, depending on many factors, including crop yields, weather patterns, labor costs and changes in oil prices. We may not be able to create suitable design solutions that utilize raw materials with attractive prices or, alternatively, to pass higher raw materials prices and related transportation costs on to our customers. We are not always successful in our efforts to protect our business from the volatility of the market price of raw materials, and our business can be materially affected by dramatic movements in prices of raw materials. The ultimate effect of this change on our earnings cannot be quantified, as the effect of movements in raw materials prices on industry selling prices are uncertain, but any significant increase in these prices could have a material adverse effect on our business, financial condition and operating results.

Our reliance on independent manufacturers could cause delays or quality issues which could damage customer relationships.

We use independent manufacturers to assemble or produce all of our products, whether inside or outside the U.S. We are dependent on the ability of these independent manufacturers to adequately finance the production of goods ordered and maintain sufficient manufacturing capacity. The use of independent manufacturers to produce finished goods and the resulting lack of direct control could subject us to difficulty in obtaining timely delivery of products of acceptable quality. We generally do not have long-term contracts with any independent manufacturers. Alternative manufacturers, if available, may not be able to provide us with products or services of a comparable quality, at an acceptable price or on a timely basis. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labor and other ethical practices. There can be no assurance that there will not be a disruption in the supply of our products from independent manufacturers or, in the event of a disruption, that we would be able to substitute suitable alternative manufacturers in a timely manner. The failure of any independent manufacturer to perform or the loss of any independent manufacturer could have a material adverse effect on our business, results of operations and financial condition.

If our independent manufacturers fail to use ethical business practices and comply with applicable laws and regulations, our brand image could be harmed due to negative publicity.

We have established and currently maintain operating guidelines which promote ethical business practices such as fair wage practices, compliance with child labor laws and other local laws. While we monitor compliance with those guidelines, we do not control our independent manufacturers or their business practices. Accordingly, we cannot guarantee their compliance with our guidelines. A lack of demonstrated compliance could lead us to seek alternative suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations.

Violation of labor or other laws by our independent manufacturers or the divergence of an independent manufacturer's labor or other practices from those generally accepted as ethical in the U.S. or other markets in which we do business could also attract negative publicity for us and our brand. From time to time, our audit results have revealed a lack of compliance in certain respects, including with respect to local labor, safety and environmental laws. Other apparel companies have faced criticism after highly-publicized incidents or compliance issues have occurred or been exposed at factories producing their products. To the extent our manufacturers do not bring their operations into

compliance with such laws or resolve material issues identified in any of our audit results, we may face similar criticism and negative publicity. This could diminish the value of our brand image and reduce demand for our merchandise. In addition, other apparel companies have encountered organized boycotts of their products in such situations. If we, or other companies in our industry, encounter similar problems in the future, it could harm our brand image, stock price and results of operations.

Monitoring compliance by independent manufacturers is complicated by the fact that expectations of ethical business practices continually evolve, may be substantially more demanding than applicable legal requirements and are driven in part by legal developments and by diverse groups active in publicizing and organizing public responses to perceived ethical shortcomings. Accordingly, we cannot predict how such expectations might develop in the future and cannot be certain that our guidelines would satisfy all parties who are active in monitoring and publicizing perceived shortcomings in labor and other business practices worldwide.

Our operating results are subject to seasonal and quarterly variations in our net revenue and income from operations, which could cause the price of our common stock to decline.

We have experienced, and expect to continue to experience, seasonal variations in our net revenue and income from operations. Seasonal variations in our net revenue are primarily related to increased sales of our products during our fiscal third and fourth quarters, reflecting our historical strength in sales during the fall and holiday seasons. Historically, seasonable variations in our income from operations have been driven principally by increased net revenue in such fiscal quarters.

Our rapid growth may have overshadowed whatever seasonal or cyclical factors might have influenced our business to date. In addition, as our revenue mix evolves over time to include more sales from additional retail stores, we may see an increase in the percentage of sales occurring during the fourth quarter. Such seasonal or cyclical variations in our business may harm our results of operations in the future, if we do not plan inventory appropriately, if customer shopping patterns fluctuate during such seasonal periods or if bad weather during the fourth quarter constrains shopping activity.

Any future seasonal or quarterly fluctuations in our results of operations may not match the expectations of market analysts and investors to assess the longer-term profitability and strength of our business at any particular point, which could lead to increased volatility in our stock price. Increased volatility could cause our stock price to suffer in comparison to less volatile investments.

We are subject to risks associated with leasing retail space, are generally subject to long-term non-cancelable leases and are required to make substantial lease payments under our operating leases, and any failure to make these lease payments when due would likely harm our business, profitability and results of operations.

We do not own any of our stores, but instead lease all of our retail stores under operating leases. Our leases generally have initial terms of 10 years, and generally can be extended only for one additional 5-year term. All of our leases require a fixed annual rent, and most require the payment of additional rent if store sales exceed a negotiated amount. Most of our leases are “net” leases, which require us to pay all of the cost of insurance, taxes, maintenance and utilities, and we generally cannot cancel these leases at our option. Additionally, certain of our leases allow the lessor to terminate the lease if we do not achieve a specified gross sales threshold. We have experienced circumstances in the past where landlords have attempted to invoke these contractual provisions. Although we believe we will achieve the required threshold to continue those leases, we cannot assure you that we will do so. Any loss of our store locations due to underperformance may harm our results of operations, stock price and reputation.

Payments under these leases account for a significant portion of our SG&A expenses. For example, as of October 5, 2013, we were a party to operating leases associated with our retail stores requiring future minimum lease payments of $6.8 million in the aggregate through fiscal 2013 and approximately $55.2 million thereafter. We expect that any new retail stores we open will also be leased by us under operating leases, which will further increase our operating lease expenses and require significant capital expenditures. Our substantial operating lease obligations could have significant negative consequences, including, among others:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring a substantial portion of our available cash to pay our rental obligations, thus reducing cash available for other purposes;
- limiting our flexibility in planning for or reacting to changes in our business or in the industry in which we compete; and
- placing us at a disadvantage with respect to some of our competitors.

We depend on cash flow from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities, and sufficient funds are not otherwise available to us from borrowings under our new credit facilities or from other sources, we may not be able to service our operating lease expenses, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which would harm our business.

In addition, additional sites that we lease are likely to be subject to similar long-term non-cancelable leases. If an existing or future store is not profitable, and we decide 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 if we cannot negotiate a mutually acceptable termination payment. In addition, as our leases expire, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to close stores in desirable locations. Of our existing leases, one retail lease expires in fiscal 2013 and no existing retail leases expire in fiscal 2014. If we are unable 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, our business, profitability and results of operations may be harmed.

The Patient Protection and Affordable Care Act may materially increase our costs and/or make it harder for us to compete as an employer.

The Patient Protection and Affordable Care Act imposed new mandates on employers, including a requirement effective January 1, 2014 (which has temporarily been extended to January 1, 2015 due to a recent executive order) that employers with 50 or more full-time employees provide “credible” health insurance to employees or pay a financial penalty. Given our current health plan design, and assuming the law is implemented without significant changes, these mandates could materially increase our costs. Moreover, if we choose to opt out of offering health insurance to our employees, we may become less attractive as an employer and it may be harder for us to compete for qualified employees.

System security risk issues could disrupt our internal operations or information technology services, and any such disruption could negatively impact our net sales, increase our expenses and harm our reputation.

Experienced computer programmers and hackers, and even internal users, may be able to penetrate our network security and misappropriate our confidential information or that of third parties,

including our customers, create system disruptions or cause shutdowns. In addition, employee error, malfeasance or other errors in the storage, use or transmission of any such information could result in a disclosure to third parties outside of our network. As a result, we could incur significant expenses addressing problems created by any such inadvertent disclosure or any security breaches of our network. This risk is heightened because we collect and store customer information, including credit card information, and use certain customer information for our marketing purposes. In addition, we rely on third parties for the operation of our website, *www.vince.com* , and for the various social media tools and websites we use as part of our marketing strategy.

Consumers are increasingly concerned over the security of personal information transmitted over the internet, consumer identity theft and user privacy, and any compromise of customer information could subject us to customer or government litigation and harm our reputation, which could adversely affect our business and growth. Moreover, we could incur significant expenses or disruptions of our operations in connection with system failures or breaches. In addition, sophisticated hardware and operating system software and applications that we procure form third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the operation of our systems. The costs to us to eliminate or alleviate security problems, viruses and bugs, or any problems associated with the outsourced services could be significant, and the efforts to address these problems could result in interruptions, delays or cessation of service that may impeded our sales, distribution or other critical functions. In addition to taking the necessary precautions ourselves, we require that third-party service providers implement reasonable security measures to protect our customers’ identity and privacy. We do not, however, control these third-party service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future.

Changes in laws, including employment laws and laws related to our merchandise, could make conducting our business more expensive or otherwise change the way we do business.

We are subject to numerous regulations, including labor and employment, customs, truth-in-advertising, consumer protection, and zoning and occupancy laws and ordinances that regulate retailers generally or govern the importation, promotion and sale of merchandise and the operation of stores and warehouse facilities. If these regulations were to change or were violated by our management, employees, vendors, independent manufacturers or partners, the costs of certain goods could increase, or we could experience delays in shipments of our products, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for our merchandise and hurt our business and results of operations.

In addition to increased regulatory compliance requirements, changes in laws could make ordinary conduct of business more expensive or require us to change the way we do business. For example, changes in federal and state minimum wage laws could raise the wage requirements for certain of our employees at our retail locations, which would increase our selling costs and may cause us to reexamine our wage structure for such employees. Other laws related to employee benefits and treatment of employees, including laws related to limitations on employee hours, supervisory status, leaves of absence, mandated health benefits, overtime pay, unemployment tax rates and citizenship requirements, could negatively impact us, by increasing compensation and benefits costs which would in turn reduce our profitability.

Moreover, changes in product safety or other consumer protection laws could lead to increased costs to us for certain merchandise, or additional labor costs associated with readying merchandise for sale. It is often difficult for us to plan and prepare for potential changes to applicable laws and future actions or payments related to such changes could be material to us.

If we are unable to attract, assimilate and retain new employees, we may not be able to grow or successfully operate our business.

To be successful in continuing to grow our business, we will need to continue to attract, assimilate, retain and motivate highly talented employees with a range of skills and experience, especially at the store management levels. Although we have recently hired and trained new store managers and experienced sales associates at several of our retail locations, competition for employees in our industry is intense and we may from time to time experience difficulty in retaining our associates or attracting the additional talent necessary to support the growth of our business. These problems could be exacerbated as we embark on our strategy of opening new retail stores over the next several years. We will also need to attract and retain other professionals across a range of disciplines, including design, production, sourcing and international business, as we develop new product categories and continue to expand our international presence. Furthermore, we will need to recruit employees to provide, or enter into consulting or outsourcing arrangements with respect to the provision of, services to be provided by Kellwood under the Shared Services Agreement when Kellwood no longer provides such services thereunder. If we are unable to attract, assimilate and retain additional employees with the necessary skills, we may not be able to grow or successfully operate our business.

Our operations will be restricted by our new credit facilities.

We intend to enter into a new revolving credit facility and a new term loan facility in connection with the consummation of this offering. We expect that our new credit facilities will contain significant restrictive covenants. These covenants may impair our financing and operational flexibility and make it difficult for us to react to market conditions and satisfy our ongoing capital needs and unanticipated cash requirements. Specifically, such covenants will likely restrict our ability and, if applicable, the ability of our subsidiaries to, among other things:

- incur additional debt;
- make certain investments and acquisitions;
- enter into certain types of transactions with affiliates;
- use assets as security in other transactions;
- pay dividends;
- sell certain assets or merge with or into other companies;
- guarantee the debt of others;
- enter into new lines of businesses;
- make capital expenditures;
- prepay, redeem or exchange our debt; and
- form any joint ventures or subsidiary investments.

Our ability to comply with the covenants and other terms of our debt obligations will depend on our future operating performance. If we fail to comply with such covenants and terms, we would be required to obtain waivers from our lenders to maintain compliance with our debt obligations. If we are unable to obtain any necessary waivers and the debt is accelerated, a material adverse effect on our financial condition and future operating performance would likely result. See “Additional Information Related to Vince—Description of Certain Indebtedness of Vince, LLC.” The terms of our debt obligations may restrict or delay our ability to fulfill our obligations under the Tax Receivable Agreement. In accordance with the terms of the Tax Receivable Agreement, delayed or unpaid

amounts thereunder would accrue interest at a default rate of one-year LIBOR plus 500 basis points until paid. Our obligations under the Tax Receivable Agreement could result in a failure to comply with covenants or financial ratios required by our debt financing agreements and could result in an event of default under such a debt financing. See “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement” for more information regarding the terms of the Tax Receivable Agreement.

We could incur significant costs in complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws.

Our operations are subject to various federal, state, local and foreign environmental, health and safety laws and regulations. We could be held liable for the costs to address contamination of any real property ever owned, operated or used as a disposal site. In addition, in the event that Kellwood Company becomes financially incapable of addressing the environmental liability incurred prior to the structural reorganization separating Kellwood Company from Vince, LLC, a third-party may file suit and attempt to allege that AHC engaged in a fraudulent transfer by arguing that the purpose of the separation of the non-Vince assets from AHC was to insulate AHC assets from the environmental liability. For example, pursuant to a Consent Decree with the U.S. Environmental Protection Agency (“EPA”) and the State of Missouri, a non-Vince subsidiary of AHC is conducting a cleanup of contamination at the site of a plant in New Haven, Missouri, which occurred between 1973 and 1985. Kellwood Company has posted a letter of credit in the amount of $5.9 million as a performance guarantee for the estimated cost of the required remediation work. If, despite the financial assurance provided by Kellwood Company as required by the EPA, Kellwood Company became financially unable to address this remediation, and if the corporate separateness of Vince, LLC is disregarded or if a fraudulent transfer is found to have occurred, Vince, LLC could be liable for the full amount of the remediation. If this were to occur or if we were to became liable for other environmental liabilities or obligations, it could have a material adverse effect on our business, financial condition or results of operations.

We will incur significant expenses as a result of being a public company, which will negatively impact our financial performance and could cause our results of operations and financial condition to suffer.

We will incur significant legal, accounting, insurance, share-based compensation and other expenses as a result of being a public company. The Sarbanes-Oxley Act, as well as related rules implemented by the SEC and the securities regulators and by the NYSE, have required changes in corporate governance practices of public companies. We expect that compliance with these laws, rules and regulations, including compliance with Section 404(b) of the Sarbanes-Oxley Act once we are no longer an emerging growth company, will substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. We also expect these laws, rules and regulations to make it more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or to incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as officers. To assist in the recruitment of qualified directors, officers and other members of senior management and to help align their interests with those of our stockholders, we intend to make equity grants under the Vince 2013 Incentive Plan. The Vince, LLC audited financial statements included elsewhere in this prospectus do not include charges for shared based compensation. We will, however, in future periods report charges associated with grants made under the Vince 2013 Incentive Plan as we expect that shared based compensation will constitute a significant component of our executive compensation program. As a result of the foregoing, we expect an increase in legal, accounting, insurance, share based compensation and certain other expenses in the future, which will negatively impact our financial performance and could cause our results of operations and financial condition to suffer.

Risks Related to the Restructuring Transactions

Our historical financial information may not be representative of our results as a stand-alone public company.

The historical financial information we have included in this prospectus has been derived from the consolidated financial statements of AHC and does not necessarily reflect what our financial position, results of operations or cash flows would have been had we operated separately from the non-Vince businesses during the historical periods presented. The historical costs and expenses reflected in our consolidated financial statements include charges for certain corporate functions historically provided by Kellwood Company, including centralized legal, accounting, tax, treasury, information technology and other services and infrastructure costs. We and Kellwood believe these charges are reasonable reflections of the historical utilization levels of these services in support of our business. The historical financial information is not necessarily indicative of our future results of operations, financial position, cash flows or costs and expenses. We have not made adjustments to reflect many significant changes that will occur in our cost structure, funding and operations as a result of our separation from the non-Vince businesses, including changes in our employee base, changes in our legal structure, and increased costs associated with being a publicly traded, stand-alone company. For additional information, see “Additional Information Related to Vince—Supplemental Selected Historical Financial Data of Vince, LLC,” “Additional Information Related to Vince—Supplemental Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC” and Vince, LLC’s historical consolidated financial statements and notes thereto included elsewhere in this prospectus.

Any disputes that arise between us and Kellwood with respect to our past and ongoing relationships could harm our business operations.

Disputes may arise between Kellwood and us in a number of areas relating to our past and ongoing relationships, including:

- intellectual property and technology matters;
- labor, tax, employee benefit, indemnification and other matters arising from our separation from Kellwood;
- employee retention and recruiting;
- business combinations involving us;
- the nature, quality and pricing of transitional services Kellwood has agreed to provide us; and
- business opportunities that may be attractive to both Kellwood and us.

We may not be able to resolve any potential conflicts, and even if we do, the resolution may be less favorable than if we were dealing with an unaffiliated party. We anticipate that following this offering, affiliates of Sun Capital, who will also continue to control Kellwood after consummation of this offering, will own approximately 72% of our common stock (assuming no exercise of the underwriters’ option to purchase additional shares) and Sun Cardinal, LLC, an affiliate of Sun Capital, will have the ability to designate a majority of our directors.

Third parties may seek to hold us responsible for liabilities related to the non-Vince businesses that we will not retain in the IPO Restructuring Transactions or for liabilities associated with Vince assets not yet transferred to us.

We are currently subject to a number of liabilities, including the Cerberus Term Loan, the 12.875% Notes, the Sun Term Loan Agreements, the Wells Fargo Facility and various trade credit or other general unsecured obligations. As described further below, in connection with the separation of the non-Vince businesses from the Vince business in the IPO Restructuring Transactions and the

consummation of this offering, Kellwood Company, LLC will repay, repurchase or discharge certain of these obligations in full (after giving effect to the Additional Sun Capital Contribution) using proceeds from the repayment of the Kellwood Note Receivable and will otherwise refinance certain of its other indebtedness (including the Wells Fargo Facility). Kellwood Company, LLC will remain liable for any remaining obligations related to the non-Vince businesses. Despite this fact, third parties may seek to hold us responsible for liabilities related to the non-Vince businesses.

As described in “Restructuring Transactions” and “Use of Proceeds,” Kellwood Company, LLC will, immediately after the closing of this offering, (i) use proceeds from the repayment of the Kellwood Note Receivable to repay or discharge the Cerberus Term Loan and the Sun Term Loan Agreements and to deposit with the trustee of the 12.875% Notes an amount sufficient to redeem such notes in full, in connection with the concurrent issuance of an unconditional redemption notice for the 12.875% Notes and the satisfaction and discharge of the indenture governing the 12.875% Notes and (ii) refinance the Wells Fargo Facility to, among other things, release Vince, LLC as an obligor thereunder. While the execution of the IPO Restructuring Transactions is in fact a technical default under these agreements, because we believe that the concurrent repayment, discharge or refinancing of those obligations satisfies any such default, we do not believe any consent of the lenders or noteholders under the related agreements or instruments is necessary and accordingly we do not intend to seek any such consent. We could nevertheless be subject to claims from Kellwood Company’s creditors as a result of such technical defaults and these claims may force us to engage in costly litigation. If such claims are successful and indemnity is unavailable from Kellwood Company, LLC, our financial condition and results of operations may be harmed.

Also, Kellwood Company will conduct a tender offer to purchase any and all of the 7.625% Notes at par plus accrued but unpaid interest thereon in connection with this offering. Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of the 7.625% Notes. We do not intend to take any extraordinary steps with regard to any other liabilities, including the 3.5% Convertible Notes, trade credit or other general unsecured obligations of Kellwood Company. While we believe the execution of the IPO Restructuring Transactions is not a default under, nor does it create any additional rights with respect to, the 7.625% Notes or any other general unsecured liabilities, it is possible that any holders of 7.625% Notes that remain untendered after consummation of our proposed tender offer or other holders of general unsecured liabilities could attempt to draw the ongoing Vince business into any attempts to collect on any such liabilities from Kellwood Company, LLC.

Kellwood Company, LLC has agreed, pursuant to the Transfer Agreement to be entered into as part of the IPO Restructuring Transactions, to indemnify us for any claims and losses that may arise related to its failure to repay, repurchase, discharge or refinance certain of its indebtedness, as described in the three immediately prior paragraphs. But if Kellwood Company, LLC is not able to satisfy its related indemnification obligations to us, our financial condition or results of operations could suffer. See “—Risks Related to Vince—Kellwood provides us with certain key services for our business. If Kellwood fails to perform its obligations to us or if we do not find appropriate replacement services, we may be unable to perform these services or implement substitute arrangements on a timely and cost-effective basis on terms favorable to us” and “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Transfer Agreement” for additional information regarding the risks related to Kellwood’s ability to satisfy its obligations to us and the indemnity to be provided to us by Kellwood Company, LLC pursuant to the terms of the Transfer Agreement.

We will be required to pay for 85% of certain tax benefits, and could be required to make substantial cash payments in which the stockholders purchasing shares in this offering will not participate.

Immediately prior to the consummation of this offering, we intend to enter into the Tax Receivable Agreement with the Pre-IPO Stockholders. Under the Tax Receivable Agreement, we will be obligated

to pay to the Pre-IPO Stockholders an amount equal to 85% of the cash savings in federal, state and local income tax realized by us by virtue of our future use of the federal, state and local net operating losses ("NOLs") held by us as of October 5, 2013, together with section 197 intangible deductions (collectively, the "Pre-IPO Tax Benefits"). "Section 197 intangible deductions" means amortization deductions with respect to certain amortizable intangible assets which are held by us and our subsidiaries immediately after this offering. Cash tax savings generally will be computed by comparing our actual federal, state and local income tax liability to the amount of such taxes that we would have been required to pay had such Pre-IPO Tax Benefits not been available to us. While payments made under the Tax Receivable Agreement will depend upon a number of factors, including the amount and timing of taxable income we generate in the future and any future limitations that may be imposed on our ability to use the Pre-IPO Tax Benefits, the payments could be substantial. Assuming the federal, state and local corporate income tax rates presently in effect, no material change in applicable tax law and no limitation on our ability to use the Pre-IPO Tax Benefits under Section 382 of the U.S. Internal Revenue Code, as amended (the "Code"), the estimated cash benefit of the full use of these Pre-IPO Tax Benefits would be approximately $200 million, of which 85%, or $170 million, is potentially payable to the Pre-IPO Stockholders under the terms of the Tax Receivable Agreement. The Tax Receivable Agreement accordingly could require us to make substantial cash payments in which the stockholders purchasing shares in this offering will not participate.

Although we are not aware of any issue that would cause the U.S. Internal Revenue Service (the "IRS"), to challenge any tax benefits arising under the Tax Receivable Agreement, the affiliates of Sun Capital will not reimburse us for any payments previously made if such benefits subsequently were disallowed, although the amount of any tax savings subsequently disallowed will reduce any future payment otherwise owed to the Pre-IPO Stockholders. For example, if our determinations regarding the applicability (or lack thereof) and amount of any limitations on the NOLs under Section 382 of the Code were to be successfully challenged by the IRS after payments relating to such NOLs had been made to the Pre-IPO Stockholders, we would not be reimbursed by the Pre-IPO Stockholders and our recovery would be limited to the extent of future payments (if any) otherwise remaining under the Tax Receivable Agreement. As a result, in such circumstances we could make payments to the Pre-IPO Stockholders under the Tax Receivable Agreement in excess of our actual cash tax savings. Furthermore, while we will generally only make payments under the Tax Receivable Agreement after we have recognized a cash flow benefit from the utilization of the Pre-IPO Tax Benefits, (other than upon a change of control or other acceleration event), the payments required under the agreement could require us to use a substantial portion of our cash from operations for those purposes.

At the effective date of the Tax Receivable Agreement, any liability recognized will be accounted for in our financial statements as a reduction of additional paid-in capital. Subsequent changes in the Tax Receivable Agreement liability will be recorded through earnings in operating expenses. Although we currently have a valuation allowance on the entire amount of NOLs, if we continue to be profitable, the valuation allowance could be reduced or eliminated. Even if the NOLs are available to us, the Tax Receivable Agreement will operate to transfer significantly all of the benefit to the Pre-IPO Stockholders. Additionally, the payments we make to the Pre-IPO Stockholders under the Tax Receivable Agreement are not expected to give rise to any incidental tax benefits to us, such as deductions or an adjustment to the basis of our assets.

Federal and state laws impose substantial restrictions on the utilization of NOL carry-forwards in the event of an "ownership change," as defined in Section 382 of the Code. Under the rules, such an ownership change is generally any change in ownership of more than 50 percent of a company's stock within a rolling three-year period, as calculated in accordance with the rules. The rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning directly or indirectly 5% or more of the stock of the company and any change in ownership arising from new issuances of stock by the company.

At this time, we have not performed a detailed analysis under Section 382 of the Code to determine if the IPO Restructuring Transactions would constitute an ownership change. With this offering and other transactions that have occurred over the past three years, we may trigger or have already triggered an “ownership change” limitation. We may also experience ownership changes in the future as a result of subsequent shifts in stock ownership. As a result, if we earn net taxable income, our ability to use the pre-change NOL carry-forwards (after giving effect to payments to be made to the Pre-IPO Stockholders under the Tax Receivable Agreement) to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. Notwithstanding the foregoing, our preliminary analysis under Section 382 of the Code indicates that the IPO Restructuring Transactions would not trigger an “ownership change” limitation.

If we did not enter into the Tax Receivable Agreement, we would be entitled to realize the full economic benefit of the Pre-IPO Tax Benefits, to the extent allowed by federal, state and local law, including Section 382 of the Code. Subject to exceptions, the Tax Receivable Agreement is designed with the objective of causing our annual cash costs attributable to federal state and local income taxes (without regard to our continuing 15% interest in the Pre-IPO Tax Benefits) to be the same as we would have paid had we not had the Pre-IPO Tax Benefits available to offset our federal, state and local taxable income. As a result, stockholders purchasing shares in this offering will not be entitled to the economic benefit of the Pre-IPO Tax Benefits that would have been available if the Tax Receivable Agreement were not in effect (except to the extent of our continuing 15% interest in the Pre-IPO Tax Benefits).

In certain cases, payments under the Tax Receivable Agreement to the Pre-IPO stockholders may be accelerated and/or significantly exceed the actual benefits we realize in respect of the Pre-IPO Tax Benefits.

Upon the election of an affiliate of Sun Capital to terminate the Tax Receivable Agreement pursuant to a change in control (as defined in the Tax Receivable Agreement) or upon our election to terminate the Tax Receivable Agreement early, all of our payment and other obligations under the Tax Receivable Agreement will be accelerated and will become due and payable. Additionally, the Tax Receivable Agreement provides that in the event that we breach any of our material obligations under the Tax Receivable Agreement by operation of law as a result of the rejection of the Tax Receivable Agreement in a case commenced under Title 11 of the United States Code (the “Bankruptcy Code”) then all of our payment and other obligations under the Tax Receivable Agreement will be accelerated and will become due and payable.

In the case of any such acceleration, we would be required to make an immediate payment equal to 85% of the present value of the tax savings represented by any portion of the Pre-IPO Tax Benefits for which payment under the Tax Receivable Agreement has not already been made, which upfront payment may be made years in advance of the actual realization of such future benefits. Such payments could be substantial and could exceed our actual cash tax savings from the Pre-IPO Tax Benefits. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will have sufficient cash available or that we will be able to finance our obligations under the Tax Receivable Agreement.

If we were to elect to terminate the Tax Receivable Agreement immediately after this offering, based on a discount rate equal to monthly LIBOR plus 200 basis points, we estimate that we would be required to pay $158.7 million in the aggregate under the Tax Receivable Agreement. See “Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement.”

Risks Related to AHC

General economic conditions in the U.S., Europe and other parts of the world, including a continued weakening of the economy and restricted credit markets, can affect consumer confidence and consumer spending patterns.

The apparel industry has historically been subject to cyclical variations, recessions in the general economy or uncertainties regarding future economic prospects that affect consumer spending habits which could negatively impact AHC's business overall, the carrying value of AHC's tangible assets and intangible assets and specifically sales, gross margins and profitability. The success of AHC's operations depends on consumer spending. Consumer spending is impacted by a number of factors, including actual and perceived economic conditions affecting disposable consumer income (such as unemployment, wages, energy costs, consumer debt levels, etc.), business conditions, interest rates and availability of credit and tax rates in the general economy and in the international, regional and local markets where AHC's products are sold.

Recent global economic conditions have included significant recessionary pressures and declines in employment levels, disposable income and actual and/or perceived wealth and further declines in consumer confidence and economic growth. These conditions have led and could lead to continued substantial declines in consumer spending over the foreseeable future and may have resulted in a resetting of consumer spending habits that makes it unlikely that spending will return to prior levels for the foreseeable future. The current depressed economic environment has been characterized by a dramatic decline in consumer discretionary spending and has disproportionately affected retailers and sellers of consumer goods, particularly those whose goods are viewed as discretionary purchases, including fashion apparel such as AHC brands. While there have been occasional signs of stabilization in the North American markets during 2012, a shift towards continued recessionary conditions could adversely impact AHC's sales volumes and overall profitability in the future. Further, the European debt crisis resulting from growing concerns that European countries could default on their national debt, have caused instability in the European economy. Continued economic volatility and declines in the value of the Euro could negatively impact the global economy as a whole. Such a condition would have a material adverse impact on the profitability and liquidity of AHC's international operations, as well as hinder AHC's ability to grow through expansion in the international markets.

Economic conditions have also led to a highly promotional environment and strong discounting pressure from both AHC's wholesale and retail customers, which have had a negative effect on its revenues and profitability. This promotional environment may likely continue even after economic growth returns, as AHC expects consumer spending trends are likely to remain at historically depressed levels for the foreseeable future. The domestic and international political situation also affects consumer confidence. The threat, outbreak or escalation of terrorism, military conflicts or other hostilities could lead to further decreases in consumer spending.

Intense competition in the apparel industry could reduce AHC's sales and profitability.

As an apparel company, AHC faces intense competition from other domestic and foreign apparel, footwear and accessories producers and retailers. Competition may result in pricing pressures, reduced profit margins or lost market share or failure to grow AHC's market share, any of which could substantially harm its business and results of operations. Competition is based on many factors including, without limitation, the following:

- establishing and maintaining favorable brand recognition;
- developing products that appeal to consumers;
- pricing products appropriately;
- determining and maintaining product quality;

- obtaining access to sufficient floor space in retail outlets;
- providing appropriate services and support to retailers;
- maintaining and growing market share;
- maintaining key employees; and
- protecting intellectual property.

Competition in the apparel industry is intense and is dominated by a number of very large brands, many of which have longer operating histories, larger customer bases, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution and other resources than AHC does. These capabilities of AHC's competitors may allow them to better withstand downturns in the economy or apparel industry. The aggressive and competitive nature of the apparel industry may result in lower prices for AHC's products and decreased gross profit margins, either of which may materially adversely affect sales and profitability. Any increased competition, or AHC's failure to adequately address any of these competitive factors, could result in reduced sales, which could adversely affect AHC's business, financial condition and operating results.

AHC's business will suffer if AHC fails to continually anticipate fashion trends and consumer tastes.

Customer tastes and fashion trends can change rapidly. AHC may not be able to anticipate, gauge or respond to these changes within a timely manner. If AHC misjudges the market for its products or product groups, or if AHC fails to identify and respond appropriately to changing consumer demands and fashion trends, it may be faced with unsold finished goods inventory, which could materially adversely affect expected operating results and decrease sales, gross margins and profitability.

Alternatively, even if AHC reacts appropriately to changes in fashion trends and consumer preferences, consumers may consider its various brand images to be outdated or associate its brands with styles that are no longer popular or trend-setting. Any of these outcomes could have a material adverse effect on AHC's brands, business and results of operations.

The apparel industry has relatively long lead times for the design and production of products. Consequently, AHC must in some cases commit to production in advance of orders based on forecasts of customer and consumer demand. If AHC fails to forecast demand accurately, it may under-produce or over-produce a product and encounter difficulty in filling customer orders or in liquidating excess inventory. Additionally, if AHC over-produces a product based on an aggressive forecast of demand, retailers may not be able to sell the product and cancel future orders or require retrospective price adjustments. These outcomes could have a material adverse effect on sales and brand image and adversely impact sales, gross margins and profitability.

A substantial portion of AHC's revenue is derived from a small number of large wholesale partners, and the loss of any of these wholesale partners could substantially reduce AHC's total revenue.

A small number of AHC's wholesale partners account for a significant portion of its total revenue. Total revenue to AHC's ten largest wholesale partners was 55% of its total revenue for fiscal 2012 and 60% for the first six months of fiscal 2013. AHC does not have written agreements with any of its wholesale partners, and purchases generally occur on an order-by-order basis. A decision by any of AHC's major wholesale partners, whether motivated by marketing strategy, competitive conditions, financial difficulties or otherwise, to decrease significantly the amount of merchandise purchased from AHC or its licensing partners, or to change their manner of doing business with AHC or its licensing partners, could substantially reduce AHC's revenue and have a material adverse effect on its profitability. During the past several years, the retail industry has experienced a great deal of

consolidation and other ownership changes, and AHC expects such changes will continue. In addition, store closings by AHC's wholesale partners decrease the number of stores carrying its products, while the remaining stores may purchase a smaller amount of AHC's products and may reduce the retail floor space designated for AHC's brands. In the future, retailers may further consolidate, undergo restructurings or reorganizations, realign their affiliations or reposition their stores' target markets. Any of these types of actions could decrease the number of stores that carry AHC's products or increase the ownership concentration within the retail industry. These changes could decrease AHC's opportunities in the market, increase its reliance on a diminishing number of large wholesale partners and decrease AHC's negotiating strength with its wholesale partners. These factors could have a material adverse effect on AHC's business, financial condition and operating results.

Consolidation and change in the retail industry may eliminate existing or potential customers.

A number of apparel retailers have experienced significant changes and difficulties over the past several years, including consolidation of ownership, increased centralization of buying decisions, restructurings, bankruptcies and liquidations. During past years, various apparel retailers, including some of AHC's customers, have experienced financial problems including bankruptcy that have increased the risk of extending credit to those retailers. Financial problems with respect to any of AHC's customers could cause it to reduce or discontinue business with those customers or require AHC to assume more credit risk relating to those customers' receivables, either of which could have a material adverse effect on Kellwood's business, results of operations and financial condition.

There has been, and continues to be, merger, acquisition and consolidation activity in the retail industry. In 2012, the apparel industry experienced a number of consolidation agreements and acquisitions by private-equity investors. If consumer confidence and overall economic conditions continue to recover in the foreseeable future, AHC would expect consolidation and merger activity to continue. Future consolidation could reduce the number of AHC's customers and potential customers. A smaller market for AHC's products could have a material adverse impact on its business and results of operations. In addition, it is possible that the larger customers, which result from mergers or consolidations, could decide to perform many of the services that AHC currently provides. If that were to occur, it could cause AHC's business to suffer.

With increased consolidation in the retail industry, AHC is increasingly dependent upon key retailers whose bargaining strength and share of AHC's business is growing. Accordingly, AHC faces greater pressure from these customers to provide more favorable trade terms, often in form of customers requiring AHC to provide price concessions on prior shipments as a prerequisite for obtaining future orders. AHC could be negatively affected by changes in the policies or negotiating positions of its customers. Pressure for these concessions is largely determined by overall retail sales performance and, more specifically, the performance of AHC's products at retail. To the extent AHC's customers have more of its goods on hand at the end of the season, there will be greater pressure for AHC to grant markdown concessions on prior shipments. Additionally, AHC could be negatively affected by changes in the policies or negotiating positions of its customers. AHC's inability to develop satisfactory programs and systems to satisfy these customers could adversely affect operating results in any reporting period.

AHC is reliant on its retail customers for the sale of its goods.

AHC is primarily a wholesale manufacturer and marketer of womens, juniors and girls apparel. AHC's customers are primarily retailers who sell AHC's goods in their retail stores or online. AHC's success in selling its products is largely dependent on its retail customers' success in selling to their customers, the end users of AHC's products. The success of AHC's retail customers is in turn subject to a number of factors, many of which are outside of AHC's and their control.

Loss of key personnel could disrupt AHC's operations.

AHC's continued success is dependent on its ability to attract, retain and motivate qualified management, designers, administrative and sales personnel to support existing operations and future growth. Competition for qualified personnel in the apparel industry is intense, and AHC competes for these individuals with other companies that in many cases have greater financial and other resources. The loss of the services of any members of senior management or the inability to attract and retain other qualified personnel could have a material adverse effect on AHC's business, results of operations and financial condition.

The extent of AHC's foreign sourcing may adversely affect AHC's business.

AHC's products are primarily produced by, and purchased or procured from, independent manufacturing contractors located mainly in countries in Asia. A manufacturing contractor's failure to ship products to AHC in a timely manner or to meet the required quality standards could cause us to miss the delivery date requirements of AHC's customers for those items. The failure to make timely deliveries may cause customers to cancel orders, refuse to accept deliveries or demand reduced prices, any of which could have a material adverse effect on it. As a result of the magnitude of AHC's foreign sourcing, its business is subject to the following risks:

- political and economic instability in countries, including heightened terrorism and other security concerns, which could subject imported or exported goods to additional or more frequent inspections, leading to delays in deliveries or impoundment of goods;
- imposition of regulations and quotas relating to imports, including quotas imposed by bilateral textile agreements between the United States and foreign countries;
- imposition of increased duties, taxes and other charges on imports;
- significant fluctuation of the value of the dollar against foreign currencies;
- labor shortages in countries where contractors and suppliers are located;
- a significant decrease in availability or an increase in the cost of raw materials;
- restrictions on the transfer of funds to or from foreign countries;
- disease epidemics and health-related concerns, which could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargoing of goods produced in infected areas;
- the migration and development of manufacturing contractors, which could affect where AHC's products are or are planned to be produced;
- increases in the costs of fuel, travel and transportation;
- reduced manufacturing flexibility because of geographic distance between AHC's foreign manufacturers and us, increasing the risk that we may have to mark down unsold inventory as a result of misjudging the market for a foreign-made product;
- increases in manufacturing costs in the event of a decline in the value of the United States dollar against major world currencies, particularly the Chinese Yuan, and higher labor costs being experienced by our foreign manufacturers in China; and
- violations by foreign contractors of labor and wage standards and resulting adverse publicity.

If these risks limit or prevent AHC from selling or manufacturing products in any significant international market, prevent AHC from acquiring products from foreign suppliers, or significantly increase the cost of its products, AHC's operations could be seriously disrupted until alternative suppliers are found or alternative markets are developed, which could negatively impact its business.

The success of AHC's licenses depends on the value of the licensed brands.

Some of AHC's products are produced under license agreements with third parties. Similarly, AHC licenses some of its brand names to other companies. Brands that AHC licenses from third parties are integral to its business as is the implementation of AHC's strategies for growing and expanding these brands and trademarks. AHC markets some of its products under the names and brands of recognized designers. AHC's sales of these products could decline if any of those designer's images or reputations were to be negatively impacted. Additionally, AHC relies on continued good relationships with both licensees and licensors, of certain trademarks and brand names. Adverse actions by any of these third parties could damage the brand equity associated with these trademarks and brands, which could have a material adverse effect on AHC's business, results of operations and financial condition.

AHC's competitive position could suffer if its intellectual property rights are not protected.

AHC believes that its trademarks, patents and designs are of great value. From time to time, third parties have challenged, and may in the future try to challenge, AHC's ownership of its intellectual property. AHC is susceptible to others imitating its products and infringing its intellectual property rights. AHC Imitation or counterfeiting of AHC's products or infringement of its intellectual property rights could diminish the value of AHC's brands or otherwise adversely affect AHC's revenues. The actions AHC has taken to establish and protect its trademarks and other intellectual property rights may not be adequate to prevent imitation of its products by others or to prevent others from seeking to invalidate AHC's trademarks or block sales of its products as a violation of the trademarks and intellectual property rights of others. In addition, others may assert rights in, or ownership of, AHC's trademarks and other intellectual property rights or in similar marks or marks that AHC licenses and/or market and AHC may not be able to successfully resolve these conflicts to its satisfaction. AHC may need to resort to litigation to enforce its intellectual property rights, which could result in substantial costs and diversion of resources. Successful infringement claims against AHC could result in significant monetary liability or prevent AHC from selling some of its products. In addition, resolution of claims may require AHC to redesign its products, license rights from third parties or cease using those rights altogether. Any of these events could harm AHC's business and cause its results of operations, liquidity and financial condition to suffer.

AHC currently owns the exclusive right to use various domain names containing or relating to its brands. AHC may be unable to prevent third parties from acquiring and using domain names that infringe or otherwise decrease the value of its trademarks and other proprietary rights. Failure to protect AHC's domain names could adversely affect its brands and make it more difficult for users to find AHC's websites.

Fluctuations in the price, availability and quality of raw materials could cause delays and increase costs and cause AHC's operating results and financial condition to suffer.

Fluctuations in the price, availability and quality of the fabrics or other raw materials, particularly cotton, leather, and synthetics used in AHC's manufactured apparel, could have a material adverse effect on cost of sales or AHC's ability to meet customer demands. The prices of fabrics depend largely on the market prices of the raw materials used to produce them. The price and availability of the raw materials and, in turn, the fabrics used in AHC's apparel may fluctuate significantly, depending on many factors, including crop yields, weather patterns, labor costs and changes in oil prices. AHC may not be able to pass higher raw materials prices and related transportation costs on to its customers. AHC is not always successful in its efforts to protect its business from the volatility of the market price of raw materials, and AHC's business can be materially affected by dramatic movements in prices of raw materials. The ultimate effect of this change on AHC's earnings cannot be quantified, as the effect of movements in raw materials prices on industry selling prices are uncertain, but any significant increase in these prices could have a material adverse effect on its business, financial condition and operating results.

Problems with AHC's distribution system could harm its ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies.

AHC operates two distribution facilities in City of Industry, California and St. George, Utah, as well as utilizing seven third-party distribution facilities. AHC's ability to meet the needs of its wholesale partners and its own retail stores depends on the proper operation of these distribution facilities. Because a substantial portion of AHC's products are distributed from these locations, AHC's operations could also be interrupted by labor difficulties, or by floods, fires, earthquakes or other natural disasters near such either facility. AHC maintains business interruption insurance, but it may not adequately protect AHC from the adverse effects that could result from significant disruptions to its distribution system, such as the long-term loss of customers or an erosion of AHC's brand image. If AHC encounters problems with its distribution system, its ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies could be harmed. Any of the foregoing factors could have a material adverse effect on AHC's business, financial condition and operating results.

AHC's ability to source its merchandise profitably or at all could be hurt if new trade restrictions are imposed or existing trade restrictions become more burdensome.

The majority of AHC's products are currently manufactured for it outside of the U.S. The U.S. and the countries in which AHC's products are produced or sold internationally have imposed and may impose additional quotas, duties, tariffs, or other restrictions or regulations, or may adversely adjust prevailing quota, duty or tariff levels. Countries impose, modify and remove tariffs and other trade restrictions in response to a diverse array of factors, including global and national economic and political conditions, which make it impossible for AHC to predict future developments regarding tariffs and other trade restrictions. Trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to AHC or may require AHC to modify its supply chain organization or other current business practices, any of which could harm AHC's business, financial condition and results of operations.

If AHC is unable to accurately forecast customer demand for its products AHC's manufacturers may not be able to deliver products to meet its requirements, and this could result in delays in the shipment of products to AHC's wholesale partners.

AHC provides stock to its wholesale partners, based on its estimates of future demand for particular products. AHC's inventory management and planning teams determine the number of pieces of each product that AHC will order from its manufacturers based upon past sales of similar products, feedback from focus groups, sales trend information and anticipated retail price. However, if AHC's inventory and planning teams fail to accurately forecast customer demand, AHC may experience excess inventory levels or a shortage of products.

Factors that could affect AHC's inventory and planning team's ability to accurately forecast customer demand for its products include:

- a substantial increase or decrease in consumer demand for AHC's products or for products of AHC's competitors;
- AHC's failure to accurately forecast customer acceptance for its new products;
- new product introductions or pricing strategies by competitors;
- more limited historical store sales information for AHC's newer markets;
- weakening of economic conditions or consumer confidence in future economic conditions, which could reduce demand for discretionary items, such as AHC's products; and

- acts or threats of war or terrorism which could adversely affect consumer confidence and spending or interrupt production and distribution of AHC's products and AHC's raw materials.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discount prices, which would cause our gross margin to suffer and could impair the strength and exclusivity of AHC's brand.

In addition, if AHC underestimates customer demand for its products, AHC's manufacturers may not be able to deliver products to meet its requirements, and this could result in delays in the shipment of products to AHC's wholesale partners and may damage our reputation and customer relationships. There can be no assurances that AHC will be able to successfully manage its inventory at a level appropriate for future customer demand.

We could incur significant costs in complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws.

Our operations are subject to various federal, state, local and foreign environmental, health and safety laws and regulations. We could be held liable for the costs to address contamination of any real property we have ever owned, operated or used as a disposal site. For example, pursuant to a Consent Decree with the EPA and the State of Missouri, we are conducting a cleanup of contamination at the site of a plant in New Haven, Missouri, which occurred between 1973 and 1985. As of August 3, 2013 AHC's best estimate of the discounted value of the total obligation for required and voluntary remedial activities at this New Haven site was $9.7 million. If AHC's estimated amount of the discounted value is incorrect or if AHC were to become liable for other environmental liabilities or obligations, it could have a material adverse effect on its business, financial condition or results of operations.

System security risk issues could disrupt AHC's internal operations or information technology services, and any such disruption could harm AHC's net sales, increase our expenses and harm its reputation.

Experienced computer programmers and hackers, and even internal users, may be able to penetrate AHC's network security and misappropriate AHC's confidential information or that of third parties, including our customers, create system disruptions or cause shutdowns. In addition, employee error, malfeasance or other errors in the storage, use or transmission of any such information could result in a disclosure to third parties outside of AHC's network. As a result, AHC could incur significant expenses addressing problems created by any such inadvertent disclosure or any security breaches of its network. This risk is heightened because AHC collects and stores customer information, including credit card information, and use certain customer information for its marketing purposes. In addition, AHC relies on third parties for the operation of its various websites and for the various social media tools and websites AHC uses as part of its marketing strategy.

Consumers are increasingly concerned over the security of personal information transmitted over the internet, consumer identity theft and user privacy, and any compromise of customer information could subject AHC to customer or government litigation and harm AHC's reputation, which could adversely affect AHC's business and growth. Moreover, AHC could incur significant expenses or disruptions of its operations in connection with system failures or breaches. In addition, sophisticated hardware and operating system software and applications that AHC procures from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of AHC's systems. The costs to AHC to eliminate or alleviate security problems, viruses and bugs, or any problems associated with the outsourced services, could be significant, and the efforts to address these problems could result in interruptions, delays or cessation of service that may impeded AHC's sales, distribution or other critical functions. In addition to taking

the necessary precautions, AHC requires that third-party service providers implement reasonable security measures to protect its customers' identity and privacy. AHC does not, however, control these third-party service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future.

There are claims made against AHC from time to time that can result in litigation or regulatory proceedings which could distract management from AHC's business activities and result in significant liability.

AHC faces the risk of litigation and other claims against it. Litigation and other claims may arise in the ordinary course of its business and include commercial disputes, intellectual property issues, product-oriented allegations and slip and fall claims. In addition, AHC could face a wide variety of associate claims against it, including general discrimination, privacy, labor and employment, ERISA and disability claims. Any claims could result in litigation against AHC and could also result in regulatory proceedings being brought against AHC by various federal and state agencies that regulate its business, including the U.S. Equal Employment Opportunity Commission. Often these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant management time and expense. Litigation and other claims and regulatory proceedings against AHC could result in unexpected expenses and liability, and could also materially and adversely affect AHC's operations and reputation.

Changes in laws, including employment laws and laws related to AHC's merchandise, could make conducting AHC's business more expensive or otherwise change the way AHC does business.

AHC is subject to numerous regulations, including labor and employment, customs, truth-in-advertising, consumer protection and zoning and occupancy laws and ordinances that regulate retailers generally or govern the importation, promotion and sale of merchandise and the operation of stores and warehouse facilities. If these regulations were to change or were violated by AHC's management, associates, vendors, buying agents or trading companies, the costs of certain goods could increase, or AHC could experience delays in shipments of its products, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for AHC's merchandise and hurt its business and results of operations.

In addition to increased regulatory compliance requirements, changes in laws could make ordinary conduct of business more expensive or require us to change the way AHC does business. Other laws related to employee benefits and treatment of associates, including laws related to limitations on associate hours, supervisory status, leaves of absence, mandated health benefits or overtime pay, could negatively impact AHC, such as by increasing compensation and benefits costs for overtime and medical expenses.

Moreover, changes in product safety or other consumer protection laws could lead to increased costs to AHC for certain merchandise, or additional labor costs associated with readying merchandise for sale. It is often difficult for AHC to plan and prepare for potential changes to applicable laws and future actions or payments related to such changes could be material to AHC.

AHC is subject to potential challenges relating to overtime pay and other regulations that impact its employees, which could cause its business, financial condition, results of operations or cash flows to suffer.

U.S. federal and state labor laws govern AHC's relationship with its employees and affect its operating costs. These laws include minimum wage requirements, overtime pay, unemployment tax rates, workers' compensation rates and citizenship requirements. These laws change frequently and

may be difficult to interpret and apply. In particular, as a retailer, AHC may be subject to challenges regarding the application of overtime and related pay regulations to its employees. A determination that AHC does not comply with these laws could harm its brand image, business, financial condition and results of operation. Additional government-imposed increases in minimum wages, overtime pay, paid leaves of absence or mandated health benefits could also cause our business, financial condition, results of operations or cash flows to suffer.

Risks Related to this Offering and Our Common Stock

We cannot assure that a market will develop for our common stock or what the price of our common stock will be.

Before this offering, there was no public trading market for our common stock, and we cannot assure you that one will develop or be sustained after this offering. If a market does not develop or is not sustained, it may be difficult for you to sell your shares of common stock at an attractive price or at all. We cannot predict the prices at which our common stock will trade. The initial public offering price for our common stock will be determined through our negotiations with the underwriters and may not bear any relationship to the market price at which our common stock will trade after this offering or to any other established criteria of the value of our business. It is possible that, in future quarters, our operating results may be below the expectations of securities analysts and investors. As a result of these and other factors, the price of our common stock may decline, possibly materially.

Our stock price may be volatile and your investment in our common stock could suffer a decline in value.

Broad market and industry factors may harm the price of our common stock, regardless of our actual operating performance. Factors that could cause fluctuation in the price of our common stock may include, among other things:

- actual or anticipated fluctuations in quarterly operating results or other operating metrics, such as comparable store sales, that may be used by the investment community;
- changes in financial estimates by us or by any securities analysts who might cover our stock;
- speculation about our business in the press or the investment community;
- conditions or trends affecting our industry or the economy generally;
- stock market price and volume fluctuations of other publicly traded companies and, in particular, those that are in the apparel, accessories and retail industries;
- announcements by us or our competitors of new products, significant acquisitions, strategic partnerships or divestitures;
- announcements by our wholesale partners of negative business performance or the projection that future business performance will be negative;
- changes in product assortment between high and low margin products;
- capital commitments;
- our entry into new markets;
- timing of new store openings;
- percentage of sales from new stores versus established stores;
- additions or departures of key business leaders;

- actual or anticipated sales of our common stock, including sales by our directors, officers or significant stockholders;
- significant developments relating to our manufacturing, distribution, or supplier relationships;
- customer purchases of new products from us and our competitors;
- investor perceptions of the apparel, accessories and retail industries in general and our company in particular;
- major catastrophic events;
- volatility in our stock price, which may lead to higher stock-based compensation expense under applicable accounting standards;
- changes in accounting standards, policies, guidance, interpretation or principles; and
- material litigation or government investigations.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation, even if it does not result in liability for us, could result in substantial costs to us and divert management's attention and resources.

We are a "controlled company," controlled by investment funds advised by affiliates of Sun Capital, whose interests in our business may be different from yours.

Upon consummation of this offering, affiliates of Sun Capital will own approximately 72% of our outstanding common stock, assuming the underwriters do not exercise their option to purchase additional shares from the selling stockholders. If the underwriters exercise their option to purchase additional shares from the selling stockholders, affiliates of Sun Capital will own approximately 68% of our outstanding common stock. As such, affiliates of Sun Capital will, for the foreseeable future, have significant influence over our reporting and corporate management and affairs, and will be able to control virtually all matters requiring stockholder approval. For so long as affiliates of Sun Capital own 30% or more of our outstanding shares of common stock, Sun Cardinal, one of our selling stockholders, will have the right to designate a majority of our board of directors. For so long as Sun Cardinal has the right to designate a majority of our board of directors, the directors designated by Sun Cardinal are expected to constitute a majority of each committee of our board of directors, other than the Audit Committee, and the chairman of each of the committees, other than the Audit Committee, is expected to be a director serving on such committee who is designated by Sun Cardinal, provided that, at such time as we are not a "controlled company" under the NYSE corporate governance standards, our committee membership will comply with all applicable requirements of those standards and a majority of our board of directors will be "independent directors," as defined under the rules of the NYSE.

As a "controlled company," the rules of the NYSE exempt us from the obligation to comply with certain corporate governance requirements, including the requirements that a majority of our board of directors consists of "independent directors," as defined under such rules and that we have nominating and corporate governance and compensation committees that are each composed entirely of independent directors. These exemptions do not modify the requirement for a fully independent audit committee, which is permitted to be phased-in as follows: (1) one independent committee member at the time of listing; (2) a majority of independent committee members within 90 days of our initial public offering; and (3) all independent committee members within one year of our initial public offering. Similarly, once we are no longer a "controlled company," we must comply with the independent board committee requirements as they relate to the nominating and corporate governance and compensation committees, on the same phase-in schedule as set forth above, with the trigger date being the date we are no longer a "controlled company" as opposed to our initial public offering date. Additionally, we will have 12 months from the date we cease to be a "controlled company" to have a majority of independent directors on our board of directors.

Affiliates of Sun Capital will control actions to be taken by us and our board of directors, including amendments to our amended and restated certificate of incorporation and amended and restated bylaws and approval of significant corporate transactions, including mergers and sales of substantially all of our assets. The directors designated by Sun Cardinal will have the authority, subject to the terms of our indebtedness and the rules and regulations of the NYSE, to issue additional stock, implement stock repurchase programs, declare dividends and make other decisions. The NYSE independence standards are intended to ensure that directors who meet the independence standard are free of any conflicting interest that could influence their actions as directors. Our amended and restated certificate of incorporation will provide that the doctrine of "corporate opportunity" will not apply against Sun Capital or its affiliates, or any of our directors who are associates of, or affiliated with, Sun Capital, in a manner that would prohibit them from investing in competing businesses or doing business with our partners or customers. It is possible that the interests of Sun Capital and its affiliates may in some circumstances conflict with our interests and the interests of our other stockholders, including you **.** For example, Sun Capital may have different tax positions from other stockholders which could influence their decisions regarding whether and when we should dispose of assets, whether and when we should incur new or refinance existing indebtedness, especially in light of the existence of the Tax Receivable Agreement that we will enter into in connection with this offering, and whether and when we should terminate the Tax Receivable Agreement and accelerate our obligations thereunder. In addition, the structuring of future transactions may take into consideration tax or other considerations of Sun Capital and its affiliates even where no similar benefit would accrue to us. See "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement."

If you purchase shares of our common stock in this offering, you will experience substantial and immediate dilution.

If you purchase shares of common stock in this offering, you will incur immediate and substantial dilution in the amount of $22.48 per share, because the assumed initial public offering price of $18.00, which is the midpoint of the price range listed on the cover page of this prospectus, is substantially higher than the net tangible book value per share of our outstanding common stock. This dilution is due in large part to the fact that affiliates of Sun Capital paid substantially less than the initial public offering price when they acquired their shares of our capital stock in February 2008.

Our business and stock price may suffer as a result of our lack of public company operating experience. In addition, if securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

We are a privately-held company. Our lack of recent public company operating experience may make it difficult to forecast and evaluate our future performance. If we are unable to execute our business strategy, either as a result of our inability to effectively manage our business in a public company environment or for any other reason, our business performance, financial condition and results of operations may be harmed. In addition, the trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our company, the trading price for our stock would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

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

We have never declared or paid any dividends on our common stock. We intend to retain all of our earnings for the foreseeable future to finance the operation and expansion of our business and we do not anticipate paying any cash dividends in the future. As a result, you may only receive a return on your investment in our common stock if the market price of our common stock increases. Our board of directors retains the discretion to change this policy.

We are a holding company and we are dependent upon distributions from our subsidiaries to pay dividends and taxes and other expenses.

Vince Holding Corp. will be a holding company with no material assets other than its ownership of membership interests in Vince Intermediate Holding, LLC, a holding company that will have no material assets other than its interest in Vince, LLC. Neither Vince Holding Corp. nor Vince Intermediate Holding, LLC will have any independent means of generating revenue. To the extent that we need funds, for a cash dividend to holders of our common stock or otherwise, and Vince Intermediate Holding, LLC or Vince, LLC is restricted from making such distributions under applicable law or regulation or is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition.

We will file consolidated income tax returns on behalf of Vince Holding Corp. and Vince Intermediate Holding, LLC. Most of our future tax obligations will likely be attributed to the operations of Vince, LLC. Accordingly, most of the payments against the Tax Receivable Agreement will be attributed to the operations of Vince, LLC. We intend to cause Vince, LLC to pay dividends or make funds available to us in an amount sufficient to allow us to pay our taxes and any payments due to the Pre-IPO Stockholders under the Tax Receivable Agreement. If, as a consequence of these various limitations and restrictions, we do not have sufficient funds to pay tax or other liabilities, we may have to borrow funds and thus our liquidity and financial condition could be materially adversely affected. To the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest at a default rate of one-year LIBOR plus 500 basis points until paid. See “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement” for more information regarding the terms of the Tax Receivable Agreement.

We will have broad discretion over the use of proceeds from this offering after repayment of the Kellwood Note Receivable, and such remaining proceeds will be limited. Additionally, drawings under our new term loan facility will also be used to help repay the Kellwood Note Receivable and we will have no availability under such facility after giving effect to such repayment.

Most of the net proceeds from this offering are being used, along with net borrowings under our new term loan facility, to repay the Kellwood Note Receivable that will be issued to Kellwood Company, LLC in connection with the IPO Restructuring Transactions. Kellwood Company, LLC will use proceeds from the repayment of the Kellwood Note Receivable to (i) repay or retire long-term indebtedness (including accrued and unpaid interest thereon and any related fees and expenses) that was incurred to fund the operation and growth of the Vince and non-Vince businesses, (ii) pay a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement, as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Management Fees,” and (iii) a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in “Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements,” all after giving effect to the Additional Sun Capital Contribution. It is currently estimated that the restructuring fee described in clause (ii) above and payable to Sun Capital Management in connection with this offering will

total $3.1 million. Most of the net proceeds from this offering, along with the net borrowings under our new term loan facility, are being used to repay the Kellwood Note Receivable. Kellwood Company, LLC will use the proceeds from such repayment to repay, discharge or repurchase debt incurred to acquire and operate the non-Vince businesses of Apparel Holding Corp. or to pay fees associated with the operation of such businesses, investors should expect that these proceeds will not directly benefit the Vince business or be used to fund its expansion or growth. Additionally, we will have broad discretion over the use of the net proceeds from this offering that are not used to repay the Kellwood Note Receivable. You will be relying on the judgment of our board of directors and management regarding the application of any such remaining proceeds. Finally, as drawings under our new term loan facility will be used to help repay the Kellwood Note Receivable (in an amount equal to the entire availability under such facility), no portion of such facility will available to support our future growth and operations and we may need to draw on our new revolving credit facility to fund such future growth and operations.

Anti-takeover provisions of Delaware law and our amended and restated certificate of incorporation and bylaws could delay and discourage takeover attempts that stockholders may consider to be favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws will contain provisions that may make the acquisition of our company more difficult without the approval of our board of directors. These provisions include:

- the classification of our board of directors so that not all members of our board of directors are elected at one time;
- the authorization of the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of common stock;
- stockholder action can only be taken at a special or regular meeting and not by written consent following the time that Sun Capital and its affiliates cease to beneficially own a majority of our common stock;
- advance notice procedures for nominating candidates to our board of directors or presenting matters at stockholder meetings;
- removal of directors only for cause following the time that Sun Capital and its affiliates cease to beneficially own a majority of our common stock;
- allowing Sun Cardinal to fill any vacancy on our board of directors for so long as affiliates of Sun Capital own 30% or more of our outstanding shares of common stock and thereafter, allowing only our board of directors to fill vacancies on our board of directors; and
- following the time that Sun Capital and its affiliates cease to beneficially own a majority of our common stock, super-majority voting requirements to amend our bylaws and certain provisions of our certificate of incorporation.

Our amended and restated certificate of incorporation will also contain a provision that provides us with protections similar to Section 203 of the Delaware General Corporation Law (“DGCL”), and will prevent us from engaging in a business combination, such as a merger, with a person or group who acquires at least 15% of our voting stock for a period of three years from the date such person became an interested stockholder, unless board or stockholder approval is obtained prior to acquisition. However, our amended and restated certificate of incorporation will also provide that both Sun Capital

and its affiliates and any persons to whom a Sun Capital affiliate sells its common stock will be deemed to have been approved by our board of directors.

These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change of control of our company, even if doing so would benefit our stockholders. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

A total of 26,263,585, or 68.9%, of our total outstanding shares after the offering are restricted from immediate resale, but may be sold on the NYSE in the near future. The large number of shares eligible for public sale or subject to rights requiring us to register them for public sale could depress the market price of our common stock.

The market price of our common stock could decline significantly as a result of sales of a large number of shares of our common stock in the market after this offering. The sales, or the perception that these sales might occur, could depress the market price of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

Upon consummation of this offering and after giving effect to the IPO Restructuring Transactions, we will have 36,263,585 shares of common stock outstanding. The shares of common stock offered in this offering will be freely tradable without restriction under the Securities Act, except for any shares of our common stock that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is required under the Securities Act or an exemption from registration is available. In addition, pursuant to our Registration Agreement, affiliates of Sun Capital have rights to require us to file registration statements registering additional sales of shares of common stock or to include sales of such shares of common stock in registration statements that we may file for ourselves. Subject to compliance with applicable lock-up restrictions and satisfaction of certain conditions, shares of common stock sold under these registration statements can be freely sold in the public market. In the event such registration rights are exercised and a large number of shares of common stock are sold in the public market, such sales could reduce the trading price of our common stock. These sales could also impede our ability to raise future capital. Additionally, we will bear all expenses in connection with any such registrations (other than underwriting discounts and commissions). See “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Registration Agreement.”

We and the holders of substantially all of our common stock outstanding on the date of this prospectus, including each of our executive officers and directors, have agreed with the underwriters, that for a period of 180 days after the date of this prospectus, we or they will not offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or hedge any shares of our common stock, or any options or warrants to purchase any shares of our common stock or any securities convertible into or exchangeable for shares of common stock, subject to specified exceptions. The representatives of the underwriters may, in their discretion, at any time without prior notice, release all or any portion of the shares from the restrictions in any such agreement. See “Other Information Related to this Offering—Underwriting” for more information. Substantially all of our shares of common stock outstanding as of the date of this prospectus may be sold in the public market by existing stockholders 90 days after the date of this prospectus, subject to the lock-up agreements and applicable volume and other limitations imposed under federal securities laws. See “Other Information Related to this Offering—Shares Eligible for Future Sale” for a more detailed description of the restrictions on selling shares of our common stock after this offering. Sales by our existing stockholders

of a substantial number of shares in the public market, or the perception that these sales might occur, could cause the market price of our common stock to decrease significantly.

Number of shares and % of total outstanding	Date Available for Sale into Public Market
10,000,000, or 27.6%	Immediately after this offering
26,263,585, or 68.9%	180 days after the date of this prospectus due to contractual obligations and lock-up agreements between the holders of these shares and the underwriters. However, the underwriters can waive the provisions of these lock-up agreements and allow these stockholders to sell their shares at any time

In the future, we may also issue our securities in connection with investments or acquisitions. The number of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of common stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to you.

Any issuance of preferred stock could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock.

Upon consummation of this offering, our board of directors will have the authority to issue preferred stock and to determine the preferences, limitations and relative rights of shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium over the market price, and adversely affect the market price and the voting and other rights of the holders of our common stock.

We are an “emerging growth company” and may elect to comply with reduced public company reporting requirements, which could make our common stock less attractive to investors.

After giving effect to the IPO Restructuring Transactions, we will continue to be an “emerging growth company,” as defined by the JOBS Act. For as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various public company reporting requirements. These exemptions include, but are not limited to, (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (ii) reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, and (iii) 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 after the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act, which such fifth anniversary will occur in 2018. 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 revenues exceed $1.0 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we would cease to be an emerging growth company prior to the end of such five-year period. We will become a large accelerated filer the year after we have an aggregate worldwide market value of the voting and non-voting common equity held by non-affiliates of $700 million or more. We have taken advantage of certain

of the reduced disclosure obligations regarding executive compensation in this prospectus and may elect to take advantage of other reduced burdens in future filings. As a result, the information we provide to holders of our common stock may be different than you might receive from other public reporting companies in which you hold equity interests. We cannot predict if investors will find our common stock less attractive as a result of our reliance on these exemptions. If some investors find our common stock less attractive as a result of any choice we make to reduce disclosure, there may be a less active trading market for our common stock and the price for our common stock may be more volatile.

As an emerging growth company we will not be required to comply with the rules of the SEC implementing Section 404(b) of the Sarbanes-Oxley Act and therefore our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal controls over financial reporting until the year following the year we cease to be an emerging growth company. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Section 302 and 404 other than 404(b) of the Sarbanes-Oxley Act. These rules will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. Though we will be required to disclose changes made in our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following the year our first annual report is required to be filed with the SEC. If we are unable to conclude that we have effective internal control over financial reporting, our independent registered public accounting firm is unable to provide us with an unqualified report as and when required by Section 404 or we are required to restate our financial statements, we may fail to meet our public reporting obligations and investors could lose confidence in our reported financial information, which could have a negative impact on the trading price of our stock.

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. However, we have irrevocably elected not to avail ourselves of this extended transition period for complying with 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.

Our amended and restated certificate of incorporation will also provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware is, to the fullest extent permitted by applicable law, the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. The 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 or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this prospectus constitute forward-looking statements, including in the sections captioned “Prospectus Summary,” “Risk Factors,” “Additional Information Related to AHC—AHC Business,” “Additional Information Related to AHC—Management’s Discussion and Analysis of Financial Condition and Results of Operations of AHC,” “Additional Information Related to Vince—Supplemental Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC” and “Additional Information Related to Vince—Vince Business,” Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts or present facts or conditions, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the introduction of new merchandise, and the implementation of our marketing and branding strategies. In many cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or the negative of these terms or other comparable terminology.

The forward-looking statements contained in this prospectus reflect our views as of the date of this prospectus about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, but not limited to, those factors described in “Risk Factors,” “Additional Information Related to AHC—Management’s Discussion and Analysis of Financial Condition and Results of Operations of AHC” and “Additional Information Related to Vince—Supplemental Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC” These factors include without limitation:

- changes in consumer spending and general economic conditions;
- our ability to respond to market competition;
- our dependence on a strong brand image;
- our ability to maintain and expand our relationships with our significant wholesale partners;
- our ability to locate suitable locations to open new stores and to attract customers to our stores;
- our ability to maintain recent levels of comparable store sales or average sales per square foot;
- our ability to manage our operations at our current size or manage future growth effectively;
- our reliance on Kellwood to provide us with certain key services for our business;
- our ability to successfully improve and expand our product offerings;
- the success of our current and future licensing arrangements;
- our ability to successfully anticipate customer tastes;
- our ability to forecast customer demand for our products and deliver products to our stores and wholesale partners;
- our ability to successfully expand in the U.S. and other new markets;
- the ability of our senior management team to work together as a group;
- our ability to attract and retain the services of our senior management and key employees;
- our inability to protect our trademarks or other intellectual property rights;

- the ability of our suppliers or manufacturers to produce or deliver our products in a timely or cost-effective manner;
- our reliance on foreign sourcing for our product offerings;
- our ability to respond to fluctuations in the price, availability and quality of raw materials;
- harm to our brand image due to the failure of our independent manufacturers to use ethical business practices;
- our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results;
- risks associated with leasing retail space subject to long-term non-cancelable leases;
- changes in laws and regulations applicable to our business;
- system security risk issues that could disrupt our internal operations or information technology services;
- the success of our advertising, marketing and promotional strategies;
- our ability to source our merchandise profitably or at all;
- restrictions imposed by our indebtedness on our current and future operations;
- increased costs as a result of being a public company; and
- our failure to maintain adequate internal controls.

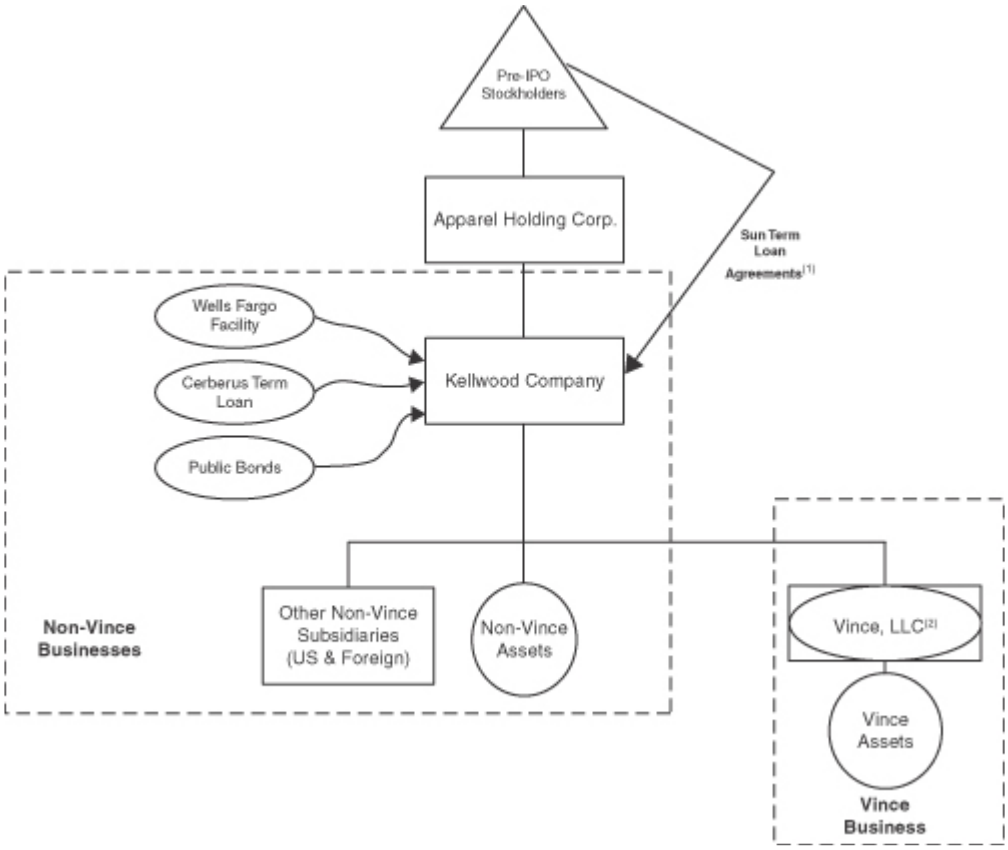
Readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on these forward-looking statements. All of the forward-looking statements we have included in this prospectus are based on information available to us on the date of this prospectus. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as otherwise required by law.

RESTRUCTURING TRANSACTIONS

Effective September 1, 2012, Kellwood Company, a wholly-owned subsidiary of Apparel Holding Corp., contributed the assets and liabilities constituting our business to Vince, LLC in the Vince Transfer. Affiliates of Sun Capital contributed, effective June 18, 2013, $407.5 million of indebtedness under the following instruments as a capital contribution to Apparel Holding Corp. in the Sun Capital Contribution: (i) that certain Loan Authorization Agreement, originally dated February 13, 2008 (the "Sun Capital Loan Agreement"), by and between Apparel Holding Corp. and certain Sun Capital affiliates for a $72.0 million line of credit, (ii) that certain $225,000,000 Senior Subordinated Promissory Note, dated May 2, 2008 (as amended, the "First Sun Promissory Note"), of Apparel Holding Corp. in favor of a certain Sun Capital affiliate and (iii) that certain $75,000,000 Senior Subordinated Promissory Note, dated as of May 2, 2008 (as amended on July 19, 2012, the "Second Sun Promissory Note" and collectively with the First Sun Promissory Note, the "Sun Promissory Notes"), of Apparel Holding Corp. in favor of a certain Sun Capital affiliate (such transactions in clauses (i)-(iii), the "Sun Capital Contribution").

We have elected to complete the IPO Restructuring Transactions discussed in this section so that investors may invest in a stand-alone Vince business. In addition, the IPO Restructuring Transactions preserve the value of certain of AHC's pre-offering tax attributes and allow the Pre-IPO Stockholders and Vince Holding Corp. to benefit from those pre-offering tax attributes after the consummation of this offering. We have elected to complete the IPO Restructuring Transactions immediately prior to the consummation of this offering to reduce the risk of incurring the costs and expenses related to the IPO Restructuring Transactions if the offering is not completed.

The chart below is a summary of Apparel Holding Corp.'s current structure prior to the consummation of this offering after giving effect to the Vince Transfer and the Sun Capital Contribution.



(1) Consists of the Sun Term Loan A Agreement and the Sun Term Loan B/C/D/E/F/G Agreement, as described below. A portion of the indebtedness under such agreements will be contributed by affiliates of Sun Capital to Apparel Holding Corp. in the Additional Sun Capital Contribution, which is a part of the IPO Restructuring Transactions.

(2) Vince, LLC is currently a borrower party or guarantor to the Wells Fargo Facility, the Cerberus Term Loan, the Sun Term Loan Agreements and the 12.875% Notes (each as defined below). Vince, LLC will be released from such obligations in connection with the repayment, discharge or refinancing, as applicable, by Kellwood Company, LLC of such obligations, which will happen contemporaneously with the consummation of this offering.

Immediately prior to consummation of this offering, the following IPO Restructuring Transactions will take place:

- affiliates of Sun Capital will contribute certain indebtedness under the Sun Term Loan Agreements as a capital contribution to Apparel Holding Corp., as part of the Additional Sun Capital Contribution;
- Apparel Holding Corp. will contribute such indebtedness to Kellwood Company as a capital contribution, at which time such indebtedness will be cancelled;
- Vince Intermediate Holding, LLC will be formed and become a direct subsidiary of Vince Holding Corp.;
- Kellwood Company, LLC (which is to be converted from Kellwood Company in connection with the IPO Restructuring Transactions) will be contributed to Vince Intermediate Holding, LLC;
- Apparel Holding Corp. and Vince Intermediate Holding, LLC will enter into the Transfer Agreement with Kellwood Company, LLC, as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Transfer Agreement;”
- Kellwood Company, LLC will distribute 100% of Vince, LLC’s membership interests to Vince Intermediate Holding, LLC, who will issue the Kellwood Note Receivable to Kellwood Company, LLC. Proceeds from the repayment of the Kellwood Note Receivable will be used to, among other things, repay, discharge or repurchase indebtedness of Kellwood Company, LLC, as described in “Use of Proceeds.” Assuming net proceeds from this offering of $159 million and net borrowings of $169.5 million under our new term loan facility, the Kellwood Note Receivable will be issued in the amount of $323.5 million The final amount of the Kellwood Note Receivable will be adjusted to equal the actual net proceeds from this offering (less the $5.0 million of net offering proceeds to be retained by us for general corporate purposes) and net borrowings under our new term loan facility;
- Kellwood Holding, LLC will be formed by Vince Intermediate Holding, LLC and Vince Intermediate Holding, LLC will, through a series of steps, contribute 100% of the membership interests of Kellwood Company, LLC to Kellwood Intermediate Holding, LLC (which will be formed as a wholly-owned subsidiary of Kellwood Holding, LLC);
- 100% of the membership interests of Kellwood Holding, LLC will be distributed to the Pre-IPO Stockholders; and
- Vince Holding Corp. will enter into the Tax Receivable Agreement with the Pre-IPO Stockholders, as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement;”
- Vince, LLC will enter into the Shared Services Agreement with Kellwood Company, LLC, as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement;” and

- the conversion of all of our issued and outstanding non-voting common stock into common stock on a one-for-one basis and the subsequent stock split of our common stock on a 28.5177 for one basis, at which time Apparel Holding Corp. will become Vince Holding Corp.

As a result of the IPO Restructuring Transactions, the non-Vince businesses will be separated from the Vince business, the Pre-IPO Stockholders (through their ownership of Kellwood Holding, LLC) will retain the ownership and control of the non-Vince businesses and a stand-alone Vince business will remain. We refer to the Vince Transfer, the Sun Capital Contribution and the IPO Restructuring Transactions collectively as the “Restructuring Transactions.”

Immediately after the consummation of this offering and as described below, Vince Holding Corp. will contribute the net proceeds from this offering to Vince Intermediate Holding, LLC. Vince Intermediate Holding, LLC will use such proceeds, less $5.0 million to be retained for general corporate purposes, and approximately $169.5 million of net borrowings under its new term loan facility (as described in “Additional Information Related to Vince—Description of Certain Indebtedness of Vince, LLC”) to immediately repay the Kellwood Note Receivable. There will be no outstanding balance on the Kellwood Note Receivable after giving effect to such repayment. Proceeds from the repayment of the Kellwood Note Receivable will be used to (i) repay, discharge or repurchase indebtedness of Kellwood Company, LLC in connection with the closing of this offering (including $9.1 million of accrued and unpaid interest on such indebtedness, assuming that this offering closes on November 27, 2013) and (ii) pay (A) the restructuring fee payable to Sun Capital Management and (B) the debt recovery bonus payable to our Chief Executive Officer, all after giving effect to the Additional Sun Capital Contribution. The Kellwood Note Receivable will not include amounts outstanding under the Wells Fargo Facility. As discussed in “Additional Information Related to AHC—Description of Certain Indebtedness of AHC,” Kellwood Company, LLC will refinance the Wells Fargo Facility in connection with the consummation of this offering. Neither Apparel Holding Corp. nor Vince, LLC will guarantee or be a borrower party to the refinanced credit facility.

Kellwood Company, LLC (currently known as Kellwood Company) will use the proceeds from the repayment of the Kellwood Note Receivable to, after giving effect to the Additional Sun Capital Contribution, (i) repay, at closing, all indebtedness outstanding under (A) the term loan with Cerberus Business Finance, LLC (the “Cerberus Term Loan”), which had an outstanding balance of $45.7 million as of August 3, 2013, (B) that certain Fifth Amended and Restated B/C/D/E/F/G Loan Agreement (the “Sun Term Loan B/C/D/E/F/G Agreement”) between Kellwood Company and certain Sun Capital affiliates and (C) that certain Second Amended and Restated Sun Term Loan A Agreement (the “Sun Term Loan A Agreement” and collectively with the Sun Term Loan B/C/D/E/F/G Agreement, the “Sun Term Loan Agreements”) between Kellwood Company and certain Sun Capital affiliates, and which Sun Term Loan Agreements collectively totaled $118.0 million in the aggregate as of August 3, 2013, (ii) redeem at par all of the 12.875% Notes, which totaled $146.8 million as of August 3, 2013, pursuant to an unconditional redemption notice to be issued at the closing of this offering, plus, with respect to clauses (i) and (ii), fees, expenses and accrued and unpaid interest thereon, (iii) pay a restructuring fee equal to 1% of the aggregate of the offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement and (iv) pay a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in “Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements.” It is currently estimated that the restructuring fee described in clause (iii) above and payable to Sun Capital Management in connection with this offering will total $3.1 million.

In addition, Kellwood Company will conduct a tender offer for all of its outstanding 7.625% Notes, which totaled $87.0 million in aggregate principal amount as of August 3, 2013, at par plus accrued and unpaid interest thereon, using proceeds from the repayment of the Kellwood Note Receivable. The tender offer will close at or after the closing of this offering. Kellwood Company, LLC may also, at or

after the closing of this offering, use proceeds remaining from the repayment of the Kellwood Note Receivable to discharge or repurchase at par all or any of its 3.5% Convertible Notes, which totaled $0.2 million in aggregate principal amount as of August 3, 2013, plus accrued and unpaid interest thereon. Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of either the 7.625% Notes or the 3.5% Convertible Notes.

If the tender offer for the 7.625% Notes is not completed contemporaneously with the closing of this offering, Kellwood Company, LLC shall enter into an escrow agreement with Vince Intermediate Holding, LLC and US Bank, National Association (the "Escrow Agent") at the closing of this offering, pursuant to which Kellwood Company, LLC will escrow an amount necessary to purchase the 7.625% Notes which may be tendered in the tender offer at the closing of the tender offer until the termination of the related escrow agreement. If the tender offer is completed contemporaneously with the consummation of this offering, we will not enter into the escrow agreement. No interest will accrue on the funds placed into escrow with the Escrow Agent and both Vince Intermediate Holding, LLC and Kellwood Company, LLC must consent to any distributions from the escrow account in accordance with the terms of the Escrow Agreement. The escrow agreement will automatically terminate upon the earlier of (i) the closing of the tender offer for the 7.625% Notes and (ii) the three-month anniversary of the closing of this offering. Amounts in escrow shall be held for the benefit of Kellwood Company, LLC and not for the benefit of any holders of the 7.625% Notes. Kellwood Company, LLC will retain amounts remaining in the escrow account, if any, after consummation of the tender offer.

In addition, Kellwood Company, LLC will, immediately after the consummation of this offering, refinance the Wells Fargo Facility, to among other things, remove Vince, LLC as an obligor thereunder. See "Use of Proceeds" and "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC" for additional information. As of August 3, 2013, the Wells Fargo Facility had an outstanding balance of $115.6 million.

After completion of these various transactions (including the Additional Sun Capital Contribution) and payments and application of the net proceeds from the repayment of the Kellwood Note Receivable, Vince, LLC's obligations under the Wells Fargo Facility, the Cerberus Term Loan, the Sun Term Loan Agreements and the 12.875% Notes will be terminated or discharged. Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of the 7.625% Notes or the 3.5% Convertible Notes. Thereafter, Vince Holding Corp., and by extension the investors in this offering, will not be responsible for the obligations described above and the only outstanding obligations of Vince Holding Corp. and its subsidiaries immediately after the consummation of this offering will be the $175 million outstanding under its new term loan facility.

While the execution of the IPO Restructuring Transactions is a technical default under the agreements or instruments governing the Cerberus Term Loan, the Sun Term Loan Agreements and the indenture governing the 12.875% Notes, because we believe that the concurrent repayment or discharge of those obligations satisfies any such default, we do not believe any consent of the lenders or noteholders under the related agreements or instruments is necessary and accordingly we do not intend to seek any such consent. We could nevertheless be subject to claims from Kellwood Company's creditors as a result of such technical defaults and these claims may force us to engage in costly litigation. If such claims are successful and indemnity if unavailable from Kellwood Company, LLC (pursuant to the Transfer Agreement or otherwise), our financial condition and results of operations may be harmed. See "Risk Factors—Risks Related to the Restructuring Transactions—Third parties may seek to hold us responsible for liabilities related to the non-Vince businesses that we will retain in the IPO Restructuring Transactions or for liabilities associated with the Vince assets not yet transferred to us."

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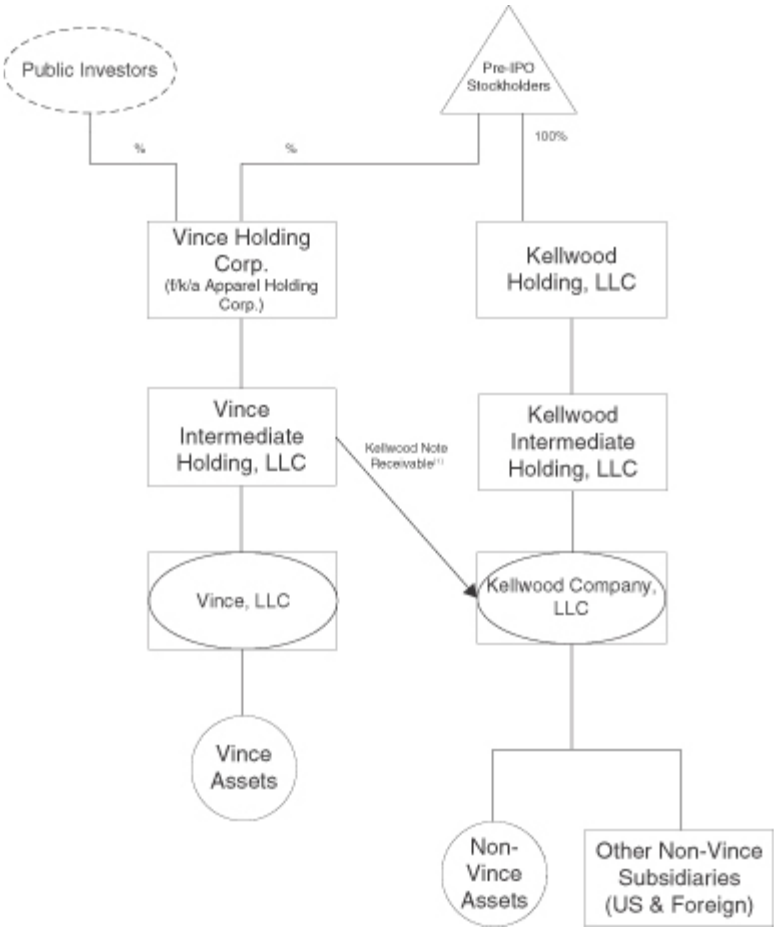
The chart below is a summary of our corporate structure and that of the assets constituting the non-Vince businesses upon consummation of this offering, assuming the underwriters do not exercise their option to purchase additional shares from the selling stockholders.



(1) The Kellwood Note Receivable will be repaid immediately after the closing of this offering with most of the net proceeds from this offering, along with the net borrowings under our new term loan facility. See “Use of Proceeds.”

USE OF PROCEEDS

We estimate that we will receive net proceeds from the sale of shares of our common stock in this offering of approximately $159 million, assuming an initial public offering price of $18.00 per share, which is the midpoint of the range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional shares of our common stock from the selling stockholders, we will not receive any proceeds from the sale of any such shares.

We intend to retain approximately $5.0 million of the net proceeds from this offering for general corporate purposes. We intend to use the remaining $154 million of net proceeds from this offering, together with net borrowings of $169.5 million under our new term loan facility, to repay the Kellwood Note Receivable, which would then total $323.5 million. The final amount of the Kellwood Note Receivable will be adjusted to equal the actual net proceeds from this offering (less the $5.0 million of net offering proceeds to be retained by us for general corporate purposes) and net borrowings under our new term loan facility.

As discussed in “Restructuring Transactions” immediately prior to consummation of this offering, Vince Intermediate Holding, LLC will issue the Kellwood Note Receivable to Kellwood Company, LLC in connection with Vince Intermediate Holding, LLC’s acquisition of Vince, LLC. Proceeds from the repayment of the Kellwood Note Receivable will be used to (i) repay, discharge or repurchase certain indebtedness of Kellwood Company, LLC and (ii) pay (A) the restructuring fee payable to Sun Capital Management and (B) the debt recovery bonus payable to our Chief Executive Officer, all after giving effect to the Additional Sun Capital Contribution. The Kellwood Note Receivable will not include amounts outstanding under the Wells Fargo Facility. As discussed in “Additional Information Related to AHC—Description of Certain Indebtedness of AHC,” Kellwood will refinance the Wells Fargo Facility in connection with the consummation of this offering. Neither Apparel Holding Corp. nor Vince, LLC will guarantee or be a borrower party to the refinanced credit facility. It will not bear interest and will be due the date of its issuance. Vince Holding Corp. will contribute all of the net proceeds from this offering to Vince Intermediate Holding, LLC immediately after the consummation of this offering. Vince Intermediate Holding, LLC will use such proceeds (less $5 million which will be retained for general corporate purposes) and approximately $169.5 million of net borrowings under its new term loan facility to immediately repay the Kellwood Note Receivable. There will be no outstanding balance on the Kellwood Note Receivable after giving effect to such repayment.

As described in the table below, Kellwood Company, LLC will use the proceeds from the repayment of the Kellwood Note Receivable to, after giving effect to the Additional Sun Capital Contribution, (i) repay, at closing, all indebtedness outstanding under (A) the Cerberus Term Loan, which had an outstanding balance of $45.7 million as of August 3, 2013 and (B) the Sun Term Loan Agreements, which collectively totaled $118.0 million in the aggregate as of August 3, 2013, (ii) redeem at par all of the outstanding 12.875% Notes, which totaled $146.8 million as of August 3, 2013, pursuant to an unconditional redemption notice to be issued at the closing of this offering, plus, with respect to clauses (i) and (ii), fees, expenses and accrued and unpaid interest thereon, (iii) pay a restructuring fee equal to the aggregate of 1% of the offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement and (iv) pay a debt recovery bonus of up to $6.0 million to our Chief Executive Officer. It is currently estimated that the restructuring fee described in clause (iii) above and payable to Sun Capital Management in connection with this offering will total $3.1 million.

In addition, Kellwood Company will conduct a tender offer for all of its outstanding 7.625% Notes, which totaled $87.0 million in aggregate principal amount as of August 3, 2013, at par plus accrued and unpaid interest thereon, using proceeds from the repayment of the Kellwood Note Receivable. The tender offer will close at or after the closing of this offering. Kellwood Company, LLC may also, at or after the closing of this offering, use proceeds remaining from the repayment of the Kellwood Note Receivable to discharge or repurchase at par all or any of its 3.5% Convertible Notes, which totaled $0.2 million in aggregate principal amount as of August 3, 2013, plus accrued and unpaid interest thereon. Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of either the 7.625% Notes or the 3.5% Convertible Notes.

If the tender offer for the 7.625% Notes is not completed contemporaneously with the closing of this offering, Kellwood Company, LLC shall enter into an escrow agreement with Vince Intermediate Holding, LLC and the Escrow Agent at the closing of this offering, pursuant to which Kellwood Company, LLC will escrow an amount necessary to purchase the 7.625% Notes which may be tendered in the tender offer at the closing of the tender offer until the termination of the related escrow agreement. If the tender offer is completed contemporaneously with the consummation of this offering, we will not enter into the escrow agreement. No interest will accrue on the funds placed into escrow with the Escrow Agent and both Vince Intermediate Holding, LLC and Kellwood Company, LLC must consent to any distributions from the escrow account in accordance with the terms of the Transfer Agreement. The escrow agreement will automatically terminate upon the earlier of (i) the closing of the tender offer for the 7.625% Notes and (ii) the three-month anniversary of the closing of this offering. Amounts in escrow shall be held for the benefit of Kellwood Company, LLC and not for the benefit of any holders of the 7.625% Notes. Kellwood Company, LLC will retain amounts remaining in the escrow account, if any, after consummation of the tender offer.

The following table sets forth the uses from the repayment of the Kellwood Note Receivable, which we currently estimate will total $323.5 million, after giving effect to the estimated $87.9 million Additional Sun Capital Contribution. The final amount of the Kellwood Note Receivable will be adjusted to equal the actual net proceeds from this offering (less the $5.0 million of net offering proceeds to be retained by us for general corporate purposes) and net borrowings under our new term loan facility. The final amount of the Additional Sun Capital Contribution will be adjusted to fill any gap between the final amount of the Kellwood Note Receivable and the amount of all payments to be made and indebtedness to be repaid, repurchased or redeemed at or after closing in connection with this offering (including all accrued and unpaid interest thereon and all fees and expenses related thereto).

Use	Amount
Repayment of Cerberus Term Loan	$45.7 million (1)
Repayment of Sun Term Loan Agreements	$118 million (1)
Redemption of the 12.875% Notes	$147.6 million (1)
Repurchase or refinancing of the 7.625% Notes	$90.8 million (1)(2)(3)
Repurchase of the 3.5% Convertible Notes	$0.2 million (1)(2)
Restructuring fee payable to Sun Capital Management	$3.1 million
Debt recovery bonus payable to our Chief Executive Officer	$6.0 million

(1) Amount includes estimated fees and expenses and accrued and unpaid interest as of August 3, 2013.
(2) Amount includes estimated fees and expenses and accrued and unpaid interest as of August 3, 2013.
(3) An amount sufficient to repurchase the 7.625% Notes which may be tendered in the tender offer at the closing of the tender offer will be placed into escrow with the Escrow Agent, in accordance with the terms of the related escrow agreement and for the period described above.

After consummation of the IPO Restructuring Transactions and this offering, neither Vince Holding Corp. nor any subsidiary thereof (including Vince, LLC) will have any obligations under any of the following agreements or instruments, which are to be repaid, repurchased or discharged by Kellwood Company, LLC using proceeds from the repayment of the Kellwood Note Receivable:

- ***Cerberus Term Loan*** . The Cerberus Term Loan terminates upon the earliest to occur of (i) October 19, 2015, (ii) the date on which the Wells Fargo Facility has been paid in full and all commitments thereunder have been terminated, (iii) 60 days prior to the scheduled December 31, 2014 maturity date of the 12.875% Notes (including any extensions thereof agreed to after October 19, 2011) and (iv) the date on which the loans under the Sun Term Loan Agreements are accelerated. All borrowings under the Cerberus Term Loan bear interest at a rate per annum equal to the applicable margin (which ranges from 10.75% to 11.25% per annum for LIBOR rate loans, based on leverage and income tests contained therein, plus, at the borrowers' election, LIBOR or an applicable reference rate).
- ***Sun Term Loan Agreements*** . The Sun Term Loan Agreements terminate upon the earliest to occur of (i) January 19, 2017 and (ii) the scheduled maturity of the Cerberus Term Loan (unless such maturity has been extended, in which case the maturity set forth in clause (i) shall be extended by the same amount of time). All borrowings under the Sun Term Loan A Agreement and the Term B Loan, Term C Loan and Term D Loan under the Sun Term Loan B/C/D/E/F/G Agreement bear interest at a rate equal to 10% per annum. All borrowings under the Term E Loan, Term F Loan and Term G Loan under the Sun Term Loan B/C/D/E/F/G Agreement bear interest at a rate equal to 12% per annum. The Term G Loan was entered into on June 28, 2013 and there are currently no amounts outstanding under the Term G Loan. The Term G Loan was entered into to fund working capital, capital expenditures and other general corporate purposes of the Company.
- ***12.875% Notes*** . The 12.875% Notes are scheduled to mature on December 31, 2014. Interest on such notes is paid (i) in cash, at a rate of 7.875% per annum, payable in January and July and (ii) in the form of PIK interest at a rate of 5% per annum.

Additionally, in connection with the consummation of this offering and the payment of a restructuring fee equal to the aggregate of 1% of this offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management from proceeds from the repayment of the Kellwood Note Receivable, the Management Services Agreement will be terminated, as will Vince, LLC's guarantee of obligations thereunder. It is currently estimated that this restructuring fee will total $3.1 million. Additionally, Kellwood Company, LLC will use proceeds from the repayment of the Kellwood Note Receivable to pay a debt recovery bonus of up to $6.0 million to our Chief Executive Officer immediately after the consummation of this offering.

All of the indebtedness under the facilities or agreements described above was incurred to fund the operation and growth of the Vince and non-Vince businesses, including to finance certain acquisitions made by AHC since 2008. See "Risk Factors—Risks Related to this Offering and Our Common Stock—We will have broad discretion over the use of proceeds from this offering after repayment of the Kellwood Note Receivable, and such remaining proceeds will be limited. Additionally, drawings under our new term loan facility will also be used to help repay the Kellwood Note Receivable and we will have no availability under such facility after giving effect to such repayment."

A $1.00 increase or decrease in the assumed initial public offering price of $18.00 per share would increase or decrease, respectively, the net proceeds to us from this offering by approximately $9.3 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Any such increase or decrease would increase or decrease the amount of the Kellwood Note Receivable by $9.3 million for each dollar change.

DIVIDEND POLICY OF AHC

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business and to repay indebtedness, therefore we do not anticipate paying any cash dividends in the foreseeable future. Additionally, because we are a holding company, our ability to pay dividends on our common stock will be limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions under the terms of the agreements governing our new revolving credit facility or new term loan facility. See “Additional Information Related to Vince—Description of Certain Indebtedness of Vince, LLC.” Any future determination to pay dividends will be at the discretion of our board of directors, subject to compliance with covenants in current and future agreements governing our indebtedness, and will depend upon our results of operations, financial condition, capital requirements, general business conditions, expansion plans and other factors that our board of directors may deem relevant.

CAPITALIZATION OF AHC

The following table sets forth our cash and cash equivalents, short-term borrowings and capitalization as of August 3, 2013 on:

- an actual basis;
- on a pro forma basis to give effect to the IPO Restructuring Transactions (including the Additional Sun Capital Contribution and the conversion of all of our issued and outstanding non-voting common stock on a one-for-one basis), and
- on a pro forma, as adjusted basis to further reflect (i) our receipt of the estimated net proceeds from the sale of 10,000,000 shares of common stock by us in this offering at an assumed initial public offering price of $18.00 per share, the midpoint of the range appearing on the cover page of this prospectus, after deducting the assumed underwriting discount and commissions payable by us and our estimated fees and expenses; and (ii) our use of these proceeds and the incurrence of approximately $175 million of borrowings under our new term loan facility, as described in “Use of Proceeds,” including repayment of the Kellwood Note Receivable.

You should read this table together with the sections entitled “Use of Proceeds,” “Additional Information Related to Vince—Supplemental Selected Historical Financial Data of Vince, LLC” and the notes thereto and “Additional Information Related to Vince—Supplemental Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC” included elsewhere in this prospectus.

(In thousands)	August 3, 2013 Actual (unaudited)	Pro Forma (unaudited)	Pro Forma, As Adjusted (unaudited)
Cash and restricted cash:			
Cash and cash equivalents	$ 2,178	$ 325	$ 5,325
Short-term borrowings:			
Wells Fargo Facility(1)(2)	$ 115,601	$ —	$ —
Kellwood Note Receivable(3)	—	323,500	—
Long-term debt:			
New Vince revolving credit facility	$ —	$ —	$ —
New Vince term loan facility	—	—	175,000
Cerberus Term Loan(2)	45,660	—	—
12.875% Notes(2)	143,962	—	—
7.625% Notes	78,991	—	—
3.5% Convertible Notes	214	—	—
Sun Term Loan Agreements(2)	118,015	—	—
Total long-term debt	386,842	—	175,000
Stockholders' (Deficit) Equity:			
Preferred Stock, $0.001 par value per share actual, $0.01 par value per share pro forma and pro forma, as adjusted; 100,000 shares authorized actual, 10,000,000 shares authorized pro forma and pro forma, as adjusted; no shares issued and outstanding actual, pro forma and pro forma, as adjusted	—	—	—
Non-Voting Common Stock, $0.001 par value per share actual; 1,700,000 shares authorized actual, no shares authorized pro forma and pro forma, as adjusted; 193 shares issued and outstanding actual, no shares issued or outstanding, pro forma and pro forma, as adjusted	—	—	—
Common Stock, $0.001 par value per share actual, $0.01 par value per share pro forma and pro forma, as adjusted; 1,200,000 shares authorized actual, 100,000,000 shares authorized pro forma and pro forma, as adjusted; 919,118 shares issued and outstanding actual, 26,216,635 shares issued and outstanding pro forma and 36,216,635 shares issued and outstanding pro forma, as adjusted	$ 1	$ 262	$ 362
Additional paid in capital	794,528	831,533	990,433
Accumulated deficit	(973,523)	(973,523)	(973,523)
Accumulated other comprehensive loss	(108)	(108)	(108)
Total stockholders' (deficit) equity	(179,102)	(141,836)	17,164
Total capitalization	$ (565,944)	$ (141,836)	$ (157,836)

(1) Includes $12.6 million of outstanding letters of credit. Kellwood Company, LLC will refinance the Wells Fargo Facility in connection with this offering. See "Use of Proceeds" and "Restructuring Transactions."

(2) Vince, LLC is a borrower party or guarantor under the agreements governing the Wells Fargo Facility, the Cerberus Term Loan, the Sun Term Loan Agreements and the 12.875% Notes. Vince, LLC's obligations under all of the above, other than with respect to the Wells Fargo Facility, which will be refinanced by Kellwood Company, LLC in connection with this offering as described in footnote (1) above, will be terminated or discharged in connection with the repayment of such indebtedness with net proceeds from this offering and borrowings under our new term loan facility, as described in "Use of Proceeds," after giving effect to the Additional Sun Capital Contribution.

(3) As a result of the IPO Restructuring Transactions, Vince Intermediate Holding, LLC will acquire Vince, LLC from Kellwood Company, LLC in exchange for the Kellwood Note Receivable. The net proceeds from this offering (after giving effect to underwriting discounts, fees and expenses related to this offering and $5.0 million of proceeds to be retained by us), along with $169.5 million of net indebtedness under our new term loan facility, will be used to repay the Kellwood Note Receivable. Proceeds from the repayment of the Kellwood Note Receivable will be used to (i) repay, discharge or repurchase indebtedness of Kellwood Company, LLC (including accrued and unpaid interest and any related fees and expenses) in connection with the consummation of this offering and (ii) pay (A) a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement, as described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Management Fees," and (B) a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in "Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements," all after giving effect to the Additional Sun Capital Contribution. It is currently estimated that the restructuring fee described in clause (ii) above and payable to Sun Capital Management in connection with this offering will total $3.1 million.

The number of pro forma, as adjusted shares of common stock shown as issued and outstanding as of October 15, 2013 excludes:

- 99,812 shares of our common stock issuable upon the exercise of options that we intend to grant under the Vince 2013 Incentive Plan, as described in “Additional Information Related to Vince—Vince Executive Compensation —Employee Stock Plans—Vince 2013 Incentive Plan,” to our Chief Financial Officer with an exercise price equal to the public offering price set forth on the cover of this prospectus in connection with the consummation of this offering;
- up to approximately 260,000 shares of our common stock issuable upon the exercise of options that we intend to grant under the Vince 2013 Incentive Plan to certain of our employees (excluding our named executive officers) with an exercise price equal to the public offering price set forth on the cover of this prospectus in connection with the consummation of this offering;
- approximately 2,208,290 shares of our common stock issuable upon the exercise of options that were issued to Vince employees and a former AHC executive under the 2010 Option Plan, after giving effect to the IPO Restructuring Transactions (including the related stock split) and Apparel Holding Corp.’s assumption of Kellwood Company’s remaining obligations under the 2010 Option Plan. Affiliates of Sun Capital have the right to acquire the 262,112 shares of stock issuable upon the exercise of options previously granted to such former AHC executive and to exercise those options upon the closing of this offering, or the options themselves. See note (5) to “Additional Information Related to AHC—AHC Executive Compensation—Outstanding Equity Awards at Fiscal 2012 Year-End” for additional information regarding such options and the related purchase right held by affiliates of Sun Capital. The exact number of options to be so issued to each employee shall be calculated by dividing the aggregate spread value of such employee’s options (determined as the difference between the exercise price and the public offering price set forth on the cover of this prospectus, multiplied by the aggregate number of vested options held by such employee) by this public offering price. Assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus, these options would have a weighted average exercise price of $5.38 per share. See “Additional Information Related to AHC—AHC Executive Compensation—Employee Stock Plans—2010 Option Plan”. for a description of the impact of a $1.00 increase or $1.00 decrease to the assumed initial public offering price of $18.00 per share on the adjusted exercise prices and the number of adjusted options;
- up to approximately 204,447 shares of our common stock which are to be issued to non-Vince employees, in exchange for their vested Kellwood Company stock options previously issued under the 2010 Option Plan (as such options are adjusted to give effect to the IPO Restructuring Transactions, including the related stock split). The exact number of shares to be so issued to each employee shall be calculated by dividing the aggregate spread value of such employee’s vested options (determined as the difference between the exercise price and the public offering price set forth on the cover of this prospectus) by this public offering price See “Additional Information Related to AHC—AHC Executive Compensation—Employee Stock Plans—2010 Option Plan”. for a description of the impact of a $1.00 increase or $1.00 decrease to the assumed initial public offering price of $18.00 per share on the number of shares of our common stock to be issued to such non-Vince employees;
- 8,333 restricted stock units, representing the right, at the option of the company, to deliver 8,333 shares of our common stock or an equivalent cash amount, that we intend to grant to our non-employee directors in the aggregate in connection with the consummation of this offering (assuming the midpoint of the initial public offering price range indicated on the cover of this prospectus);

- approximately 3,000,000 shares of our common stock that will be reserved and available for future issuance under our Vince 2013 Incentive Plan, after giving effect to the option and restricted stock grants described above, to certain of our employees (including our Chief Financial Officer) at or after the consummation of this offering; and
- 1,000,000 shares of our common stock reserved for future issuance under the Vince ESPP which we plan to adopt in connection with this offering (as described in “Additional Information Related to Vince—Vince Executive Compensation—Employee Stock Plans—Employee Stock Purchase Plan”).

The number of pro forma, as adjusted shares of our common stock shown as issued and outstanding excludes 1,838 shares of our non-voting common stock issued to a former AHC executive in October 2013. Such shares shall be converted into 52,422 shares of our common stock in the IPO Restructuring Transactions (assuming the midpoint of the initial public offering price range indicated on the cover of this prospectus).

A $1.00 increase or decrease in the assumed initial public offering price of $18.00 per share, which is the midpoint of the range set forth on the cover of this prospectus, would increase or decrease the amount of the Kellwood Note Receivable by $9.3 million for each dollar change, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same, after deducting the estimated underwriting discounts and commissions an estimated offering expenses payable by us.

DILUTION

If you invest in our common stock in this offering, you will experience immediate and substantial dilution in the pro forma net tangible book value of your shares of our common stock. The pro forma net tangible book value (deficit) of our common stock as of August 3, 2013 was $(316.1) million, or approximately $(12.04) per share. Pro forma net tangible book value per share represents the amount of total pro forma tangible assets reduced by the amount of our total pro forma liabilities divided by the pro forma number of shares of common stock that would have been outstanding on August 3, 2013, prior to the sale of 10,000,000 shares of our common stock in this offering. Pro forma net tangible book value as of August 3, 2013 gives pro forma effect to the IPO Restructuring Transactions (including (i) the conversion of all of our issued and outstanding non-voting common stock into common stock on a one-for-one basis; and (ii) the subsequent stock split of our common stock on a 28.5177 for one basis).

On February 12, 2008, affiliates of Sun Capital acquired Kellwood Company for aggregate consideration of $955.4 million, including the assumption of our debt (or approximately $36.38 per pro forma share, as compared to the initial public offering price of $18.00 per share based on the midpoint of the range set forth on the cover page of this prospectus).

Dilution to new investors in pro forma net tangible book value per share represents the difference between the amount per share paid by new investors purchasing shares of common stock in this offering and the pro forma net tangible book value per share of our common stock immediately after the consummation of this offering. After giving effect to the sale of shares of our common stock in this offering based upon an assumed initial public offering price of $18.00, the midpoint of the range set forth on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, the Sun Capital Contribution and IPO Restructuring Transactions and the application of the estimated net proceeds therefrom (including the repayment of the Kellwood Note Receivable), our pro forma, as adjusted net tangible book value as of August 3, 2013 would have been $(162.6) million, or $(4.48) per share. This represents an immediate increase in pro forma net tangible book value of $7.55 per share to the Pre-IPO Stockholders and an immediate dilution of $22.48 per share to new investors purchasing shares of common stock in this offering at the initial public offering price. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$18.00
Pro forma net tangible book value per share as of August 3, 2013 (before giving effect to this offering)	$(12.04)	
Increase in pro forma net tangible book value per share attributable to new investors in this offering	7.55	
Pro forma, as adjusted net tangible book value per share as of August 3, 2013 (after giving effect to this offering)		(4.48)
Dilution per share to new investors		$22.48

A $1.00 increase or decrease in the assumed initial public offering price of $18.00 per share, the midpoint of the range set forth on the cover of this prospectus, would increase or decrease the amount of the Kellwood Note Receivable by $9.3 million for each dollar change but would not otherwise impact our pro forma net tangible book value of this offering, our pro forma net tangible book value per share after this offering or the dilution in pro forma net tangible book value to new investors in this offering (assuming the number of shares set forth on the cover of this preliminary prospectus remains the same and after deducting the assumed underwriting discounts and commissions payable by us).

The following table sets forth, on a pro forma basis as adjusted as of August 3, 2013, after giving effect to the IPO Restructuring Transactions as described in “Restructuring Transactions” included

elsewhere in this prospectus and the sale of 10,000,000 shares of our common stock in this offering, the total number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid to us by the Pre-IPO Stockholders and by new investors who purchase shares of common stock in this offering, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, assuming an initial public offering price of $18.00 per share:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Pre-IPO Stockholders	26,263,585	72%	955,400,000	84%	$ 36.38
New investors	10,000,000	28%	180,000,000	16%	$ 18.00
Total	36,263,585	100%	1,135,400,000	100%	$ 31.31

A $1.00 increase or decrease in the assumed initial public offering price of $18.00 per share, the midpoint of the range set forth on the cover of this prospectus, would increase or decrease total consideration paid by new investors by approximately $9.3 million, and increase or decrease the percent of total consideration paid by new investors by 0.8%, assuming the number of shares set forth on the cover of this preliminary prospectus remains the same.

Upon consummation of this offering, the Pre-IPO Stockholders will own 72%, and new investors will own 28% of the total number of shares of common stock outstanding after this offering. Except as otherwise indicated, the discussion and tables above assume no exercise of the underwriters' option to purchase an additional 1,500,000 shares from the selling stockholders. If the underwriters exercise their option to purchase additional shares in full from the selling stockholders, the Pre-IPO Stockholders would own 68% and new investors would own 32% of the total number of shares of common stock outstanding after this offering.

The foregoing discussion and the tables and calculations above exclude:

- 3,400,000 shares of our common stock reserved for issuance under the Vince 2013 Incentive Plan (including the 99,812 shares of our common stock to be issued to our Chief Financial Officer, the approximately 260,000 shares of our common stock that may be issued to other Vince employees (other than our named executive officers), and the 8,333 restricted stock units that are to be issued to our non-employee directors, in each case at the closing of this offering);
- approximately 2,208,290 shares of our common stock issuable upon the exercise of options that were issued to Vince employees and to a former AHC executive under the 2010 Option Plan, after giving effect to the IPO Restructuring Transactions;
- up to approximately 204,447 shares of our common stock which are to be issued to non-Vince employees in exchange for their vested Kellwood Company stock options previously issued under the 2010 Option Plan (as such options are adjusted to give effect to the IPO Restructuring Transactions, including the related stock split); and
- 1,000,000 shares of our common stock reserved for future issuance under the Vince ESPP.

See "Additional Information Related to AHC—AHC Executive Compensation—Employee Stock Plans—2010 Option Plan" for a description of the impact of a $1.00 increase or a $1.00 decrease to the assumed initial offering price of $18.00 per share on the number of shares of our common stock referred to in the second and third bullets listed above.

To the extent that any options or equity incentive grants are issued in the future, including pursuant to the Vince 2013 Incentive Plan or the Vince ESPP, with an exercise or purchase price below the initial offering price, new investors will experience further dilution. See "Additional Information Related to Vince—Vince Executive Compensation—Employee Stock Plans—Vince 2013 Incentive Plan."

ADDITIONAL INFORMATION RELATED TO AHC

The information appearing in this section includes additional information regarding the non-Vince businesses that are to be transferred to Kellwood Holding, LLC and its subsidiaries in the IPO Restructuring Transactions. The Pre-IPO Stockholders will continue to own and operate 100% of the non-Vince businesses through their ownership of Kellwood Holding, LLC after giving effect to the IPO Restructuring Transactions. Vince Holding Corp., the issuer of common stock in this offering, will have no interest in the non-Vince businesses after giving effect to the IPO Restructuring Transactions.

As used in this Additional Information Related to AHC Section, unless the context otherwise requires:

- *"Kellwood" refers to Kellwood Holding, LLC and its consolidated subsidiaries (including Kellwood Company, LLC) after giving effect to the IPO Restructuring Transactions, or to the non-Vince businesses of AHC prior to the consummation of the IPO Restructuring Transactions, as the context requires; and*
- *"AHC" refers to Apparel Holding Corp. and its consolidated subsidiaries (including Kellwood Company) prior to consummation of the IPO Restructuring Transactions. Apparel Holding Corp. is the historical owner and operator of the Vince and non-Vince business.*

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF AHC

The following tables set forth selected historical consolidated financial data of Apparel Holding Corp. and its consolidated subsidiaries. They include assets and liabilities associated with the Kellwood business that will be transferred to Kellwood Holding, LLC and its consolidated subsidiaries in the IPO Restructuring Transactions. They also include the assets and liabilities of the Vince business transferred to Vince, LLC in connection with the Vince Transfer in September 2012. The Vince, LLC assets and liabilities have no relation to the non-Vince businesses. The following reflects the results of operations associated with the combined Vince and non-Vince assets. An investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. We will not have ongoing involvement with the non-Vince businesses following separation, with the exception of our payments to Kellwood for certain services to be provided under the Shared Services Agreement as further described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement” contained elsewhere in this prospectus. Similarly, Kellwood will not have ongoing involvement in our business, other than pursuant to the Shared Services Agreement. You should read the information set forth below in conjunction with “Use of Proceeds,” “Capitalization of AHC,” “Additional Information Related to AHC—Management’s Discussion and Analysis of Financial Condition and Results of Operations of AHC” and AHC’s audited historical consolidated financial statements and notes thereto included elsewhere in this prospectus.

The statement of operations data for each of fiscal 2010, fiscal 2011 and fiscal 2012 and the historical balance sheet data as of fiscal 2010, fiscal 2011 and fiscal 2012 set forth below are derived from AHC’s audited consolidated financial statements included elsewhere in this prospectus. The statements of operations data for each of the six month periods ended July 28, 2012 and August 3, 2013 and the balance sheet data as of August 3, 2013 set forth below are derived from AHC’s unaudited quarterly consolidated financial statements included elsewhere in this prospectus and contain all adjustments, consisting of normal recurring adjustments, that management considers necessary for a fair presentation of AHC’s financial position and results of operations for the periods presented. Operating results for the six month periods are not necessarily indicative of results for a full financial year, or any other periods. Historical results are not necessarily indicative of results to be expected for future periods.

After consummation of this offering and the IPO Restructuring Transactions, AHC’s results of the non-Vince businesses will be reported as discontinued operations for accounting purposes and AHC’s continuing operations will consist solely of the non-Vince businesses. See “Additional Information Related to Vince—Supplemental Selected Historical Financial Data of Vince, LLC” for additional information regarding the operations and assets and liabilities of Vince, LLC.

(In thousands, except per share data)	Fiscal Year 2010(1)	Fiscal Year 2011(1)	Fiscal Year 2012	Six Months Ended July 28, 2012	Six Months Ended August 3, 2013
				(unaudited)	(unaudited)
Statement of Operations Data:					
Net sales	$ 586,574	$ 662,846	$ 707,995	$ 319,445	$ 363,967
Cost of products sold	430,801	490,110	507,905	235,293	256,031
Gross profit	155,773	172,736	200,090	84,152	107,936
Operating expenses:					
Selling, general and administrative expenses	140,567	155,220	177,755	83,526	93,503
Amortization of intangible assets	954	1,941	1,899	950	950
Restructuring, environmental remediation and other charges(3)	9,729	2,651	5,091	2,264	827
Impairment of long-lived assets (excluding goodwill)	438	2,504	2,349	717	—
Impairment of goodwill	—	10,821	—	—	—
Change in fair value of contingent consideration, net(2)	—	(1,578)	(7,162)	(4,507)	(54)
Total operating expenses	151,688	171,559	179,932	82,950	95,226
Income from operations	4,085	1,177	20,158	1,202	12,710
Interest expense, net	103,074	127,148	122,383	74,151	43,671
Gain on acquisition, net of tax(2)	(939)	—	—	—	—
Gain on debt extinguishment(2)	(15,912)	—	—	—	—
Other expense, net	2,442	1,914	2,723	1,215	1,233
Loss before provision for income taxes	(84,580)	(127,885)	(104,948)	(74,164)	(32,194)
Provision for income taxes	3,507	3,401	708	2,245	2,679
Net loss from continuing operations(2)(3)	(88,087)	(131,286)	(105,656)	(76,409)	(34,873)
Net (loss) income from discontinued operations(3)(4)	(16,391)	(16,580)	(2,053)	(4,798)	9,230
Net loss	$ (104,478)	$ (147,866)	$ (107,709)	$ (81,207)	$ (25,643)
Pro forma Basic and diluted loss per share from continuing operations(5)	$ (3.36)	$ (5.00)	$ (4.03)	$ (2.92)	$ (1.33)
Pro forma Basic and diluted (loss) income per share from discontinued operation(5)	(.63)	(.63)	(.08)	(.18)	.35
Pro forma Basic and diluted loss per share(5)	$ (3.99)	$ (5.63)	$ (4.11)	$ (3.10)	$ (.98)
Pro forma Weighted average shares outstanding:					
Basic and diluted(5)	26,211,131	26,211,131	26,211,131	26,211,131	26,211,131

(1) In January 2011, AHC acquired Rebecca Taylor, a women's contemporary apparel and accessory company. In July 2011, AHC acquired Zobha, a women's athletic apparel brand, primarily focused on the yoga market. See "Additional Information Related to AHC—Management's Discussion and Analysis of Financial Condition and Results of Operations of AHC—Basis of Presentation" for information regarding AHC's decision to divest the Zobha business during the second quarter of fiscal 2013.

(2) Net loss from continuing operations includes net gains affecting comparability of the following:

- $16.8 million in fiscal 2010 comprised of a $0.9 million gain on the acquisition of certain net assets from the Adam operations as the fair value of the identifiable assets less the liabilities assumed exceeded the fair value of the consideration, and a $15.9 million gain on debt extinguishment as a result of AHC's repurchase of $29.7 million of face value of certain notes outstanding from an affiliate of Sun Capital for $9.1 million in cash;
- $1.6 million in fiscal 2011 due to a reduction in the estimated contingent payments related to the acquisitions of Rebecca Taylor and Zobha as those purchase agreements contain provisions for contingent consideration that will be paid to the respective sellers if certain performance targets are met within a specified timeframe and during the periods presented expectations related to the achievement of these targets were revised; and
- $7.2 million in fiscal 2012, of which $4.5 million was recognized during the six months ended July 28, 2012, due to further reductions in the estimated contingent payments related to the acquisitions of Rebecca Taylor and Zobha.

(3) During the years presented AHC performed several rationalization efforts aimed at improving AHC's operational efficiency to streamline the fashion apparel business and recreational apparel and products businesses. These restructuring activities, along with impairment of long-lived assets, environmental remediation charges and other charges included in net loss from continuing operations are $10.2 million in fiscal 2010, $15.1 million in fiscal 2011, $7.4 million in fiscal 2012, $3.0 million in the first six months of fiscal 2012, and $0.8 million in the first six months of fiscal 2013. These restructuring activities, along with impairment of long-lived assets and other charges included in net (loss) income from discontinued operations are $27.7 million in fiscal 2010, $6.3 million in fiscal 2011, $4.8 million in fiscal 2012, $0.2 million in the first six months of fiscal 2012, and $0.9 million in the first six months of fiscal 2013.

(4) During fiscal 2011, AHC discontinued its Adam operations and Koret wholesale operations. AHC had previously acquired the net assets which comprised its Adam operations during fiscal 2010. During fiscal 2012, AHC discontinued its Baby Phat wholesale and Lamb & Flag businesses. Additionally, AHC sold its Royal Robbins and BLK DNM businesses. During the first quarter of fiscal 2013, AHC discontinued its Phat Licensing business because AHC sold the related trademarks. During the second quarter of fiscal 2013, AHC divested its Zobha business. As such, these operations have been reflected as discontinued operations for all periods presented.

(5) Gives effect to the stock split of our common stock on a 28.5177 for one basis.

	As of			
(In thousands)	**January 29, 2011**	**January 28, 2012**	**February 2, 2013**	**August 3, 2013**
				(unaudited)
Balance Sheet Data:				
Cash and cash equivalents	$ 5,194	$ 1,839	$ 1,881	$ 2,178
Total current assets	186,673	211,254	199,792	228,891
Total assets	410,718	468,445	442,124	467,791
Total current liabilities	180,939	213,403	190,046	221,230
Long-term debt	758,473	934,354	761,752	386,842
Total stockholders' deficit	(595,219)	(743,021)	(561,265)	(179,102)
Total liabilities and stockholders' deficit	410,718	468,445	442,124	467,791

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA OF AHC

The following unaudited selected consolidated financial data presents AHC's historical consolidated statements of operations and consolidated balance sheet after giving effect to the transactions and adjustments as described in the accompanying notes. The unaudited pro forma consolidated financial data was prepared (i) on a basis consistent with that used in preparing AHC's audited consolidated financial statements and includes all adjustments, consisting of normal and recurring items, that AHC considers necessary for a fair presentation of its financial position and results of operations for the unaudited periods and (ii) consistent with the requirements of Article 11 of Regulation S-X.

This unaudited pro forma consolidated financial data should be read in conjunction with the information contained in "Additional Information Related to Vince—Supplemental Management's Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC," "Additional Information Related to Vince—Supplemental Selected Historical Financial Data of Vince, LLC," the audited financial statements of Vince, LLC and the related notes thereto appearing elsewhere in this prospectus, "Additional Information Related to AHC—Management's Discussion and Analysis of Financial Condition and Results of Operations of AHC," "Additional Information Related to AHC—Selected Historical Consolidated Financial Data of AHC," the audited consolidated financial statements of AHC and related notes thereto appearing elsewhere in this prospectus and "Restructuring Transactions."

As used in this section, unless the context requires otherwise:

- *"our," "us," "we" and "Vince Holding Corp." refer to Vince Holding Corp. (currently known as Apparel Holding Corp.) and its consolidated subsidiaries (including Vince, LLC) after giving effect to the IPO Restructuring Transactions;*
- *"Vince" refers to the Vince business after giving effect to the IPO Restructuring Transactions;*
- *"Vince, LLC" refers to the entity that has historically held the Vince assets and liabilities and will continue to do so after completion of the IPO Restructuring Transactions and the consummation of this offering and the application of the proceeds of this offering as described herein. Apparel Holding Corp. is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC;*
- *"AHC" refers to Apparel Holding Corp. and its consolidated subsidiaries (including Kellwood Company) prior to the completion of the IPO Restructuring Transactions. Apparel Holding Corp. is the historical owner and operator of the Vince and non-Vince businesses; and*
- *"Kellwood" refers to Kellwood Holding, LLC and its consolidated subsidiaries (including Kellwood Company, LLC) after giving effect to the IPO Restructuring Transactions, as the future owner and operator of the non-Vince businesses, or to the non-Vince businesses of AHC prior to the completion of the IPO Restructuring Transactions, as the context requires.*

This unaudited pro forma consolidated financial data gives effect to anticipated transactions that we believe are relevant to the understanding of the business being offered and will have a material impact on the comparability of our results of operations. They are described below and are as follows: (i) "—Kellwood Separation," (ii) "—Sun Capital Contribution and Tax Receivable Agreement," and (iii) "—This Offering."

The Kellwood Separation

As described within "Restructuring Transactions" included elsewhere in this prospectus, AHC will use a series of transactions to legally separate the Vince business from the non-Vince businesses immediately prior to consummation of this offering. We refer to this series of transactions as the

"Kellwood Separation". Once these transactions have occurred, the non-Vince businesses will be owned and operated separately from us. After consummation of this offering, the Vince business will be our only assets, liabilities, and operations. Although Apparel Holding Corp. is the legal issuer of the shares offered in this offering, an investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. Following the consummation of this offering, we expect to report the non-Vince operations as discontinued operations in accordance with ASC Topic 205 *Presentation of Financial Statements* beginning with our first financial statements filed after the effectiveness of the registration statement of which this prospectus forms a part. All pro forma adjustments to our historical financial statements that relate to the separation from the non-Vince businesses are described as "Kellwood Separation Adjustments" and they are included under the caption "—Kellwood Separation."

In addition, set forth below is supplemental disclosure of the allocation of the pro forma results of operations and financial position of the "Kellwood Separation Adjustments". This supplemental disclosure is referred to as "Allocation of Pro Forma" and represents the allocation of the unaudited pro forma results of operations and financial position among Apparel Holding Corp., Vince Intermediate Holding, LLC and Vince, LLC after giving effect to the Kellwood Separation. Apparel Holding Corp., Vince Intermediate Holding, LLC and Vince, LLC, collectively, will represent the three corporate or limited liability company entities that represent the consolidated group that will constitute the Vince business after consummation of the IPO Restructuring Transactions. The financial results of Vince, LLC are presented since after giving effect to the IPO Restructuring Transactions, Vince, LLC will be the sole operating subsidiary of the business in which you are investing in this offering. The Vince, LLC financials have been prepared on a standalone, carve-out basis. As such we present an adjustment column within the "Allocation of Pro Forma" table to reconcile the Vince, LLC financials on a stand-alone carve-out basis with the pro forma presentation of AHC after giving effect to the Kellwood Separation.

Sun Capital Contribution and Tax Receivable Agreement

Additional restructuring activities that have occurred or will occur in order to effect the consummation of this offering, include the following:

- effective June 18, 2013, affiliates of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes as a capital contribution to Apparel Holding Corp. in the Sun Capital Contribution; and
- we will enter into the Tax Receivable Agreement, (referred to in this "Unaudited Pro Forma Consolidated Financial Data of AHC" as the "TRA"), with the Pre-IPO Stockholders as described in "Other Information Related to the Offering—Certain Relationships and Related Party transactions of AHC—Tax Receivable Agreement."

Pro forma adjustments related to these additional restructuring activities are described as "Sun Capital Contribution and TRA Adjustments."

This Offering

Pro forma adjustments to reflect (i) our receipt of the estimated net proceeds from the sale of shares of common stock by us in this offering at an assumed initial public offering price of $18.00 per share, the midpoint of the range appearing on the cover page of this prospectus, after deducting the assumed underwriting discount and commissions and estimated fees and expenses payable by us; and (ii) our use of these proceeds and the incurrence of approximately $175 million of borrowings under our new term loan facility, as described in "Use of Proceeds," including repayment of the Kellwood Note Receivable, are described as " Offering Adjustments."

Unaudited Pro Forma Statements of Operations

In accordance with Article 11 of Regulation S-X we have provided AHC's unaudited pro forma consolidated statements of operations for fiscal 2010, fiscal 2011, fiscal 2012 and the first six months of fiscal 2012 and the first six months of fiscal 2013, presented on a pro forma basis to give effect to the Kellwood Separation as if it had occurred at the beginning of fiscal 2010.

Additionally, the unaudited pro forma consolidated statements of operations for fiscal 2012 and the first six months of fiscal 2013 are presented on a pro forma basis, to give effect to the Sun Capital Contribution and entry into the TRA, as if such transactions had been consummated on the first day of fiscal 2012; and finally, the unaudited pro forma consolidated statements of operations are presented for fiscal 2012 and the first six months of fiscal 2013 on a pro forma, as adjusted basis, to further reflect the impact of the Offering Adjustments.

Fiscal 2010 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC

		Kellwood Separation		Allocation of Pro Forma(2)				
(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation Adjustments(1)	Pro Forma	AHC	Vince Intermediate Holding, LLC	Vince, LLC(3)	Adjustments	Pro Forma
Net sales	$ 586,574	$ (475,082)(a)	$ 111,492	$ —	$ —	$ 111,492	$ —	$111,492
Cost of products sold	430,801	(375,106)(a)	55,695	—	—	55,695	—	55,695
Gross profit	155,773	(99,976)	55,797	—	—	55,797	—	55,797
Operating Expenses:								
Selling, general and administrative expenses	140,567	(107,829)(b)	32,738	34(g)	—	32,704(i)	—	32,738
Amortization of intangible assets	954	(356)	598	—	—	598	—	598
Restructuring, environmental remediation and other charges	9,729	(9,729)	—	—	—	—	—	—
Impairment of long-lived assets (excluding goodwill)	438	(438)	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—	—
Change in fair value of contingent consideration, net	—	—	—	—	—	—	—	—
Total operating expenses	151,688	(118,352)	33,336	34	—	33,302	—	33,336
Income (loss) from operations	4,085	18,376	22,461	(34)	—	22,495	—	22,461
Interest expense, net	103,074	(35,124)(c)	67,950	67,950(h)	—	7,172(j)	(7,172)(k)	67,950
Gain on acquisition, net of tax	(939)	939(d)	—	—	—	—	—	—
Gain on debt extinguishment	(15,912)	15,912(e)	—	—	—	—	—	—
Other expense, net	2,442	(2,092)	350	—	—	350	—	350
Income (loss) before provision for income taxes	(84,580)	38,741	(45,839)	(67,984)	—	14,973	7,172	(45,839)
Provision for income taxes	3,507	5,462(f)	8,969	—	—	5,923	3,046(l)	8,969
Net income (loss) from continuing operations	$ (88,087)	$ 33,279	$ (54,808)	$(67,984)	$ —	$ 9,050	$ 4,126	$ (54,808)
Basic and diluted loss per share	$ (3.36)		$ (2.09)					
Weighted average number of common shares outstanding, basic and diluted	26,211,131		26,211,131					

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

Fiscal 2011 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC

		Kellwood Separation		Allocation of Pro Forma(2)				
(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation Adjustments(1)	Pro Forma	AHC	Vince Intermediate Holding, LLC	Vince, LLC(3)	Adjustments	Pro Forma
Net sales	$ 662,846	$ (487,591)(a)	$ 175,255	$ —	$ —	$ 175,255	$ —	$175,255
Cost of products sold	490,110	(400,565)(a)	89,545	—	—	89,545	—	89,545
Gross profit	172,736	(87,026)	85,710	—	—	85,710	—	85,710
Operating Expenses:								
Selling, general and administrative expenses	155,220	(113,027)(b)	42,193	45(g)	—	42,148(i)	—	42,193
Amortization of intangible assets	1,941	(1,342)	599	—	—	599	—	599
Restructuring, environmental remediation and other charges	2,651	(2,651)	—	—	—	—	—	—
Impairment of long-lived assets (excluding goodwill)	2,504	(2,504)	—	—	—	—	—	—
Impairment of goodwill	10,821	(10,821)	—	—	—	—	—	—
Change in fair value of contingent consideration, net	(1,578)	1,578(m)	—	—	—	—	—	—
Total operating expenses	171,559	(128,767)	42,792	45	—	42,747	—	42,792
Income (loss) from operations	1,177	41,741	42,918	(45)	—	42,963	—	42,918
Interest expense, net	127,148	(45,785)(c)	81,363	81,363(h)	—	15,004(j)	(15,004)(k)	81,363
Other expense, net	1,914	(1,436)	478	—	—	478	—	478
(Loss) Income before provision for income taxes	(127,885)	88,962	(38,923)	(81,408)	—	27,481	15,004	(38,923)
Provision for income taxes	3,401	13,693(f)	17,094	—	—	10,812	6,282(l)	17,094
Net (loss) income from continuing operations	$ (131,286)	$ 75,269	$ (56,017)	$(81,408)	$ —	$ 16,669	$ 8,722	$ (56,017)
Basic and diluted loss per share	$ (5.00)		$ (2.14)					
Weighted average number of common shares outstanding, basic and diluted	26,211,131		26,211,131					

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

Fiscal 2012 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC

		Kellwood Separation		Allocation of Pro Forma(2)				
(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation Adjustments(1)	Pro Forma	AHC	Vince Intermediate Holding, LLC	Vince, LLC(3)	Adjustments	Pro Forma
Net sales	$ 707,995	$ (467,643)(a)	$ 240,352	$ —	$ —	$240,352	$ —	$240,352
Cost of products sold	507,905	(375,749)(a)	132,156	—	—	132,156	—	132,156
Gross profit	200,090	(91,894)	108,196	—	—	108,196	—	108,196
Operating Expenses:								
Selling, general and administrative expenses	177,755	(111,094)(b)	66,661	22(g)	—	66,639(i)	—	66,661
Amortization of intangible assets	1,899	(1,301)	598	—	—	598	—	598
Restructuring, environmental remediation and other charges	5,091	(5,091)	—	—	—	—	—	—
Impairment of long-lived assets (excluding goodwill)	2,349	(2,349)	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—	—
Change in fair value of contingent consideration, net	(7,162)	7,162(m)	—	—	—	—	—	—
Total operating expenses	179,932	(112,673)	67,259	22	—	67,237	—	67,259
Income (loss) from operations	20,158	20,779	40,937	(22)	—	40,959	—	40,937
Interest expense, net	122,383	(53,700)(c)	68,683	68,683(h)	—	22,903(j)	(22,903)(k)	68,683
Other expense, net	2,723	(1,944)	779	—	—	779	—	779
(Loss) income before provision for income taxes	(104,948)	76,423	(28,525)	(68,705)	—	17,277	22,903	(28,525)
Provision for income taxes	708	15,512(f)	16,220	—	—	6,964	9,256(l)	16,220
Net (loss) income from continuing operations	$ (105,656)	$ 60,911	$ (44,745)	$(68,705)	$ —	$ 10,313	$ 13,647	$ (44,745)
Basic and diluted loss per share	$ (4.03)		$ (1.71)					
Weighted average number of common shares outstanding, basic and diluted	26,211,131		26,211,131					

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

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First Six Months of Fiscal 2012 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC

		Kellwood Separation		Allocation of Pro Forma(2)				
(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation Adjustments(1)	Pro Forma	AHC	Vince Intermediate Holding, LLC	Vince, LLC(3)	Adjustments	Pro Forma
Net sales	$ 319,445	$ (228,914)(a)	$ 90,531	$ —	$ —	$90,531	$ —	$ 90,531
Cost of products sold	235,293	(185,174)(a)	50,119	—	—	50,119	—	50,119
Gross profit	84,152	(43,740)	40,412	—	—	40,412	—	40,412
Operating Expenses:								
Selling, general and administrative expenses	83,526	(56,457)(b)	27,069	12(g)	—	27,057(i)	—	27,069
Amortization of intangible assets	950	(651)	299	—	—	299	—	299
Restructuring, environmental remediation and other charges	2,264	(2,264)	—	—	—	—	—	—
Impairment of long-lived assets (excluding goodwill)	717	(717)	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—	—
Change in fair value of contingent consideration, net	(4,507)	4,507(m)	—	—	—	—	—	—
Total operating expenses	82,950	(55,582)	27,368	12	—	27,356	—	27,368
Income (loss) from operations	1,202	11,842	13,044	(12)	—	13,056	—	13,044
Interest expense, net	74,151	(26,256)(c)	47,895	47,895(h)	—	10,690(j)	(10,690)(k)	47,895
Other expense, net	1,215	(819)	396	—	—	396	—	396
(Loss) income before provision for income taxes	(74,164)	38,917	(35,247)	(47,907)	—	1,970	10,690	(35,247)
Provision for income taxes	2,245	2,872(f)	5,117	—	—	789	4,328(l)	5,117
Net (loss) income from continuing operations	$ (76,409)	$ 36,045	$ (40,364)	$(47,907)	$ —	$ 1,181	$ 6,362	$(40,364)
Basic and diluted loss per share	$ (2.92)		$ (1.54)					
Weighted average number of common shares outstanding, basic and diluted	26,211,131		26,211,131					

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

First Six Months of Fiscal 2013 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC

		Kellwood Separation		Allocation of Pro Forma(2)				
(In thousands, except per share amounts)	Historical Consolidated AHC	Kellwood Separation Adjustments(1)	Pro Forma	AHC	Vince Intermediate Holding, LLC	Vince, LLC(3)	Adjustments	Pro Forma
Net sales	$ 363,967	$ (249,310)(a)	$ 114,657	$ —	$ —	$114,657	$ —	$114,657
Cost of products sold	256,031	(192,525)(a)	63,506	—	—	63,506	—	63,506
Gross profit	107,936	(56,785)	51,151	—	—	51,151	—	51,151
Operating Expenses:								
Selling, general and administrati expenses	93,503	(59,537)(b)	33,966	12(g)	—	33,954(i)	—	33,966
Amortization of intangible assets	950	(650)	300	—	—	300	—	300
Restructuring, environmen remediation and other charges	827	(827)	—	—	—	—	—	—
Impairment of long-lived assets (excluding goodwill)	—	—	—	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—	—	—	—
Change in fair value of contingent consideration, net	(54)	54(m)	—	—	—	—	—	—
Total operating expenses	95,226	(60,960)	34,266	12	—	34,254	—	34,266
Income (loss) from operations	12,710	4,175	16,885	(12)	—	16,897		16,885
Interest expense, net	43,671	(27,788)(c)	15,883	15,883(h)	—	12,429(j)	(12,429)(k)	15,883
Other expense, net	1,233	(721)	512	—	—	512	—	512
(Loss) income before provision for income taxes	(32,194)	32,684	490	(15,895)	—	3,956	12,429	490
Provision for income taxes	2,679	3,909(f)	6,588	—	—	1,556	5,035(l)	6,588
Net (loss) income from continuing operations	$ (34,873)	$ 28,775	$ (6,098)	$(15,895)	$ —	$ 2,400	$ 7,397	$ (6,098)
Basic and diluted loss per share	$ (1.33)		$ (.23)					
Weighted average number of common shares outstanding, basic and diluted	26,211,131		26,211,131					

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

Fiscal 2012 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC

(In thousands, except per share amounts)	Pro Forma for Kellwood Separation(4)	Sun Capital Contribution and TRA: Sun Capital Contribution and TRA Adjustments	Sun Capital Contribution and TRA: Pro Forma	This Offering(5): Adjustments	This Offering(5): Pro Forma, As Adjusted
Net sales	$ 240,352	$ —	$ 240,352	$ —	$ 240,352
Cost of products sold	132,156	—	132,156	—	132,156
Gross profit	108,196	—	108,196	—	108,196
Operating Expenses:					
Selling, general and administrative expenses	66,661	—	66,661	—	66,661
Amortization of intangible assets	598	—	598	—	598
Restructuring, environmental remediation and other charges	—	—	—	—	—
Impairment of long-lived assets (excluding goodwill)	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—
Change in fair value of contingent consideration, net	—	—	—	—	—
Total operating expenses	67,259	—	67,259	—	67,259
Income from operations	40,937	—	40,937	—	40,937
Interest expense, net	68,683	(68,683)(n)	—	11,400	11,400
Other expense, net	779	—	779	—	779
(Loss) income before provision for income taxes	(28,525)	68,683	40,158	(11,400)	28,758
Provision for income taxes	16,220	—	16,220	(4,560)	11,660
Net (loss) income from continuing operations	$ (44,745)	$ 68,683	$ 23,938	$ (6,840)	$ 17,098
Basic earnings (loss) per share	$ (1.71)		$ .91		$ .47
Diluted earnings (loss) per share	$ (1.71)		$ .89		$ .46
Weighted average number of common shares outstanding, basic	26,211,131		26,211,131		36,211,131
Weighted average number of common shares outstanding, diluted	26,211,131		26,858,255		36,858,255

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

First Six Months of Fiscal 2013 Unaudited Pro Forma Statement of Operations of Historical Consolidated AHC

(In thousands, except per share amounts)	Pro Forma for Kellwood Separation (4)	Sun Capital Contribution and TRA: Sun Capital Contribution and TRA Adjustments	Sun Capital Contribution and TRA: Pro Forma	This Offering(5): Adjustments	This Offering(5): Pro Forma, As Adjusted
Net sales	$ 114,657	$ —	$ 114,657	$ —	$ 114,657
Cost of products sold	63,506	—	63,506	—	63,506
Gross profit	51,151	—	51,151	—	51,151
Operating Expenses:					
Selling, general and administrative expenses	33,966	—	33,966	—	33,966
Amortization of intangible assets	300	—	300	—	300
Impairment of long-lived assets (excluding goodwill)	—	—	—	—	—
Impairment of goodwill	—	—	—	—	—
Change in fair value of contingent consideration, net	—	—	—	—	—
Total operating expenses	34,266	—	32,466	—	32,466
Income from operations	16,885	—	16,885	—	16,885
Interest expense, net	15,883	(15,883)(n)	—	5,700	5,700
Other expense, net	512	—	512	—	512
Net income before provision for income taxes	490	15,883	16,373	(5,700)	10,675
Provision for income taxes	6,588	—	6,588	(2,280)	4,308
(Loss) income from continuing operations	$ (6,098)	$ 15,883	$ 9,785	$ (3,420)	$ 6,367
Basic (loss) income per share	$ (.23)		$ .37		$ .18
Diluted (loss) income per share	$ (.23)		$ .37		$ .17
Weighted average number of common shares outstanding, basic	26,211,131		26,211,131		36,211,131
Weighted average number of common shares outstanding, diluted	26,211,131		26,715,649		36,715,649

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

Unaudited Pro Forma Consolidated Balance Sheet

AHC's unaudited consolidated balance sheet is presented as of August 3, 2013 on:

- an actual basis;
- a pro forma basis to give effect to the Kellwood Separation as if it occurred on such date;
- a pro forma basis to give effect to entry into the TRA as if such transaction occurred on such date; and
- a pro forma, as adjusted basis to give further effect to this offering and the application of the proceeds therefrom as if such transactions occurred on such date.

August 3, 2013 Unaudited Pro Forma Balance Sheet of Historical Consolidated AHC

		Kellwood Separation		Allocation of Pro Forma(2)				
(In thousands)	**Historical Consolidated AHC**	**Kellwood Separation Adjustments** (6)	**Pro Forma**	**AHC**	**Vince Intermediate Holding, LLC**	**Vince, LLC** (3)	**Adjustments**	**Pro Forma**
ASSETS								
Current assets:								
Cash and cash equivalents	$ 2,178	$ (1,853)	$ 325	$219	$ —	$ 106	$ —	$ 325
Receivables, net	115,718	(75,815)	39,903	—	—	39,903	—	39,903
Inventories, net	93,858	(65,853)	28,005	—	—	28,005	—	28,005
Prepaid expenses and other current assets	17,001	(2,342)(o)	14,659(o)	—	—	14,589	70(k)	14,659
Current assets of discontinued operations	136	(136)	—	—	—	—	—	—
Total current assets	228,891	(145,999)	82,892	219	—	82,603	70	82,892
Property, plant and equipment, net	20,261	(10,763)	9,498	—	—	9,498	—	9,498
Intangible assets, net	145,331	(34,789)	110,542	—	—	110,542	—	110,542
Goodwill	65,876	(2,130)	63,746	—	—	63,746	—	63,746
Other assets	7,405	115,497(o)	122,902(o)	—	69,744(t)	24,173	28,985(u)	122,902
Long-term assets of discontinued operations	27	(27)	—	—	—	—	—	—
Total assets	$ 467,791	$ (78,211)	$389,580	$219	$ 69,744	$290,562	$ 29,055	$389,580
LIABILITIES AND STOCKHOLDERS' DEFICIT								
Current liabilities:								
Short-term borrowings	115,601	(115,601)	—	—	—	115,601(j)	(115,601)(k)	—
Accounts payable	73,510	(45,572)	27,938	—	—	27,938	—	27,938
Accrued salaries and employee benefits	13,886	(11,561)	2,325	—	—	2,325	—	2,325
Other accrued expenses	16,535	(14,275)	2,260	181	—	2,141	(62)(k)	2,260
Kellwood Note Receivable	—	323,500(p)	323,500	—	323,500(p)	—	—	323,500
Current liabilities of discontinued operations	1,698	(1,698)	—	—	—	—	—	—
Total current liabilities	221,230	134,793	356,023	181	323,500	148,005	(115,663)	356,023
Long-term debt	386,842	(386,842)	—	—	—	163,675	(163,675)	—
Deferred income taxes and other	36,409	(33,167)(o)	3,242(o)	—	—	5,041	(1,799)	3,242
Tax Receivable Agreement due	—	—	—	—	—	—	—	—
Long-term liabilities of discontinued operations	2,412	(2,412)	—	—	—	—	—	—
Total stockholders' deficit invested equity	(179,102)	209,417(q)	30,315	38	(253,756)	(26,159)	310,192	30,315
Total liabilities and stockholders' deficit/invested equity	$ 467,791	$ (78,211)	$389,580	$219	$ 69,744	$290,562	$ 29,055	$389,580

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

August 3, 2013 Unaudited Pro Forma Balance Sheet of Historical Consolidated AHC

(In thousands)	Pro Forma for Kellwood Separation(4)	Sun Capital Contribution and TRA: Sun Capital Contribution and TRA Adjustments	Sun Capital Contribution and TRA: Pro Forma	This Offering(5): Adjustments	This Offering(5): Pro Forma, As Adjusted
ASSETS					
Current assets:					
Cash and cash equivalents	$ 325	$ —	$ 325	$ 5,000	$ 5,325
Receivables, net	39,903	—	39,903	—	39,903
Inventories, net	28,005	—	28,005	—	28,005
Prepaid expenses and other current assets	14,659	—	14,659	—	14,659
Current assets of discontinued operations	—	—	—	—	—
Total current assets	82,892	—	82,892	5,000	87,892
Property, plant and equipment, net	9,498	—	9,498	—	9,498
Intangible assets, net	110,542	—	110,542	—	110,542
Goodwill	63,746	—	63,746	—	63,746
Other assets	122,902	—	122,902	5,500	128,402
Long-term assets of discontinued operations	—	—	—	—	—
Total assets	$ 389,580	$ —	$ 389,580	$ 10,500	$ 400,080
LIABILITIES AND STOCKHOLDERS' DEFICIT					
Current liabilities:					
Short-term borrowings	—	—	—	—	$ —
Accounts payable	27,938	—	27,938	—	27,938
Accrued salaries and employee benefits	2,325	—	2,325	—	2,325
Other accrued expenses	2,260	—	2,260	—	2,260
Kellwood Note Receivable	323,500	—	323,500	(323,500)	—
Current liabilities of discontinued operations	—	—	—	—	—
Total current liabilities	356,023	—	356,023	(323,500)	32,523
Long-term debt	—	—	—	175,000	175,000
Deferred income taxes and other	3,242	—	3,242	—	3,242
Tax Receivable Agreement due	—	172,151(r)	172,151	—	172,151
Long-term liabilities of discontinued operations	—	—	—	—	—
Total stockholders' deficit	30,315	(172,151)(s)	(141,836)	159,000	17,164
Total liabilities and stockholders' deficit	$ 389,580	$ —	$ 389,580	$ 10,500	$ 400,080

See accompanying notes to Unaudited Pro Forma Consolidated Financial Data.

Notes to Unaudited Pro Forma Consolidated Financial Data

(1) As described within “Restructuring Transactions” included elsewhere in this prospectus, AHC will use a series of transactions (including the Additional Sun Capital Contribution) to legally separate the non-Vince businesses from the Vince business immediately prior to the consummation of this offering. Once these transactions have occurred, the non-Vince businesses will be owned and operated separately from us. After consummation of this offering, the Vince business will be our only assets, liabilities, and operations. An investment in us after giving effect to the IPO Restructuring Transactions is an investment in the Vince business. We will not have ongoing involvement with the non-Vince businesses following separation, with the exception of our payments to Kellwood for certain services to be provided under the Shared Services Agreement as further described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC— Shared Services Agreement” contained elsewhere in this prospectus. Similarly, Kellwood will not have ongoing involvement in our business, other than pursuant to the Shared Services Agreement. Following the consummation of this offering, we expect to report the non-Vince businesses as discontinued operations in accordance with ASC Topic 205 *Presentation of Financial Statements* beginning with our first financial statements filed after the effectiveness of the registration statement of which this prospectus forms a part. All pro forma adjustments to AHC’s historical financial statements that relate to the separation of the Vince business from the non-Vince businesses are described as Kellwood Separation Adjustments and they are included under the caption “Kellwood Separation.”

As the Kellwood Separation is expected to have a material impact on AHC’s results of operations, AHC has included unaudited pro forma financial statements of operations for fiscal 2010, fiscal 2011 and fiscal 2012, as well as for the first six months of fiscal 2012 and fiscal 2013 which gives effect to the Kellwood Separation as though it occurred at the beginning of fiscal 2010. AHC has also included an unaudited pro forma balance sheet as of August 3, 2013, which give effect to the Kellwood Separation as though it had occurred on that date, at which time the non-Vince businesses would be presented as discontinued operations for all historical reporting periods. There will be no gain or loss recognized as a result of the IPO Restructuring Transactions because the entities involved in the transactions are under the common control of affiliates of Sun Capital.

(2) Set forth within the tables is supplemental disclosure of the allocation of the pro forma results of operations and financial position of the Kellwood Separation Adjustments. This supplemental disclosure is referred to as “Allocation of Pro Forma” and represents the allocation of the unaudited pro forma results of operations and financial position among Apparel Holding Corp., Vince Intermediate Holding, LLC and Vince, LLC after giving effect to the Kellwood Separation. Apparel Holding Corp., Vince Intermediate Holding, LLC and Vince, LLC, collectively, will represent the three corporate or limited liability company entities that represent the consolidated group that will constitute the Vince business after consummation of the IPO Restructuring Transactions. The financial results of Vince, LLC are presented since after giving effect to the IPO Restructuring Transactions as Vince, LLC will be the sole operating subsidiary of the business in which you are investing. The Vince, LLC financials have been prepared on a stand-alone carve-out basis. As such, we present an adjustment column within the “Allocation of Pro Forma” table to reconcile the Vince, LLC financials on a stand-alone carve-out basis with the pro-forma presentation of AHC after giving effect to the Kellwood Separation. The amounts presented for AHC within the Allocation of Pro Forma table are exclusive of AHC’s investment in Vince, LLC.

(3) Amounts are derived from the Vince, LLC audited financial statements included elsewhere in this prospectus. Those audited statements were prepared on a standalone carve-out basis. The Vince, LLC financial statements include short-term borrowings, long-term debt and interest expense related to certain Kellwood Company indebtedness, including the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements. Such debt instruments and related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder.

Provision for income taxes in the Vince, LLC financial statements has been determined on a stand-alone basis (i.e. on a "separate return" basis.) As such, the assessment of the realization of net deferred tax assets, the need for a valuation allowance and judgments on the recognition of tax benefits were based on Vince, LLC's own facts and circumstances and excluded from that assessment were any impacts of the overall results of the non-Vince businesses. The provision for income taxes is not necessarily indicative of the income taxes that would have been recorded had the Vince business been owned and operated separately from the non-Vince businesses during the periods presented.

(4) Reflects the unaudited pro forma results of operations and financial position of AHC after giving effect to the Kellwood Separation.

(5) Presented on a pro forma, as adjusted basis to further reflect (i) our receipt of the estimated net proceeds from the sale of shares of common stock by us in this offering at an assumed initial public offering price of $18.00 per share, the midpoint of the range appearing on the cover page of this prospectus, after deducting the assumed underwriting discount and commissions and our estimated fees and expenses payable by us; (ii) our use of these proceeds and the incurrence of approximately $175 million of borrowings under our new term loan facility, as described in "Use of Proceeds," including repayment of the Kellwood Note Receivable; and (iii) recognition of applicable deferred financing costs capitalized; interest expense on our new term loan facility at 6% per annum (including amortization of deferred financing costs); related adjustment to provision for income taxes at a 40% effective tax rate; and pro forma basic and diluted weighted average shares outstanding have been adjusted to reflect the offering of 10,000,000 shares and impact of potential dilutive shares as applicable. As reflected in the table, the interest expense of this borrowing, had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively, for fiscal 2012 and the first six months of fiscal 2013.

(6) AHC will use a series of transactions (including the Additional Sun Capital Contribution) to legally separate the Vince business from the non-Vince businesses immediately prior to consummation of this offering. We refer to this series of transactions as the Kellwood Separation. Once these transactions have occurred, the non-Vince businesses will be owned and operated separately from us and we will present the historical non-Vince businesses as discontinued operations. These pro forma adjustments give effect to the removal of assets and liabilities of the non-Vince businesses, and the net impact of these transactions are reflected as an adjustment to consolidated AHC's additional paid in capital.

(a) AHC has maintained distinct financial records of the non-Vince businesses, separate from the Vince business, which include all of the direct revenues and charges pertaining to the applicable business, as appropriate. All operating revenues and cost of sales can be identified as specifically pertaining to sales of products of the non-Vince or Vince business, as applicable.

(b) As noted above in note (a), AHC has maintained distinct financial records of its Vince and non-Vince businesses. Any SG&A expenses identified as directly pertaining to the Vince or non-Vince businesses are charged directly to the Vince or non-Vince businesses, as appropriate. Additionally, the Vince business is charged for the use of services provided by centralized Kellwood departments and shared facilities. These charges are based upon the actual cost incurred, without mark-up. These functions and facilities will remain with Kellwood upon separation, and will continue to be an integral part of that business going forward. We will continue to use certain of these services for a period of time through the Shared Services Agreement (as described in "Other information related to the Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement") and will be charged accordingly. The charges to Vince, LLC may not be representative of what the costs would have been had the Vince business been owned and operated separately from the non-Vince businesses during the periods presented, however management believes the amounts to be charged to Vince, LLC are representative of the incremental cost to Kellwood to service the Vince business.

(c) This pro forma adjustment represents Kellwood Company indebtedness and related interest expense, including under the Wells Fargo Facility, the Cerberus Term Loan, the Sun Term Loan Agreements, the 12.875%, the 7.625% Notes and the 3.5% Convertible Notes. These debt instruments and related interest expense are allocated to discontinued operations as the related indebtedness will be repaid, refinanced, discharged or repurchased in connection with the Kellwood Separation or, with respect to those obligations for which Vince, LLC is neither a borrower nor a guarantor, they will remain obligations of Kellwood Company. After giving effect to the Additional Sun Capital Contribution, most of the proceeds from this offering, along with the borrowings under our new term loan facility, will be used to repay, discharge or repurchase the related obligations under such instruments (other than the Wells Fargo Facility which will separately be refinanced by Kellwood Company, LLC in connection with this offering) and to pay (i) a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement, as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Management Fees,” and (ii) a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in “Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements.” It is currently estimated that the restructuring fee described in clause (i) above and payable to Sun Capital Management in connection with this offering will total $3.1 million. None of the debt obligations that have been allocated to discontinued operations are expected to be retained by the non-Vince businesses subsequent to the consummation of this offering (except for indebtedness for which neither Apparel Holding Corp. nor Vince, LLC is a guarantor or an obligor and which may be repaid, refinanced, discharged or repurchased after the closing of this offering, as described in “Use of Proceeds” and “Restructuring Transactions” and after giving effect to the Additional Sun Capital Contribution).

(d) This pro forma adjustment relates to the $0.9 million gain on the acquisition of the Adam operations in fiscal 2010 as the fair value of the identifiable assets less the liabilities assumed exceeded the fair value of the purchase price consideration.

(e) This pro forma adjustment relates to the $15.9 million gain on debt extinguishment as a result of AHC’s repurchase of $29.7 million of face value of certain notes outstanding from an affiliate of Sun Capital for $9.1 million in cash.

(f) AHC has historically included the operating results of the combined Vince business and non-Vince businesses in its U.S. federal and state income tax returns. Provision for income taxes in this pro forma presentation have been determined assuming the Kellwood Separation had occurred at the beginning of the earliest period presented, and would therefore exclude the historical operating results of the non-Vince businesses. These amounts are not necessarily indicative of the provision for income taxes that would have been recorded had we operated separately from the non-Vince businesses during the periods presented. The adjustment represents the difference between the amount calculated in accordance with the methodology described herein and the historical amounts recorded. The effective tax rate in this pro forma presentation differs from the U.S. statutory tax rate of 35% primarily due to the AHC interest expense that is disallowed for income tax purposes.

(g) AHC has incurred certain costs related to maintaining its corporate existence and other related overhead costs. These have not been allocated to any of AHC’s subsidiaries. These costs will remain in continuing operations subsequent to the Kellwood Separation due to their ongoing nature as related corporate overhead.

(h) The amounts reflected in interest expense, net for the AHC within the “Allocation of Pro Forma” table represent the interest expense related to AHC’s indebtedness to affiliates of Sun Capital under the Sun Capital Loan Agreement and the Sun Promissory Notes. This debt, and related interest expense, will not be allocated to discontinued operations for historical periods as a result of the

Kellwood Separation. Effective June 18, 2013, affiliates of Sun Capital contributed the $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Note as a capital contribution to Apparel Holding Corp. in the Sun Capital Contribution. Accordingly, for periods subsequent to June 18, 2013 AHC ceased to accrue any interest expense related to that debt.

(i) The Vince, LLC financial statements were prepared on a standalone carve-out basis and include SG&A expenses related to the Vince business, including the impact of our public company transition costs and certain other one-time costs. This results in an amount similar to the SG&A expenses reflected within the AHC pro forma column as expenses related to the Kellwood departments and services to be utilized by us under the Shared Services Agreement will be included as part of the discontinued operations in this pro forma presentation.

(j) Short-term borrowings represent borrowings under the Wells Fargo Facility. Long-term debt includes the Cerberus Term Loan and the Sun Term Loan Agreements. These debt instruments, the related capitalized deferred issuance costs and related accrued interest and interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. Notwithstanding the foregoing, the related obligations under these debt instruments and the associated expenses are excluded from the historical AHC pro forma financials as they will be reported as part of discontinued operations after consummation of the IPO Restructuring Transactions. Additionally, after consummation of this offering, neither Vince Holding Corp. nor any subsidiary thereof (including Vince, LLC) will have any obligations under any of these agreements or instruments, which are to be repaid, refinanced, repurchased or discharged by Kellwood Company, LLC in connection with this offering (after giving effect to the Additional Sun Capital Contribution, as described in “Restructuring Transactions.”)

(k) The purpose of the adjustment is to reconcile short-term borrowings, long-term debt, accrued interest, deferred debt issuance costs and related interest expense contained in the Vince, LLC financial statements to that of pro forma consolidated AHC financial statements after giving effect to the Kellwood Separation (to remove the Wells Fargo Facility, Cerberus Term Loan and Sun Term Loan Agreements which are contained in the Vince, LLC financial statements).

(l) The provision for income taxes was calculated on a separate-return basis for the Vince, LLC financial statements. The purpose of the adjustment is to reconcile the basis of presentation used in preparing the Vince, LLC financial statements to that of the pro forma consolidated AHC financial statements after giving effect to the Kellwood Separation.

(m) This pro forma adjustment represents the charges to adjust the fair value of contingent consideration for the non-Vince businesses of Rebecca Taylor and Zobha brands due to decreases in estimated contingent purchase price consideration related to the acquisition of such brands.

(n) On June 18, 2013, affiliates of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes to AHC in the Sun Capital Contribution. The contributed indebtedness consisted of $369.5 million of outstanding principal balances and $38.0 million of capitalized PIK interest. This pro forma adjustment gives effect to that contribution for fiscal 2012 and the first six months of fiscal 2013 as of the beginning of fiscal 2012 for the unaudited pro forma consolidated statement of operations. As such, the related interest expense on such indebtedness has been removed from AHC’s pro forma statements of operations for fiscal 2012 and the first six months of fiscal 2013.

(o) Set forth in the tables below is additional detail regarding the composition of the following financial statement line items appearing on the unaudited pro forma balance sheet as of August 3, 2013: prepaid expenses and other current assets, other assets, and deferred income taxes and other. We have provided additional information within these tables to explain the calculation and composition of the aforementioned balances in the pro forma presentation.

(in thousands)	Historical Consolidated AHC	Kellwood Separation Adjustments	Pro Forma
		Kellwood Separation	
Prepaid expenses and other current assets			
Net current deferred tax assets	$ 110	$ 2,662	$ 2,772(i)
Other prepaid expenses and other current assets	16,891	(5,004)(iii)	11,887
Total prepaid expenses and other current assets	$ 17,001	$ (2,342)	$ 14,659
Other assets			
Net long-term deferred tax assets	$ 116	$ 121,092	$ 121,208
Deferred debt issuance costs	3,835	(3,835)(ii)	—
Other long-term assets	3,454	(1,760)(iii)	1,694
Total other assets	$ 7,405	$ 115,497	$ 122,902
Deferred income taxes and other			
Non-current uncertain tax positions	$ 388	$ (388)(iii)	$ —
Non-current deferred tax liabilities	3,699	(3,699)	—(i)
Other non-current liabilities	32,322	(29,080)(iii)	3,242
Total deferred income taxes and other	$ 36,409	$ (33,167)	$ 3,242

(i) These transactions have been structured in such a way as to preserve a significant amount of tax assets that may otherwise expire prior to being used. Various federal and state net operating losses are available to offset future taxable income; however a full valuation allowance was placed on these assets as AHC's historical pretax losses indicated that the realization of these benefits was not more likely than not. As Kellwood Company converts to a limited liability company structure as a result of the IPO Restructuring Transactions and becomes Kellwood Company, LLC, the tax assets which will attach to and be available for use by the Vince business after the Kellwood Separation and as such, the pro forma balance sheet gives effect to such conversion.

After the Kellwood Separation, there are also deferred tax assets related to Section 197 intangibles of the non-Vince businesses and other net deferred tax liabilities related to Kellwood that will carry over to the Vince business after the consummation of this offering.

Pro forma deferred income tax assets and liabilities consist of the following (in thousands):	
Federal and state net operating losses	$ 77,640
Section 197 intangible basis of the non-Vince businesses	39,430
Release of valuation allowance on deferred tax assets of the Vince business	14,808
Other deferred tax liabilities	(7,898)
Total net deferred taxes	$123,980
Pro forma deferred income tax assets and liabilities included in:	
Net current deferred tax assets	$ 2,772
Net non-current deferred tax assets	121,208
Non-current deferred tax liabilities	—
Total net deferred income taxes	$123,980

The net deferred tax assets discussed above are all currently recorded in the financial statements of AHC. However, they are fully offset with a valuation allowance. The valuation allowance is released upon the Kellwood Separation, the offset of which is deemed to be additional paid in capital. The use of these assets is subject to the TRA, as further discussed in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement." Under the TRA we will be obligated to pay to our pre-IPO stockholders 85% of the cash savings on federal, state and local income taxes realized by us through our use of the net tax assets held by us subsequent to the

Kellwood Separation. The difference between the net deferred income tax assets of $124.0 million and the $172.1 million amount due under the Tax Receivable Agreement is due primarily to the book basis of Vince, LLC Section 197 intangible assets. Such assets have not yet generated a deferred tax asset but the tax amortization will be subject to the Tax Receivable Agreement.

(ii) Deferred debt issuance costs relate to Kellwood indebtedness which will be allocated to discontinued operations in connection with the Kellwood Separation.

(iii) These pro forma adjustments give effect to the removal of assets and liabilities of the non-Vince businesses in the Kellwood Separation.

(p) As a result of the IPO Restructuring Transactions, Vince Intermediate Holding, LLC will acquire Vince, LLC from Kellwood Company, LLC in exchange for the Kellwood Note Receivable. The principal amount of the Kellwood Note Receivable represents (i) the face value amount of the indebtedness, including accrued and unpaid interest and any related fees and expenses, to be repaid, discharged or repurchased by Kellwood Company, LLC in connection with the consummation of this offering and the repayment of the Kellwood Note Receivable by us (after giving effect to the Additional Sun Capital Contribution), (ii) a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement, as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Management Fees,” and (iii) a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in “Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements,” all after giving effect to the Additional Sun Capital Contribution. It is currently estimated that the restructuring fee described in clause (ii) above and payable to Sun Capital Management in connection with this offering will total $3.1 million. Most of the net proceeds from this offering, along with approximately $169.5 million of net borrowings under our new term loan facility, will be used to repay the Kellwood Note Receivable. We currently estimate the amount of the Kellwood Note Receivable to be, based on assumed net offering proceeds of $159 million and net borrowings under our new term loan facility of $169.5 million, $323.5 million.

All Kellwood Company long-term indebtedness outstanding (including accrued and unpaid interest and any related fees and expenses) will be repaid, discharged or repurchased with proceeds from the Kellwood Note Receivable (after giving effect to the Additional Sun Capital Contribution).

Kellwood Company long-term debt as of August 3, 2013 presented in AHC Financial Statements (dollars in thousands:

	Face Value	Less: Discount(1)	Carrying Value
Cerberus Term Loan	$ 45,660	$ —	$ 45,660
Sun Term Loan Agreements	118,015	—	118,015
12.875% Notes	146,768	(2,806)	143,962
7.625% Notes.	86,953	(7,962)	78,991
3.5% Convertible Debt	214	—	214
Total	$397,610	$ (10,768)	$386,842

(1) Represents original issue discount.

Kellwood Company long-term debt as of August 3, 2013 presented in Vince, LLC Financial Statements (as a borrower party, dollars in thousands):

	Face Value	Less: Discount	Carrying Value
Cerberus Term Loan.	$ 45,660	$ —	$ 45,660
Sun Term Loan Agreements	118,015	—	118,015
Total(1)	$163,675	$ —	$163,675

(1) Does not include the 12.875% Notes in accordance with GAAP requirements as Vince, LLC is only a guarantor, rather than an obligor, of such obligations.

Kellwood Company, LLC's expected use of the proceeds from the repayment of the Kellwood Note Receivable as of August 3, 2013 is set forth below (dollars in thousands). The final amount of the Kellwood Note Receivable will be adjusted to equal the actual net proceeds from this offering (less the $5.0 million of net proceeds to be retained by us for general corporate purposes) and net borrowings under our new term loan facility. The amount of the Additional Sun Capital Contribution will be adjusted to fill any gap between the final amount of the Kellwood Note Receivable and the amount of all payments to be made and Kellwood Company indebtedness to be repaid, repurchased or redeemed at or after closing using proceeds from the repayment of such note (including any interest accrued after August 3, 2013, but immediately prior to such repayment, repurchase or redemption).

	Face Value	Accrued Interest	Total
Cerberus Term Loan.	$ 45,660	$ —	$ 45,660
Sun Term Loan Agreements	118,015	—	118,015
12.875% Notes	146,768	787	147,555
Restructuring fee payable to Sun Capital Management	—	—	3,100
Debt recovery bonus payable to our Chief Executive Officer	—	—	6,000
7.625% Notes and 3.5% Convertible Debt.	87,167	1,935	89,102
Estimated related third-party fees and expenses	—	—	2,000
Additional Sun Capital Contribution	—	—	(87,932)
Total uses			$323,500

(q) Adjustment represents the net impact of the removal of assets and liabilities of the non-Vince businesses with the net impact reflected within stockholders' deficit as additional paid in capital.

(r) As described in "Other information related to the Offering—Certain Relationships and Related Party transactions of AHC—Tax Receivable Agreement" included elsewhere in this prospectus, we will enter into the TRA with the Pre-IPO Stockholders, where we will be obligated to pay 85% of cash savings on federal, state and local income taxes realized by us through our use of certain net tax assets held by us subsequent to the Kellwood Separation. This pro forma adjustment gives effect to what we believe the expected liability would have been under such agreement after giving effect to the IPO Restructuring Transactions as though such events had occurred on August 3, 2013. We estimate $30.4 million of net cash savings (after the 85% due to the Pre-IPO stockholders) on federal, state and local income taxes realized by us through our use of certain net tax assets held by us subsequent to the Kellwood Separation. Our ability to realize the net cash savings described in the previous sentence will depend upon a number of factors, including the amount and timing of taxable income we generate in the future and any future limitations that may be imposed on our ability to use certain net tax assets.

(s) The adjustment to additional paid in capital represents the entry into the TRA of $172.2 million.

(t) $69.7 million of deferred tax assets are allocated to Vince Intermediate Holding, LLC. These include $77.6 million of deferred tax assets related to historical NOL carry forwards and $7.9 million of other deferred tax liabilities generated by Kellwood Company that will transfer to Vince Intermediate Holding, LLC upon Kellwood Company's conversion to a limited liability company.

(u) The $29.0 million proforma adjustment primarily relates to the $39.4 million of deferred tax assets related to the Section 197 intangible basis of the non-Vince businesses that will attach to the Vince Section 197 intangibles upon separation from Kellwood. This additional deferred tax asset is partially offset by a $7.9 million difference in the deferred income taxes computed on a separate-return basis for Vince, LLC and the overall pro forma consolidated AHC deferred income taxes. It is also partially offset by $2.5 million of deferred debt issuance costs which are reported in the Vince, LLC other assets financial statement line item but excluded from the pro forma AHC other assets financial statement line item after giving effect to the Kellwood Separation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF AHC

You should read the following discussion together with "Additional Information Related to AHC—Selected Historical Consolidated Financial Data of AHC" and the consolidated financial statements and related notes of Apparel Holding Corp. included elsewhere in this prospectus. The statements in this discussion regarding expectations of AHC's future performance, liquidity and capital resources and other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Risk Factors—Risks Related to AHC" and "Special Note Regarding Forward-Looking Statements." AHC's actual results may differ materially from those contained in or implied by any forward-looking statements. As used in this section, unless the context requires otherwise, "AHC" refers to Apparel Holding Corp. and its consolidated subsidiaries prior to giving effect to the IPO Restructuring Transactions, and "Kellwood" refers to Kellwood Holding, LLC and its consolidated subsidiaries (including Kellwood Company, LLC) after giving effect to the IPO Restructuring Transactions.

The businesses of AHC described in this section represent its various operations, including the Vince and non-Vince businesses. The non-Vince businesses will not be owned by investors in this offering following the IPO Restructuring Transactions. For a discussion and analysis of the financial information relating solely to the Vince business, please see "Additional Information Related to Vince—Supplemental Management's Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC."

Business Summary

AHC is a holding company, controlled by the affiliates of Sun Capital. In 2008, AHC acquired Kellwood Company and its subsidiaries. Kellwood Company was founded in 1961 as the successor by merger of fifteen independent suppliers to Sears, Roebuck & Co. ("Sears"). Beginning in 1985, Kellwood implemented a strategy to expand its branded business, broaden its customer base, diversify its distribution channels and further develop its global product sourcing capability. As a result of this strategy, AHC has redirected its focus from the manufacturing of private label apparel and home fashions for Sears to the development of branded fashion apparel and recreational products. As part of this strategy, AHC also acquired various apparel companies or businesses and has divested numerous others. AHC now has a diversified brand portfolio that serves a broad range of customer segments across multiple wholesale partners and through its own retail stores and websites.

AHC did not have any customers that accounted for more than 10% of consolidated net sales from continuing operations during fiscal 2012. In fiscal 2011, sales to Kohl's accounted for more than 10% of the consolidated net sales of continuing operations. These sales represented 14% of fiscal 2011 net sales. In fiscal 2010, sales to Kohl's and Macy's accounted for more than 10% of the consolidated net sales from continuing operations. These sales represented 15% and 12% of fiscal 2010 net sales, respectively.

AHC manufactures, distributes and markets products under many brands, some of which it owns, and others that are under licensing agreements. In addition, AHC has four reportable segments, as set forth below:

- *Vince* : Contemporary fashion apparel and accessories sold under the Vince ® brand name through wholesale distribution to premier department stores and specialty stores as well as direct-to-consumer through Vince's retail stores and the *www.vince.com* website;

- *American Recreational Products ("ARP")* : Recreational apparel and products sold under Kelty, Sierra Designs, Ultimate Direction, Slumberjack, Wenzel and Isis brand names through wholesale distribution to retailers as well as through websites;
- *Juniors* : A collection of denim, dresses and sportswear labels that appeal to girls and young women sold under the Rewind, My Michelle and Jolt brand name as well as private label to wholesale partners. Additionally, AHC licenses the XOXO brand name and produces apparel under that name for wholesale partners within this segment; and
- *Moderate* : Moderately priced related separates and pants covering career and casual lifestyle sold through wholesale distribution and produced under private labels as well as under the Sag Harbor and Briggs New York brands.

Performance results of AHC's remaining operating segments, primarily apparel sold under the Rebecca Taylor, Democracy, Jax and Sangria brands as well as under the licensed David Meister brand, have been combined in Other, as none of these brands individually meets the quantitative thresholds for disclosures as a reportable segment. Other operations accounted for less than 25% of AHC's revenues in each of fiscal 2010, fiscal 2011 and fiscal 2012 and the first six months of fiscal 2013.

In connection with this offering, all AHC segments other than the Vince segment will be separated from AHC in the IPO Restructuring Transactions, as defined elsewhere in this prospectus, by Apparel Holding Corp., the entity offering stock in this offering. Apparel Holding Corp. will report operations from all segments other than the Vince segment as discontinued operations in future reporting periods after the consummation of this offering.

Basis of Presentation

AHC operates on a fiscal calendar widely used by the retail industry that results in a given fiscal year consisting of a 52- or 53-week period ending on the Saturday closest to January 31 of the following year.

- References to "fiscal year 2012" or "fiscal 2012" refer to the fiscal year ended February 2, 2013;
- References to "fiscal year 2011" or "fiscal 2011" refer to the fiscal year ended January 28, 2012;
- References to "fiscal year 2010" or "fiscal 2010" refer to the fiscal year ended January 29, 2011;
- References to "the first six months of fiscal 2012" refer to the six month period ended July 28, 2012; and
- References to "the first six months of fiscal 2013" refer to the six month period ended August 3, 2013.

Fiscal year 2012 consisted of a 53-week period and each of fiscal 2011 and fiscal 2010 consisted of a 52-week period. Each of the first six months of fiscal 2012 and the first six months of fiscal 2013 consisted of a 26-week period.

Net sales. Net sales consists of revenues from the sale of products, less returns, discounts and allowances and other offsets to net sales as well as shipping and handling fees and licensing fees and royalties. In AHC's wholesale operations, revenue is recognized when goods are shipped in accordance with customer orders, at which point title passes. Provisions for discounts, returns and other allowances are recorded as a reduction of net sales in the same period as the related sales. In

AHC's direct to consumer operations, revenue is recognized at the time of customer purchase in retail stores, and at the time of shipment for customer e-commerce orders. During the second quarter of fiscal 2013, AHC divested its Zobha business to focus resources on its larger contemporary and Juniors brands. Accordingly the historical results of operations and financial position of the Zobha business are reported as discontinued operations for all periods presented.

Cost of products sold . AHC's cost of products sold includes:

- the cost of purchased merchandise, including raw materials;
- the cost of inbound transportation, including freight;
- the cost of production, sourcing and technical design departments;
- other processing costs associated with acquiring and preparing the inventory for sale;
- shrink and valuation reserves;
- royalties for licensed brand names; and
- depreciation on owned facilities and equipment.

There may be variations in the costs that other companies use to calculate gross profit. As a result, data in this prospectus regarding AHC's gross profit dollars and gross margin may not be comparable with similar data made available by other companies.

Gross profit/Gross margin . Gross profit is defined as net sales less the cost of products sold. Gross margin is the percentage of gross profit to net sales.

Selling, general and administrative expenses . AHC's SG&A expenses consist of marketing, advertising, design, occupancy, certain distribution costs, salaries and benefits and other corporate overhead.

Amortization of intangible assets . Amortization of intangible assets consists of straight-line amortization expense on definite-lived intangible assets over their useful lives (10 or 20 years). These assets are comprised of customer relationships and were valued at the time of AHC's acquisition of Kellwood Company in 2008. Definite-lived intangible assets are tested for impairment if a triggering event occurs.

Restructuring, environmental remediation and other charges. AHC's restructuring, environmental remediation and other charges consist of:

- Restructuring expenses associated with efforts to continuously improve operational and organizational efficiency such as costs for moving facilities, exiting businesses, curtailing/downsizing operations because of changing economic conditions, and other costs resulting from asset redeployment decisions;
- Charges to adjust environmental remediation obligations related to a former manufacturing facility, as described below; and
- Charges to record settlement obligations related to unclaimed property.

During the second quarter of fiscal 2012, Kellwood Company entered into a Consent Decree with the EPA, and Missouri Department of Natural Resources ("MDNR") to conduct cleanup initiatives for the decontamination of soil and groundwater located near a former metal fabrication plant in New

Haven, Missouri. The agreement became effective August 24, 2012, and was entered into as settlement of a lawsuit filed against Kellwood Company, a wholly-owned subsidiary of AHC, by the EPA and MDNR. The lawsuit alleged that Kellwood Company inappropriately disposed of tetrachloroethylene ("PCE"), an industrial degreaser used to clean metal rods for tent poles, on the surrounding grounds and sewer system of a plant operated by American Recreation Products, a wholly-owned subsidiary of Kellwood Company, between 1973 and 1985.

As of February 2, 2013, AHC recorded $9.6 million for estimated capital costs and ongoing remedial activities at the New Haven site. This amount represents AHC's best estimate of the discounted value of the total obligation. The recorded liability differs from the $5.9 million letter of credit required by the EPA primarily due to AHC's use of a lower discount rate, as well as assumption of additional costs not reflected in the EPA's estimate of the related remediation work. These additional costs include voluntary corrective actions as well as EPA oversight fees.

Impairment of long-lived assets (excluding goodwill). Definite-lived intangible and long-lived assets are tested for impairment if a triggering event occurs. Under the provisions of ASC Topic 350, AHC tests its indefinite-lived intangible assets, which primarily consist of trademarks, at least annually and in an interim period if a triggering event occurs. During fiscal 2012, AHC tested indefinite-lived intangible assets for impairment under the provisions of ASU 2012-02 and completed its most recent annual impairment testing during the fourth quarter of fiscal 2012.

Impairment of goodwill. In accordance with ASC Topic 350, goodwill is tested for impairment at least annually and in an interim period if it appears more likely than not that the carrying amount exceeds its fair value. Goodwill represents the excess of the cost of acquired businesses over the fair market value of the identifiable net assets. AHC completed its most recent annual impairment testing of goodwill during the fourth quarter of fiscal 2012.

Change in fair value of contingent consideration. The purchase agreements related to the acquisitions of the Rebecca Taylor and Zobha businesses contain provisions for contingent consideration that will be paid to the respective sellers if certain performance targets are met within a specified timeframe. These amounts were estimated on the purchase date based on the terms of the purchase agreement and weighted average probability EBITDA forecasts. As forecasted EBITDA amounts change, estimates of future performance are revised and adjustments to the contingent payments are recorded. AHC will continue to estimate these payments through the end of the potential payout period that terminates on January 30, 2016, the last day of fiscal 2015.

Interest expense, net. AHC's interest expense consists of interest on its indebtedness with affiliates of Sun Capital and interest on Kellwood Company's various debt agreements, amortization of deferred debt issuance costs and amortization of debt discounts. The interest associated with the Sun Capital Loan Agreement and the Sun Promissory Notes was contributed as a capital contribution to AHC effective June 18, 2013.

Gain on acquisition, net of tax. In connection with the acquisition of the Adam operations, the fair value of the identifiable assets acquired less liabilities assumed exceeded the fair value of the consideration and accordingly, the acquisition was accounted for as a bargain purchase and AHC recorded a gain on acquisition during the third quarter of fiscal 2010 when it was acquired. AHC's Adam operations are now reported within discontinued operations as AHC ceased such operations in the fourth quarter of fiscal 2011.

Gain on debt extinguishment. Gain on debt extinguishment occurred in fiscal 2010 when Kellwood Company repurchased $29.7 million in aggregate principal amount of its 7.625% Notes from an affiliate of Sun Capital for $9.1 million in cash. The repurchased 7.625% Notes were then retired. Approximately $87.0 million in aggregate principal amount of 7.625% Notes remain outstanding following the repurchase. The extinguishment resulted in a gain of $15.9 million.

Other expense, net. AHC's other expense, net consists of miscellaneous income and expenses and management fees paid to Sun Capital Management.

Provision for income taxes . AHC is subject to taxation in many jurisdictions, and the calculation of its tax liabilities involves dealing with inherent uncertainties in the application of complex tax laws and regulations in various taxing jurisdictions. Historically, AHC has been primarily subject to taxation in the U.S. because the majority of products were sold to customers in the U.S. In the future as business expands outside the U.S., AHC could become subject to taxation based on the foreign statutory rates in the countries where these sales occur and its effective tax rate would fluctuate accordingly. AHC is subject to examination of its income tax returns by the IRS and other tax authorities. AHC regularly assesses the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of income tax reserves and expenses. Should actual events differ from current expectations, it could materially impact AHC's financial position, results of operations and cash flows.

AHC accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities at enacted rates. Valuation allowances are determined in accordance with the "more likely than not" recognition criteria. Absent the IPO Restructuring Transactions, based on available information, it is more likely than not that AHC's net deferred tax assets will not be realized, and accordingly AHC has taken a full valuation allowance against all of its U.S. net deferred tax assets.

As a result of the IPO Restructuring Transactions AHC expects to be able to utilize these net deferred tax assets. As of February 2, 2013 there are deferred tax assets of $67.4 million related to NOL carry-forwards, which has a full valuation allowance recorded against it. AHC had approximately $179.0 million of federal NOL carry-forwards as of February 2, 2013 that will expire between 2029 and 2033 if they are not used prior to the applicable expiration date. In connection with the consummation of this offering, AHC will enter into the Tax Receivable Agreement with the Pre-IPO Stockholders, as described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement." As a result of the Tax Receivable Agreement, 85% of any benefits AHC receives from utilization of NOLs and other tax attributes will be paid to the Pre-IPO Stockholders. AHC currently projects that the net benefits from the NOL carry-forwards and other tax attributes covered by the Tax Receivable Agreement will be utilized within ten years. AHC does not anticipate that the existence of the Tax Receivable Agreement, or payments to be made thereunder, will impact its effective tax rate which is estimated to be approximately 38% to 42% both during and after the period AHC will be subject to the Tax Receivable Agreement.

Furthermore, federal and state laws impose substantial restrictions on the utilization of NOL carry-forwards in the event of an "ownership change," as defined in Section 382 of the Code. Under the rules, such an ownership change is generally any change in ownership of more than 50 percent of a company's stock within a rolling three-year period, as calculated in accordance with the rules. The rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning directly or indirectly 5% or more of the stock of the company and any change in ownership arising from new issuances of stock by the company.

At this time, AHC has not performed a detailed analysis under Section 382 of the Code to determine if the IPO Restructuring Transactions would constitute an ownership change. With this offering and other transactions that have occurred over the past three years, AHC may trigger or have already triggered an "ownership change" limitation. AHC may also experience ownership changes in the future as a result of subsequent shifts in stock ownership. As a result, if AHC earns net taxable income, the ability to use the pre-change NOL carry-forwards (after giving effect to payments to be

made to the Pre-IPO Stockholders under the Tax Receivable Agreement) to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. Notwithstanding the foregoing, AHC's preliminary analysis under Section 382 of the Code indicates that the IPO Restructuring Transactions would not trigger an "ownership change" limitation.

Net (loss) income from discontinued operations. In accordance with ASC Topic 205, AHC reports the results of operations from discontinued businesses that have been disposed of once the operations and cash flows of the business have been or will be eliminated and AHC will not have significant continuing involvement with the disposed businesses. During the second quarter of fiscal 2013, AHC divested the Zobha business to focus resources on its larger contemporary and Juniors brands. During 2012, AHC decided to exit the Baby Phat wholesale business as a result of the decision to exit the urban-wear market generally. AHC also exited its startup Lamb & Flag business as a result of the decision to refocus on core businesses and cease startup activities. Additionally, the BLK DNM and Royal Robbins, LLC businesses (and certain related Canadian assets and liabilities), were sold during 2012. During 2011, AHC discontinued its Adam operations and Koret wholesale business due to poor operating performance.

The following discussion is a summary of the key factors management considers necessary in reviewing AHC's results of operations, liquidity, capital resources and operating results. The amounts and disclosures included in management's discussion and analysis of financial condition and results of operations, unless otherwise indicated, are presented on a continuing operations basis. This discussion should be read in conjunction with "Additional Information Related to AHC—Unaudited Pro Forma Consolidated Financial Data of AHC" and AHC's consolidated financial statements and related notes thereto, included elsewhere in this prospectus.

The following discussion includes financial information prepared in accordance with accounting principles generally accepted in the U.S. (GAAP), as well as Adjusted EBITDA, which is considered "a non-GAAP financial measure." Generally, a non-GAAP financial measure is a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP. The presentation of Adjusted EBITDA is intended to supplement understanding of AHC's operating performance. This non-GAAP financial measure is not intended to be a performance measure that should be regarded as an alternative to, or more meaningful than GAAP measures and may not be comparable to similarly titled measures presented by other companies.

Adjusted EBITDA is defined as income or loss from continuing operations before provision for income taxes, net interest expense, depreciation, amortization of intangible assets, restructuring, environmental and other charges, impairment of long-lived assets, impairment of goodwill, and certain gains and losses that affect comparability. AHC believes Adjusted EBITDA assists in comparing performance over various reporting periods and against peers on a consistent basis because it removes from operating results the impact of items that do not reflect our core operating performance. See the "Non-GAAP Reconciliations" section below for reconciliations of this non-GAAP financial measure to its most comparable measure calculated and presented in accordance with GAAP.

All AHC segments, other than the Vince segment, will be separated from AHC in the IPO Restructuring Transactions and reported by Apparel Holding Corp. as discontinued operations in future reporting periods. Affiliates of Sun Capital will control the non-Vince businesses through their ownership of Kellwood Holding, LLC after giving effect to the IPO Restructuring Transactions.

Results of Continuing Operations

The following tables summarize key components of AHC's results of continuing operations for the periods indicated, both in dollars and as a percentage of AHC's net sales:

	Fiscal Year						Six Months Ended			
	2010		2011		2012		July 28, 2012		August 3, 2013	
(In thousands, except percentages)							(unaudited)		(unaudited)	
Statement of Operations Data:										
Net sales	$ 586,574	100%	$ 662,846	100.0%	$ 707,995	100.0%	$319,445	100.0%	$363,967	100.0%
Cost of products sold	430,801	73.4	490,110	73.9	507,905	71.7	235,293	73.7	256,031	70.3
Gross Profit	155,773	26.6	172,736	26.1	200,090	28.3	84,152	26.3	107,936	29.7
Operating expenses:										
Selling, general and administrative expenses	140,567	24.0	155,220	23.4	177,755	25.1	83,526	26.1	93,503	25.7
Amortization of intangible assets	954	0.2	1,941	0.3	1,899	0.3	950	0.3	950	0.3
Restructuring, environmental remediation and other charges	9,729	1.7	2,651	0.4	5,091	0.7	2,264	0.7	827	0.2
Impairment of long-lived assets (excluding goodwill)	438	0.1	2,504	0.4	2,349	0.3	717	0.2	—	—
Impairment of goodwill	—	—	10,821	1.6	—	—	—	—	—	—
Change in fair value of contingent consideration	—	—	(1,578)	(0.2)	(7,162)	(1.0)	(4,507)	(1.4)	(54)	—
Total operating expenses	151,688	25.9	171,559	25.9	179,932	25.4	82,950	26.0	95,226	26.2
Income from operations	4,085	0.7	1,177	0.2	20,158	2.8	1,202	0.4	12,710	3.5
Interest expense, net	103,074	17.6	127,148	19.2	122,383	17.3	74,151	23.2	43,671	12.0
Gain on acquisition, net of tax	(939)	(0.2)	—	—	—	—	—	—	—	—
Gain on debt extinguishment	(15,912)	(2.7)	—	—	—	—	—	—	—	—
Other expense, net	2,442	0.4	1,914	0.3	2,723	0.4	1,215	0.4	1,233	0.3
Loss before provision for income taxes	(84,580)	(14.4)	(127,885)	(19.3)	(104,948)	(14.8)	(74,164)	(23.2)	(32,194)	(8.8)
Provision for income taxes	3,507	0.6	3,401	0.5	708	0.1	2,245	0.7	2,679	0.7
Net loss from continuing operations	(88,087)	(15.0)	(131,286)	(19.8)	(105,656)	(14.9)	(76,409)	(23.9)	(34,873)	(9.6)
Net (loss) income from discontinued operations	(16,391)	(2.8)	(16,580)	(2.5)	(2,053)	(0.3)	(4,798)	(1.5)	9,230	2.5
Net loss	$(104,478)	(17.8)%	$(147,866)	(22.3)%	$(107,709)	(15.2)%	$ (81,207)	(25.4)%	$ (25,643)	(7.0)%

Non-GAAP Reconciliations

Reconciliations of AHC's non-GAAP measure to loss of continuing operations before provision for income taxes are included below.

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012	August 3, 2013
(in thousands)				(unaudited)	(unaudited)
Adjusted EBITDA					
Vince	$ 23,637	$ 44,186	$ 51,520	$ 15,260	$ 21,502
ARP	(1,454)	(7,854)	(4,496)	(208)	(528)
Juniors	13,557	9,411	9,426	3,113	9,384
Moderate	18,672	250	1,924	(1,003)	832
Other	(1,301)	10,296	6,916	2,747	3,792
Segment Adjusted EBITDA	53,111	56,289	65,290	19,909	34,982
Unallocated corporate Adjusted EBITDA	(31,312)	(32,196)	(30,736)	(15,914)	(15,149)
Interest expense, net	(103,074)	(127,148)	(122,383)	(74,151)	(43,671)
Depreciation	(9,035)	(8,491)	(5,611)	(2,905)	(2,622)
Amortization of intangible assets	(954)	(1,941)	(1,899)	(950)	(950)
Restructuring, environmental and other charges	(9,729)	(2,651)	(5,091)	(2,264)	(827)
Impairment of long-lived assets (excluding goodwill)	(438)	(2,504)	(2,349)	(717)	—
Impairment of goodwill	—	(10,821)	—	—	—
Change in fair value of contingent consideration	—	1,578	7,162	4,507	54
Gain on acquisition, net of tax	939	—	—	—	—
Gain on debt extinguishment	15,912	—	—	—	—
Public company transition costs(a)	—	—	(9,331)	(1,679)	(4,011)
Loss of continuing operations before provision for income taxes	$ (84,580)	$(127,885)	$(104,948)	$ (74,164)	$ (32,194)

(a) Adjusted EBITDA does not include the impact of public company transition costs and certain one-time costs of $9.3 million for fiscal 2012 and $4.0 million for the first six months of fiscal 2013. These costs include transition payments to the Vince founders, charges that are directly attributable to this offering, incremental costs for external legal counsel and consulting fees incurred to effect the Restructuring Transactions and other one-time costs. These charges are excluded due to their non-recurring nature and ability to impact comparability to other periods.

First Six Months of Fiscal 2013 Compared to First Six Months of Fiscal 2012

Net sales for continuing operations for the first six months of fiscal 2013 were $364.0 million, increasing $44.5 million, or 13.9%, versus $319.4 million for the first six months of fiscal 2012. The increase in sales compared to the prior year is primarily due to increased sales of contemporary and Juniors brands.

Segment Results of Operations

(In thousands)	Net Sales by Segment First Six Months 2012 (unaudited)	Net Sales by Segment First Six Months 2013 (unaudited)	Segment Adjusted EBITDA First Six Months 2012 (unaudited)	Segment Adjusted EBITDA First Six Months 2013 (unaudited)
Net Sales by Segment				
Vince	$ 90,531	$ 114,657	$ 15,260	$ 21,502
ARP	52,295	51,272	(208)	(528)
Juniors	89,850	110,575	3,113	9,384
Moderate	38,509	32,182	(1,003)	832
Other	48,260	55,281	2,747	3,792
Total	$ 319,445	$ 363,967	$ 19,909	$ 34,982

Vince. Net sales from the Vince segment (which is now operated through Vince, LLC) increased $24.1 million, or 26.6%, to $114.7 million in the first six months of fiscal 2013 from $90.5 million in the first six months of fiscal 2012 due to additional volume at existing as well as new wholesale partners, as well as an increase in the number of retail stores and increased productivity at existing retail stores. The overall increase in net sales was driven primarily by the strength of existing product lines, successful introduction of new products and the increasing recognition of the Vince brand name.

Segment Adjusted EBITDA from the Vince segment increased $6.2 million, or 40.1%, to $21.5 million in the first six months of fiscal 2013 from $15.3 million in the first six months of fiscal 2012 due to the increase in sales noted above, partially offset by higher design, development and marketing expenses to support the growth of the brand.

ARP. Net sales from the ARP segment decreased $1.0 million, or 2.0% to $51.3 million in the first six months of fiscal 2013 from $52.3 million in the first six months of fiscal 2012, driven by a shift in the timing of product shipments into the third quarter of 2013.

Segment Adjusted EBITDA from the ARP segment decreased $0.3 million, or 153.9%, to $(0.5) million in the first six months of fiscal 2013 from $(0.2) million in the first six months of fiscal 2012, driven by a shift in the timing of product shipments into the third quarter of 2013.

Juniors. Net sales from the Juniors segment increased $20.7 million, or 23.1% to $110.6 million in the first six months of fiscal 2013 from $89.9 million in the first six months of fiscal 2012 primarily due to increased private label program orders from one of AHC's wholesale partners, as well an increase in the number of wholesale doors distributing AHC's products and sales related to its licensed XOXO product.

Segment Adjusted EBITDA from the Juniors segment increased $6.3 million, or 201.5%, to $9.4 million in the first six months of fiscal 2013 from $3.1 million in the first six months of fiscal 2012 primarily due to increased, higher margin net sales coupled with a reduction in advertising expenses.

Moderate. Net sales from the Moderate segment decreased $6.3 million, or 16.4% to $32.2 million in the first six months of fiscal 2013 from $38.5 million in the first six months of fiscal 2012 due to reduced orders from AHC's wholesale partners. The moderate segment has been and continues to be a declining source of sales for AHC as retailers expand their private label offerings.

Segment Adjusted EBITDA from the Moderate segment was $0.8 million in the first six months of fiscal 2013 compared to $(1.0) million in the first six months of fiscal 2012 due to improved gross margin rates and expense reductions in compensation costs and design expenses.

Other. Net revenue from the Other segment increased $7.0 million, or 14.5% to $55.3 million for the first six months of fiscal 2013 from $48.3 million in the first six months of fiscal 2012 due primarily to additional orders from a certain wholesale partner as they continue to implement an out-sourced strategy for their private label brands, as well as growth at Rebecca Taylor and the addition of a new value program with a certain wholesale partner. This was partially offset by a decrease in revenue related to AHC's David Meister dress business.

Segment Adjusted EBITDA from the Other segment increased $1.0 million, or 38.0% to $3.8 million for the first six months of fiscal 2013 from $2.7 million in the first six months of fiscal 2012 due to a greater percentage of sales coming from the Rebecca Taylor business, where we generally achieve higher margins.

Cost of products sold from continuing operations for the first six months of fiscal 2013 was $256.0 million increasing $20.7 million, or 8.8%, compared to $235.3 million in the first six months of fiscal 2012. The increase in cost of products sold is due primarily to additional sales volume period over period.

Gross *profit/gross margin* for continuing operations for the first six months of fiscal 2013 increased 330 basis points to 29.7% from 26.3% in the first six months of fiscal 2012. The increase is due to increased volume of the higher margin Vince and Rebecca Taylor brands.

Selling, general and administrative expense ("SG&A") for continuing operations in the first six months of fiscal 2013 was $93.5 million, or 25.7% of net sales, increasing $10.0 million, or 11.9% compared to $83.5 million, or 26.1%, of net sales in the first six months of fiscal 2012. The increase in SG&A expense is primarily due to: (i) increased marketing expense of $0.8 million and increased compensation expense of $5.6 million to support the growth of AHC's Vince brand and the opening of new retail stores; and (ii) increased legal, consulting and outside services expenses of $2.0 million related to preparation of the IPO Restructuring Transactions and this offering.

Amortization of intangible assets for continuing operations for the first six months of fiscal 2013 and for the first six months of fiscal 2012 remained unchanged at $1.0 million.

Restructuring, environmental remediation and other charges for continuing operations for the first six months of fiscal 2013 were $0.8 million, decreasing $1.4 million from $2.3 million in the first six months of fiscal 2012 for the reasons set forth in "—Impairment, Restructuring, Environmental Remediation and Other Charges."

Impairment of long-lived assets (excluding goodwill) for continuing operations was $0.7 million for the first six months of fiscal 2012 due to the realization of an impairment loss for the decline in market value of AHC's exited facility in Trenton, Tennessee. AHC had no impairments on long-lived assets of its continuing operations during the first six months of fiscal 2013.

Interest expense, net for the first six months of fiscal 2013 was $43.7 million, a decrease of $30.5 million compared to $74.2 million in the first six months of fiscal 2012. The decrease is due primarily to lower average outstanding debt balances during the first six months of fiscal 2013 as compared to the first six months of fiscal 2012. During the fourth quarter of fiscal 2012 all capitalized interest accrued prior to July 19, 2012 related to indebtedness with affiliates of Sun Capital was waived. In June 2013, outstanding debt was contributed to equity in the Sun Capital Contribution.

Other expense, net for continuing operations remained consistent at $1.2 million for the first six months of fiscal 2012 and fiscal 2013.

Provision for income taxes. AHC's effective tax rates on pretax earnings for continuing operations for the first six months of fiscal 2013 and the first six months of fiscal 2012 were (8.3%) and (3.0%), respectively. The rate for these periods differs from the U.S. statutory rate of 35% primarily due to the incurrence of additional valuation allowances and nondeductible interest.

Net (loss) income from discontinued operations . There was $9.2 million of income for the first six months of fiscal 2013 compared to a loss of $4.8 million for the first six months of fiscal 2012 **.** The change is primarily due to a tax benefit of $11.9 million recognized in the first quarter of fiscal 2013 as a result of releasing a valuation allowance. This release in valuation allowance is due to the allocation of the disallowed tax loss on the sale of the Baby Phat trademark to intangible assets with indefinite lives resulting in fewer deferred tax liabilities that cannot be offset against deferred tax assets for valuation allowance purposes.

Fiscal Year 2012 Compared to Fiscal Year 2011

Net sales for continuing operations for fiscal 2012 were $708.0 million, increasing $45.1 million, or 6.8%, versus $662.8 million for fiscal 2011. The increase in sales compared to the prior year is primarily due to increased sales of the Vince and Rebecca Taylor brands, and recreational apparel and products, partially offset by a decrease in sales in AHC's Moderate and Juniors brands.

Segment Results of Operations

	Net Sales by Segment		Segment Adjusted EBITDA	
	Fiscal Year		Fiscal Year	
	2011	2012	2011	2012
(In thousands)				
Net Sales by Segment				
Vince	$ 175,255	$ 240,352	$ 44,186	$ 51,520
ARP	94,606	98,830	(7,854)	(4,496)
Juniors	190,613	181,582	9,411	9,426
Moderate	103,817	78,103	250	1,924
Other	98,555	109,128	10,296	6,916
Total	$ 662,846	$ 707,995	$ 56,289	$ 65,290

Vince. Net sales from the Vince segment increased $65.1 million, or 37.1%, to $240.4 million in fiscal 2012 from $175.3 million in fiscal 2011 due to additional volume at existing as well as new wholesale partners, as well as an increase in the number of retail stores and increased sales at existing retail stores. The overall increase in net sales was driven primarily by the strength of Vince's existing product lines, successful introduction of new products and the increasing recognition of the Vince brand name.

Segment Adjusted EBITDA from the Vince segment increased $7.3 million, or 16.6%, to $51.5 million in fiscal 2012 from $44.2 million in fiscal 2011. This increase was due primarily to the increase in sales noted above, partially offset by higher compensation costs incurred to support the growth of the brand.

ARP. Net sales from the ARP segment increased $4.2 million, or 4.5%, to $98.8 million in fiscal 2012 from $94.6 million in fiscal 2011 driven by additional wholesale volume of camping equipment at recreational retailers, primarily specialty stores, national sporting goods stores and hunting and fishing stores.

Segment Adjusted EBITDA from the ARP segment increased $3.4 million, or 42.8%, to $(4.5) million in fiscal 2012 from $(7.9) million in fiscal 2011 driven primarily but inventory markdowns that occurred in fiscal 2011 but did not recur in fiscal 2012.

Juniors. Net sales from the Juniors segment decreased $9.0 million, or 4.7% to $181.6 million in fiscal 2012 from $190.6 million in fiscal 2011 primarily due to reduced orders from one of AHC's wholesale partners who decided to develop one of its Juniors labels internally that AHC previously produced for them.

Segment Adjusted EBITDA from the Juniors segment remained consistent at $9.4 million for fiscal 2011 and fiscal 2012 despite a decrease in net sales volume from fiscal 2011 to fiscal 2012, primarily due to cost reductions.

Moderate . Net sales from the Moderate segment decreased $25.7 million, or 24.8%, to $78.1 million in fiscal 2012 from $103.8 million in fiscal 2011 due to reduced orders from AHC's wholesale partners. The Moderate space has been and continues to be a declining source of sales for AHC as retailers expand their private label offerings.

Segment Adjusted EBITDA from the Moderate segment increased $1.7 million, or 669.6%, to $1.9 million in fiscal 2012 from $0.2 million in fiscal 2011 due primarily to expense reduction actions taken as a result of reduced net sales volume.

Other. Net revenue from the Other segment increased $10.6 million, or 10.7% to $109.1 million in fiscal 2012 from $98.6 million in fiscal 2011 due primarily to additional orders from a certain wholesale partner for whom AHC is developing certain of its private label brands, as well as growth at Rebecca Taylor.

Segment Adjusted EBITDA from the Other segment decreased $3.4 million, or 32.8% to $6.9 million in fiscal 2012 from $10.3 million in fiscal 2011 due primarily to additional compensation, design and occupancy expense as a result of growing the Rebecca Taylor business.

Cost of products sold for continuing operations for fiscal 2012 was $507.9 million increasing $17.8 million, or 3.6%, versus $490.1 million for fiscal 2011. The increase in cost of products sold is due primarily to the additional sales volume year over year.

Gross profit/gross margin for continuing operations increased 220 basis points to 28.3% in fiscal 2012 from 26.1% in fiscal 2011. The increase in margin rate is due to additional volume in AHC's higher-margin Vince and Rebecca Taylor brands.

Selling, general and administrative expenses for continuing operations in fiscal 2012 was $177.8 million, or 25.1% of net sales, increasing $22.5 million, or 14.5% compared to $155.2 million, or 23.4%, of net sales in fiscal 2011. The increase in SG&A expense compared to the prior year is primarily due to (i) increased compensation expense of $16.7 million related to hiring and retention of certain key employees (including one-time transition payments to the Vince founders); (ii) increased occupancy expense of $2.6 million due to new retail store openings; and (iii) increased design, development and marketing expenses of $3.8 million to support the growth of AHC's contemporary brands and the opening of new retail stores.

Amortization of intangible assets for continuing operations for fiscal 2011 and fiscal 2012 was unchanged at $1.9 million.

Restructuring, environmental remediation and other charges for continuing operations were $5.1 million in fiscal 2012, increasing $2.4 million from $2.7 million in fiscal 2011. The increase is due to recording $2.5 million in fiscal 2012 for the settlement obligations related to unclaimed property.

Impairment of long-lived assets (excluding goodwill) for continuing operations was $2.3 million for fiscal 2012, decreasing $0.2 million from $2.5 million in fiscal 2011. In fiscal year 2011, we recognized an impairment charge of $2.5 million on a trademark due to declining results of one of our Juniors wholesale businesses. In fiscal year 2012, we recognized an additional impairment charge of $1.2 million on this

trademark due to further declines in related operating results, as well as an impairment charge of $0.7 million on our exited facility in Trenton, Tennessee due to a decline in market value.

Impairment of goodwill for continuing operations for fiscal 2011 was $10.8 million. This was due to a decrease in the near-term forecasted EBITDA of Rebecca Taylor. This was primarily due to a delay in expected growth and cost synergies. There were no goodwill impairments during fiscal 2012.

Change in fair value of contingent consideration for continuing operations was $7.2 million for fiscal 2012 and $1.6 million for fiscal 2011 due to decreases in estimated contingent purchase price consideration related to the Rebecca Taylor and Zobha acquisitions. AHC will continue to estimate the Rebecca Taylor payments through the end of the potential payout period that terminates on January 30, 2016, the last day of fiscal 2015.

Interest expense, net for continuing operations for fiscal 2012 was $122.4 million, a decrease of $4.8 million compared to $127.1 million in fiscal 2011. The decrease is due primarily to lower average outstanding debt balances in fiscal 2012 as compared to fiscal 2011. Additionally, a $1.7 million non-cash charge to write-off deferred debt issuance costs occurred in fiscal 2011 as a result of refinancing Kellwood Company's credit facility. No similar charge was incurred in fiscal 2012.

Other expense, net for continuing operations for fiscal 2012 was $2.7 million, an increase of $0.8 million compared to $1.9 million in fiscal 2011. The change is primarily due to the recognition of the death benefit of a life insurance policy on a former executive during fiscal 2011.

Provision for income taxes. AHC's effective tax rates on pretax earnings for continuing operations for fiscal 2012 and 2011 were (0.7%) and (2.7%), respectively. The 2012 and 2011 rates differ from the U.S. statutory rate of 35.0% primarily due to nondeductible interest expense and additional valuation allowance placed on U.S. deferred tax assets.

Net (loss) income from discontinued operations was a loss of $2.1 million for fiscal 2012 and a loss of $16.6 million for fiscal 2011. The change is primarily due to discontinuing unprofitable businesses including the Adam operations and the Koret wholesale operations during the fourth quarter of fiscal 2011, discontinuing the BLK DNM and Lamb & Flag businesses during the second and third quarters of fiscal 2012, respectively, and divesting the Zobha business during the second quarter of 2013.

Fiscal Year 2011 Compared to Fiscal Year 2010

Net sales for continuing operations for fiscal 2011 were $662.8 million, increasing $76.2 million, or 13.0%, versus $586.6 million for fiscal 2010. The increase in sales compared to the prior year is primarily due to increased sales of AHC's contemporary and Juniors brands, including the sales of AHC's newly acquired Rebecca Taylor brand, partially offset by the closure of the Koret retail outlet stores and decreasing sales in the Moderate segment.

Segment Results of Operations

	Net Sales by Segment		Segment Adjusted EBITDA	
	Fiscal Year		Fiscal Year	
(In thousands)	2010	2011	2010	2011
Vince	$ 111,492	$ 175,255	$ 23,637	$ 44,186
ARP	98,203	94,606	(1,454)	(7,854)
Juniors	177,629	190,613	13,557	9,411
Moderate	141,895	103,817	18,672	250
Other	57,355	98,555	(1,301)	10,296
Total	$ 586,574	$ 662,846	$ 53,111	$ 56,289

Vince. Net sales from the Vince segment increased $63.8 million, or 57.2%, to $175.3 million in fiscal 2011 from $111.5 million in fiscal 2010 due to additional volume at existing as well as new wholesale partners, as well as an increase in the number of retail stores and increased sales at existing retail stores. The overall increase in net sales was driven primarily by the strength of Vince's existing products lines, and the increasing recognition of the Vince brand name.

Segment Adjusted EBITDA from the Vince segment increased $20.6 million, or 86.9%, to $44.2 million in fiscal 2011 from $23.6 million in fiscal 2010. This increase was driven primarily from the increased sales volume noted above and a decrease in operating expenses as a percentage of sales. The decrease in operating expenses as a percentage of sales resulted from our sales growing at a greater rate than our expenses during fiscal 2011.

ARP . Net sales from the ARP segment decreased $3.6 million, or 3.7%, to $94.6 million in fiscal 2011 from $98.2 million in fiscal 2010 driven by a reduction in wholesale volume of camping equipment at recreational retailers, primarily specialty retailers, national sporting goods stores and hunting and fishing stores.

Segment Adjusted EBITDA from the ARP segment decreased $6.4 million, or 440.2%, to $(7.9) million in fiscal 2011 from $(1.5) million in fiscal 2010 driven by a reduction in wholesale volume of camping equipment at recreational retailers, primarily specialty retailers, national sporting goods stores and hunting and fishing stores and a further reduction in margin on these net sales.

Juniors. Net sales from the Juniors segment increased $13.0 million, or 7.3%, to $190.6 million in fiscal 2011 from $177.6 million in fiscal 2010 as a result of increased volume to AHC's wholesale partners as a result of expanded product offerings, new labels and new customers.

Segment Adjusted EBITDA from the Juniors segment decreased $4.1 million, or 30.6%, to $9.4 million in fiscal 2011 from $13.6 million in fiscal 2010 as a result of higher raw material and manufacturing costs driven by expanded product offerings, new labels and new customers.

Moderates . Net sales from the Moderate segment decreased $38.1 million, or 26.8%, to $103.8 million in fiscal 2011 from $141.9 million in fiscal 2010 due to reduced orders from AHC's wholesale partners as well as the closure of Koret retail outlet stores. The moderate segment has been and continues to be a declining source of sales for AHC as retailers expand their private label offerings.

Segment Adjusted EBITDA from the Moderate segment decreased $18.4 million, or 98.7%, to $0.2 million in fiscal 2011 from $18.7 million in fiscal 2010 due to net sales volume reductions from AHC's wholesale partners as well as the closure of Koret retail outlet stores.

Other. Net sales from the Other segment increased $41.2 million, or 71.8%, to $98.6 million in fiscal 2011 from $57.3 million in fiscal 2010 primarily due to the acquisition of Rebecca Taylor during the fourth quarter of fiscal 2010.

Segment Adjusted EBITDA from the Other segment was $10.3 million in fiscal 2011 compared to $(1.3) million in fiscal 2010 primarily due to the acquisition of Rebecca Taylor during the fourth quarter of fiscal 2010.

Cost of products sold for continuing operations for fiscal 2011 was $490.1 million, increasing $59.3 million, or 13.8%, versus $430.8 million for fiscal 2010 due primarily to additional sales volume.

Gross profit/gross margin for continuing operations decreased 50 basis points to 26.1% in fiscal 2011 from 26.6% in fiscal 2010. The decrease in margin rate is primarily driven by increasing raw material and manufacturing costs and excess inventory in the ARP and Moderate segments, partially offset by increased volume of the higher margin Vince and Rebecca Taylor brands.

Selling, general and administrative expenses for continuing operations in fiscal 2011 was $155.2 million, or 23.4% of net sales, increasing $14.7 million, or 10.4% compared to $140.6 million, or 24.0%, of net sales in fiscal 2010. The increase in selling, general and administrative expenses compared to the prior year is primarily due to (i) increased expenses of $12.8 million related to the newly acquired Rebecca Taylor business; (ii) increased sample and pattern expenses of $1.8 million related to new product offerings; and (iii) increased marketing and advertising expenses of $0.9 million to support the growth of AHC's contemporary brands and the opening of new retail stores.

Amortization of intangible assets for continuing operations for fiscal 2011 was $1.9 million, increasing $1.0 million compared to $1.0 million in fiscal 2010. The increase in amortization expense was principally due to the new intangible assets arising from AHC's fiscal 2010 acquisition of Rebecca Taylor.

Restructuring, environmental remediation and other charges for continuing operations were $2.7 million in fiscal 2011, decreasing $7.1 million from $9.7 million in fiscal 2010. The decrease is primarily due to a decrease in employee termination and one-time benefit arrangements of $1.3 million, a decrease in exit costs related to leased facilities of $2.7 million, and a charge of $2.9 million recognized in fiscal 2010 related to an environmental remediation liability at a former manufacturing facility.

Impairment of long-lived assets (excluding goodwill) for continuing operations was $2.5 million for fiscal 2011, increasing $2.1 million from $0.4 million in fiscal 2010. The increase is primarily due to recognizing an impairment charge in fiscal 2011 of $2.5 million on a trademark due to declining results of one of our Juniors wholesale businesses.

Impairment of goodwill for continuing operations for fiscal 2011 was $10.8 million. This was due to a decrease in the near-term forecasted EBITDA of Rebecca Taylor. This was primarily due to a delay in expected growth and cost synergies. There were no goodwill impairments during fiscal 2010.

Change in fair value of contingent consideration for continuing operations was $1.6 million for fiscal 2011 due to decreases in estimated contingent purchase price consideration related to the Rebecca Taylor acquisition. As the acquisition of Rebecca Taylor occurred in January of fiscal 2010, no change in fair value of contingent consideration was recorded in 2010.

Interest expense, net for continuing operations for fiscal 2011 was $127.1 million, an increase of $24.1 million compared to $103.1 million in fiscal 2010. The increase is due primarily to higher average outstanding debt balances as compared to fiscal 2010, as well as a $1.7 million non-cash charge to write-off deferred debt issuance costs recorded in fiscal 2011.

Gain on acquisition, net of tax for continuing operations for fiscal 2010 was $0.9 million. This gain resulted from AHC's acquisition of the Adam operations. The fair value of the identifiable assets acquired less liabilities assumed of $1.6 million exceeded the fair value of the consideration of $0.1 million and net of tax of $0.6 million. Accordingly, the acquisition has been accounted for as a bargain purchase and, as a result, AHC recognized a gain of $0.9 million associated with the acquisition in the third quarter of fiscal 2010.

Gain on debt extinguishment for continuing operations for fiscal 2010 was $15.9 million as a result of the repurchase of $29.7 million in aggregate principal of the 7.625% Notes completed during the first quarter of fiscal 2010.

Other expense, net for continuing operations for fiscal 2011 was $1.9 million, a decrease of $0.5 million compared to $2.4 million in fiscal 2010. The decrease was primarily due to the recognition of the death benefit of a life insurance policy on a former executive during fiscal 2011.

Provision for income taxes. AHC's effective tax rates on pretax earnings for continuing operations for fiscal 2011 and 2010 were (2.7%) and (4.1%), respectively. The fiscal 2011 and 2010 rates differ from the U.S. statutory rate of 35% primarily due to nondeductible interest expense and additional valuation allowance placed on U.S. deferred tax assets.

Net (loss) income from discontinued operations was a loss of $16.6 million for fiscal 2011 and $16.4 million for fiscal 2010, increasing $0.2 million from fiscal 2010 to fiscal 2011. The change is primarily due to increased losses recognized on AHC's discontinued start-up brands and underperforming businesses in fiscal 2011 as compared to fiscal 2010, substantially offset by impairment charges of $24.1 million recognized on AHC's Baby Phat and Phat Farm trademarks in fiscal 2010.

Impairment, Restructuring, Environmental Remediation and Other Charges

Restructuring charges are comprised of expenses associated with efforts to continuously improve operational and organizational efficiency. These expenses result from numerous individual actions implemented across AHC's divisions on an ongoing basis. Restructuring charges include costs for moving facilities, exiting businesses, curtailing/downsizing operations because of changing economic conditions, and other costs resulting from asset redeployment decisions. Unless otherwise indicated, these charges are recorded as part of unallocated corporate expenses and not directly charged to any segment.

Impairment, restructuring, environmental remediation and other charges during the first six months of fiscal 2013 and the first six months of fiscal 2012 included various efforts to create a more efficient operational and organizational structure in AHC's support operations and apparel businesses. Additionally, AHC recognized an impairment charge of $0.7 million during the first six months of fiscal 2012 due to a decline in the market value of an exited facility in Trenton, Tennessee. Impairment, restructuring, environmental remediation and other charges during fiscal 2012 included:

- charges to accrue future lease payments and other contractual obligations associated with exited businesses;
- charges to record settlement obligations related to escheat liability;
- charges to adjust environmental remediation obligations (as described above in "—Basis of Presentation—Restructuring, environmental remediation and other charges") related to a former manufacturing facility;
- costs to maintain closed facilities, partially offset by the recovery of charges through the sublease and other use of vacant spaces;
- impairment charges of $6.7 million related to intangible assets and other long-lived assets, of which $1.2 million was allocated to our Juniors segment, with the remainder allocated to Corporate expenses and discontinued businesses; and
- severance charges and related costs for exited businesses and various restructuring projects to create a more efficient operational and organizational structure in AHC's support operations and apparel businesses.

Impairment, restructuring, environmental remediation and other charges during fiscal 2011 included:

- charges to accrue future lease payments and other contractual obligations associated with exited businesses;
- charges related to an environmental remediation obligation at a former manufacturing facility;

- costs to maintain closed facilities, partially offset by the recovery of charges through the sublease and other use of vacant spaces;
- impairment charges of $19.4 million related to goodwill, intangible assets, and other long-lived assets, of which $2.5 million and $10.8 million was allocated to the Juniors and Other operating segments, respectively, with the remainder relating to discontinued businesses; and
- severance charges and related costs for various restructuring projects to create a more efficient operational and organizational structure in AHC's support operations and apparel businesses.

Impairment, restructuring, environmental remediation and other charges during fiscal 2010 included:

- charges that related to closing Koret outlet stores and other costs associated with vacant spaces;
- charges to accrue future lease payments due to early exit of leased spaces;
- charges related to an environmental remediation obligation at a former manufacturing facility;
- impairment charges of $24.6 million primarily related to intangible assets of AHC's discontinued Phat Licensing business; and
- severance charges and related costs for various restructuring projects to create a more efficient operational and organizational structure in AHC's support operations and apparel businesses.

For fiscal 2010, fiscal 2011 and fiscal 2012 and the six months ended July 28, 2012 and August 3, 2013, the costs related to impairment of long-lived assets and restructuring, environmental remediation and other charges recorded in continuing and discontinuing operations were as follows:

(In thousands)	Continuing Operations	Discontinued Operations	Total
Fiscal 2010	$ 10,167	$ 27,704	$37,871
Fiscal 2011	15,976	6,627	22,603
Fiscal 2012	7,440	4,789	12,229
First Six Months Fiscal 2012 (unaudited)	2,981	221	3,202
First Six Months Fiscal 2013 (unaudited)	827	942	1,769

For fiscal 2010, fiscal 2011 and fiscal 2012 the costs related to impairment of long-lived assets and restructuring, environmental remediation and other charges were recorded as follows:

	Fiscal 2010		
(In thousands)	Continuing Operations	Discontinued Operations	Total
Restructuring, environmental remediation and other charges	$ 9,729	$ 3,575	$13,304
Impairment of long-lived assets (excluding goodwill)	438	24,129	24,567
Impairment of goodwill	—	—	—
Total pretax cost	$ 10,167	$ 27,704	$37,871
After tax cost	$ 10,167	$ 27,704	$37,871

(In thousands)	Fiscal 2011 Continuing Operations	Fiscal 2011 Discontinued Operations	Fiscal 2011 Total
Restructuring, environmental remediation and other charges	$ 2,651	$ 489	$ 3,140
Impairment of long-lived assets (excluding goodwill)	2,504	5,913	8,417
Impairment of goodwill	10,821	225	11,046
Total pretax cost	$ 15,976	$ 6,627	$22,603
After tax cost	$ 15,124	$ 6,333	$21,457

(In thousands)	Fiscal 2012 Continuing Operations	Fiscal 2012 Discontinued Operations	Fiscal 2012 Total
Restructuring, environmental remediation and other charges	$ 5,091	$ 409	$ 5,500
Impairment of long-lived assets (excluding goodwill)	2,349	4,380	6,729
Impairment of goodwill	—	—	—
Total pretax cost	$ 7,440	$ 4,789	$12,229
After tax cost	$ 7,440	$ 4,789	$12,229

For the first six months of fiscal 2012 and fiscal 2013, the costs related to impairment of long-lived assets and restructuring, environmental remediation and other charges were recorded as follows:

(In thousands)	First Six Months Fiscal 2012 Continuing Operations (unaudited)	First Six Months Fiscal 2012 Discontinued Operations (unaudited)	First Six Months Fiscal 2012 Total (unaudited)
Restructuring, environmental remediation and other charges	$ 2,264	$ 221	$ 2,485
Impairment of long-lived assets (excluding goodwill)	717	—	717
Impairment of goodwill	—	—	—
Total pretax cost	$ 2,981	$ 221	$ 3,202
After tax cost	$ 2,981	$ 221	$ 3,202

(In thousands)	First Six Months Fiscal 2013 Continuing Operations (unaudited)	First Six Months Fiscal 2013 Discontinued Operations (unaudited)	First Six Months Fiscal 2013 Total (unaudited)
Restructuring, environmental remediation and other charges	$ 827	$ 508	$ 1,335
Impairment of long-lived assets (excluding goodwill)	—	434	434
Impairment of goodwill	—	—	—
Total pretax cost	$ 827	$ 942	$ 1,769
After tax cost	$ 827	$ 942	$ 1,769

The results of operations, impairment of long-lived assets, restructuring and other charges for businesses sold and shut down are reported as discontinued operations. The gains and losses on consummated transactions involving the sale of operations are included as part of net (loss) income from discontinued operations.

AHC completed its most recent annual impairment testing of goodwill and indefinite-lived intangible assets during the fourth quarter of fiscal 2012. AHC recorded no goodwill impairment charges in fiscal 2012 or 2010, but its goodwill impairment charges for fiscal 2011 amounted to $10.8

million and $0.2 million for continuing and discontinued operations, respectively. AHC's impairment charges for identifiable intangible assets for continuing and discontinued operations amounted to $24.6 million, $8.2 million, and $1.2 million in fiscal 2010, fiscal 2011 and fiscal 2012, respectively, which represent write downs of AHC's intangible assets to their fair values.

For its long-lived assets, during the fourth quarter of fiscal 2012, AHC determined that its equity investment in the purchaser of BLK DNM was fully impaired due to continued poor operating performance and negative cash flows. AHC retained an equity interest after the sale of its BLK DNM business during the second quarter of fiscal 2012. AHC also recognized impairment charges of $0.7 million related to an exited facility in Trenton, Tennessee due to a decline in market value. This charge was recorded during fiscal 2012 at the time the facility was sold to a third-party. Further AHC recognized an impairment of fixed assets of $4.4 million during fiscal 2012 related to shutting down its Lamb & Flag operations.

Roll-forwards of the major components of the impairment of long-lived assets and restructuring, environmental remediation and other charges for fiscal 2011 and fiscal 2012 and the first six months of fiscal 2013 recorded in continuing operations are as follows:

(In thousands)	Contractual Obligations	Employee Severance and Termination Benefits	Impairment of Long-Lived Assets	Restructuring, Environmental Remediation and Other Charges	Total
Accrual as of January 29, 2011	$ 894	$ 384	$ —	$ 10,349	$ 11,627
Provision	342	1,093	13,325	1,216	15,976
Non-cash utilization	—	—	(13,325)	—	(13,325)
Utilization	(763)	(1,236)	—	(2,007)	(4,006)
Accrual as of January 28, 2012	473	241	—	9,558	10,272
Provision	142	1,974	2,349	2,975	7,440
Non-cash utilization	—	—	(2,349)	—	(2,349)
Utilization	(467)	(1,777)	—	(464)	(2,708)
Accrual as of February 2, 2013	148	438	—	12,069	12,655
Provision (unaudited)	24	511	—	292	827
Non-cash utilization (unaudited)	—	—	—	—	—
Utilization (unaudited)	(93)	(856)	—	(363)	(1,312)
Accrual as of August 3, 2013 (unaudited)	$ 79	$ 93	$ —	$ 11,998	$ 12,170

Roll-forwards of the major components of the impairment of long-lived assets and restructuring, environmental remediation and other charges for fiscal 2011 and fiscal 2012 and the first six months of fiscal 2013 recorded in discontinued operations are as follows:

(In thousands)	Contractual Obligations	Employee Severance and Termination Benefits	Impairment of Long-Lived Assets	Restructuring, Environmental Remediation and Other Charges	Total
Accrual as of January 29, 2011	$ 22,047	$ 791	$ —	$ 188	$ 23,026
Provision (reversal)	(90)	554	6,138	25	6,627
Non-cash utilization	—	—	(6,138)	—	(6,138)
Utilization	(7,925)	(805)	—	(213)	(8,943)
Accrual as of January 28, 2012	14,032	540	—	—	14,572
Provision (reversal)	(599)	551	4,380	457	4,789
Non-cash utilization	—	—	(4,380)	—	(4,380)
Utilization	(12,215)	(1,031)	—	(170)	(13,416)
Accrual as of February 2, 2013	1,218	60	—	287	1,565
Provision (unaudited)	230	269	434	9	942
Non-cash utilization (unaudited)	—	—	(434)	—	(434)
Utilization (unaudited)	(1,211)	(100)	—	(36)	(1,347)
Accrual as of August 3, 2013 (unaudited)	$ 237	$ 229	$ —	$ 260	$ 726

Contractual obligations represent adverse contractual arrangements under which losses are probable and estimable and where there is no future economic benefit. These include make-whole payments to PVH Corp. (“PVH”) as a result of the termination of the Calvin Klein license agreement and minimum lease payments, as well as costs related to vacated leased spaces for the exited Lamb & Flag business.

In continuing and discontinued operations, contractual obligations and employee severance and termination benefits will largely be settled through the first quarter of fiscal 2015 in accordance with the related agreements.

During fiscal 2013, AHC expects actions to be taken that will result in additional restructuring charges to continuing operations of less than $0.5 million and additional net cash outflows related to restructuring activities of approximately $1.2 million. AHC expects actions to be taken that will result in additional restructuring charges to discontinued operations of approximately $0.2 million and additional net cash outflows related to restructuring activities of approximately $0.6 million.

Discontinued Operations

During the second quarter of fiscal 2013, AHC divested its Zobha business in order to focus resources on its larger contemporary and juniors brands.

During the first quarter of fiscal 2013, AHC sold its Baby Phat trademark to a licensee after having also shut down its Baby Phat wholesale operations during the fourth quarter of fiscal 2012. AHC previously sold its Phat Farm trademark to the same licensee in the second quarter of fiscal 2012. The disposal of these trademarks (collectively, “Phat Licensing”) and related wholesale operations resulted from its decision to exit the urban wear market generally and refocus AHC’s efforts on its larger contemporary and Juniors brands.

In the fourth quarter of fiscal 2012, AHC sold the equity interests of Royal Robbins, LLC, and certain assets and liabilities of its Royal Robbins Canada operations to an unrelated third party.

In the third quarter of fiscal 2012, AHC discontinued its Lamb & Flag operations, and in the second quarter of fiscal 2012, AHC sold substantially all the assets and liabilities of its BLK DNM operations. The decision to exit both these businesses resulted from the determination that AHC's startup brands are not aligned with its current strategic initiatives.

In the fourth quarter of fiscal 2011, AHC discontinued its Adam operations and Koret businesses due to poor operating performance.

The results of operations and restructuring and other charges for the discontinued operations are reported as discontinued operations in AHC's consolidated financial statements included elsewhere in this prospectus, for all periods presented. Additionally, assets and liabilities of the discontinued operations are segregated in AHC's consolidated financial statements included elsewhere in this prospectus.

The following table provides summarized operating results for fiscal 2010, fiscal 2011 and fiscal 2012 and the first six months of fiscal 2012 and fiscal 2013 for discontinued operations.

	Fiscal Year			Six Months Ended	
(In thousands, except effective tax rate)	**2010**	**2011**	**2012**	**July 28, 2012**	**August 3, 2013**
				(unaudited)	**(unaudited)**
Net sales	$ 52,454	$ 63,199	$ 47,163	$ 28,583	$ 1,097
Cost of products sold	24,097	45,928	34,014	20,613	1,758
Gross profit	28,357	17,271	13,149	7,970	(661)
Selling, general and administrative expenses	17,238	26,771	20,184	13,381	1,848
Amortization of intangible assets	83	108	294	261	—
Restructuring and other charges	3,575	489	409	221	508
Impairment of long-lived assets (excluding goodwill)	24,129	5,913	4,380	—	434
Impairment of goodwill	—	225	—	—	—
Interest expense, net	—	471	1,616	869	—
Other (income) expense, net	(688)	15	(11,730)	(2,172)	(768)
Loss before provision for income taxes	(15,980)	(16,721)	(2,004)	(4,590)	(2,683)
Provision for income taxes	411	(141)	49	208	(11,913)
Net (loss) income from discontinued operations	$(16,391)	$(16,580)	$ (2,053)	$ (4,798)	$ 9,230
Effective tax rate	(2.6)%	0.8%	(2.4)%	(4.5)%	N.M.

Net sales for discontinued operations during the first six months of fiscal 2013 were $1.1 million compared to $28.6 million for the first six months of fiscal 2012, at which time the Zobha, Phat Licensing, Lamb & Flag, BLK DNM, Royal Robbins and Baby Phat Wholesale businesses were all still in operation. The significant decrease of $27.5 million, or 96.2% from the first six months of fiscal 2012 to the first six months of fiscal 2013 is attributable to the fact that Zobha and Phat Licensing were the only aforementioned businesses still in operation during the first six months of fiscal 2013. Net sales for discontinued operations for fiscal 2012 were $47.2 million, compared to $63.2 million in fiscal 2011, decreasing $16.0 million, or 25.4%. $16.0 million of the decrease in net sales is due to the shutdown of the Adam operations and Koret businesses at the end of fiscal 2011. Net sales for fiscal 2011 were $63.2 million, compared to $52.5 million in fiscal 2010, increasing $10.7 million, or 20.5%. The increase is primarily a result of the addition of the Baby Phat wholesale operations in fiscal 2011.

Cost of products sold for discontinued operations during the first six months of fiscal 2013 was 1.8, versus $20.6 million in the first six months of fiscal 2012 due to the fact that the businesses described in the immediately prior paragraph were no longer in operation after the first six months of fiscal 2012. Cost of products sold for discontinued operations for fiscal 2012 was $34.0 million, decreasing $11.9 million, or 25.9%, versus $45.9 million for fiscal 2011. Cost of products sold for

discontinued operations for fiscal 2011 was $45.9 million, increasing $21.8 million, or 90.6%, versus $24.1 million for fiscal 2010.

Gross profit/gross margin for discontinued operations was 27.9% during the first six months of fiscal 2012. During the first six months of fiscal 2013, AHC experienced a negative gross margin of (60.3)% primarily due to the concessions granted to customers of AHC's Baby Phat licensing business to liquidate the inventory of this discontinued business. Gross profit/gross margin increased 60 basis points to 27.9% in fiscal 2012 from 27.3% in fiscal 2011. Gross profit/gross margin decreased 2,680 basis points to 27.3% in fiscal 2011 from 54.1% in fiscal 2010. The decrease from fiscal 2010 to fiscal 2011 is due to the substantial negative margins realized in 2011 from the Adam operations and Koret operations. While these charges did not recur in fiscal 2012, margin improvement was partially offset by the charges of $2.1 million incurred to liquidate the Lamb & Flag and Baby Phat wholesale inventory in fiscal 2012.

Selling, general and administrative expenses for discontinued operations in the first six months of fiscal 2013 was $1.8 million, representing costs associated with AHC's Zobha business prior to the divestiture thereof. During the first six months of fiscal 2012, SG&A for discontinued operations was $13.4 million, or 46.8%, of sales for discontinued operations, at which time the Zobha, Phat Licensing, Lamb & Flag, BLK DNM, Royal Robbins and Baby Phat Wholesale businesses were still operating. Selling, general and administrative expenses for discontinued operations in fiscal 2012 were $20.2 million, compared to $26.8 million in fiscal 2011, decreasing $6.6 million, or 24.6%. The decrease is attributable to exiting the Adam operations and Koret businesses in the fourth quarter of fiscal 2011, for which these costs were eliminated. SG&A expenses for fiscal 2011 were $26.8 million, compared to $17.2 million in fiscal 2010, increasing $9.5 million, or 55.3%. The increase resulted from incurring only partial year charges related to the startup of the BLK DNM operations and acquisition of the Adam operations in 2010. AHC also incurred additional expenses related to the addition of the Zobha and Baby Phat wholesale operations in the third quarter of fiscal 2011.

Amortization of intangible assets for discontinued operations is related to the definite-lived assets recognized as a result of acquiring the Royal Robbins and Adam brands. Amortization remained relatively unchanged at $0.1 million in fiscal 2010 and fiscal 2011 and was $0.3 million in fiscal 2012. Amortization was $0 for the first six months of fiscal 2013 and $0.3 million for the first six months of fiscal 2012.

Restructuring and other charges for discontinued operations were $0.5 million during the first six months of fiscal 2013, and $0.2 million during the first six months of fiscal 2012. Charges recognized during the first six months of fiscal 2013 were primarily related to costs to divest AHC's Zobha business, while the changes recognized during the first six months of fiscal 2012 resulted from the recognition of costs to exit AHC's Lamb & Flag business, partially offset by adjustments to decrease AHC's estimated reserves on exited lease spaces and other shutdown costs. Restructuring and other charges for discontinued operations decreased from $0.5 million in fiscal 2011 to $0.4 million in fiscal 2012. Charges recognized in fiscal 2012 primarily relate to costs incurred to exit our Lamb & Flag business, partially offset by reversals of previously accrued make-whole payments related to our terminated Calvin Klein license agreement. Charges recognized in fiscal 2011 primarily relate to costs incurred to exit our Adam business, partially offset by reversals of accrued make-whole payments for our Calvin Klein license agreement. Restructuring and other charges decreased from $3.6 million in fiscal 2010 to $0.5 million during fiscal 2011 as a result of recognizing various costs in fiscal 2010 to reduce overhead and obtain operational efficiencies within our Phat Licensing business.

Impairment of long-lived assets for discontinued operations was $0.4 million for the first six months of fiscal 2013 due to the write-off of obsolete fixed assets related to AHC's Zobha business. Impairment of long-lived assets was $4.4 million for fiscal 2012, decreasing $1.5 million from $5.9 million in fiscal 2011. The decrease is primarily due to recognizing impairment losses of

$5.2 million on our Phat Licensing and Adam intangible assets in fiscal 2011, partially offset by the write-down of the Lamb & Flag fixed assets of $4.4 million in fiscal 2012. Impairment of long-lived assets decreased from $24.1 million in fiscal 2010 to $5.9 million in fiscal 2011. In fiscal 2010, we recognized an impairment charge of $24.1 million on our Phat Licensing trademarks due to the declining results of our licensees, which was partially offset by the additional impairment charges recognized for our Phat Licensing and Adam intangible assets in fiscal 2011.

Interest expense, net for discontinued operations incurred on the portion of debt required to be repaid upon completing the sale of the Royal Robbins operations in the fourth quarter of fiscal 2012 was retrospectively allocated to discontinued operations in fiscal 2011 and fiscal 2012. Interest expense, net for discontinued operations was $0 in the first six months of fiscal 2013 compared to $0.9 million in the first six months of fiscal 2012. This balance increased to $0.5 million in fiscal 2011 from no interest expense in fiscal 2010 and to $1.6 million in fiscal 2012 as AHC did not obtain financing under the Wells Fargo Facility and the Cerberus Term Loan until the third quarter of fiscal 2011.

Other (income) expense, net from discontinued operations during the first six months of fiscal 2013 was income of $0.8 million, representing the gain on the sale of the Baby Phat trademark. Other (income) expense, net for discontinued operations was income of $2.2 in the first six months of fiscal 2012, which primarily consisted of a $3.7 million gain on the sale of AHC's Phat Farm trademark, partially offset by a loss recognized on the sale of AHC's BLK DNM business. Other (income) expenses, net increased from $0 in fiscal 2011 to income of $11.7 million in fiscal 2012. This change resulted from the $9.1 million gain realized on AHC's sale of the Royal Robbins business and the $3.7 million gain realized on the sale of AHC's Phat Farm trademark, partially offset by the $1.9 million loss recognized on the sale of the BLK DNM operations in fiscal 2012. No operations were disposed of in fiscal 2011 through sale transactions.

Effective tax rates for discontinued operations for fiscal 2010, fiscal 2011 and fiscal 2012 differs from the U.S. statutory rate of 35% primarily due to a full valuation allowance on current year deferred tax assets offset in part by state taxes. The rate for the first six months of fiscal 2013 differs from the U.S. statutory rate of 35% primarily due to a release of valuation allowance. The release in valuation allowance is primarily due to the allocation of the disallowed tax loss on the sale of the Baby Phat trademark to intangible assets with indefinite lives resulting in fewer deferred tax liabilities that cannot be offset against deferred tax assets for valuation allowance purposes. The effective tax rate for discontinued operations for the first six months of fiscal 2012 differs from the U.S. statutory rate of 35% primarily due to an increase in the valuation allowance offset in part by state taxes and the lower tax rate on foreign earnings.

AHC expects to have future net cash outflows related to its discontinued operations of approximately $1.5 million, which is primarily payable through fiscal 2014.

Quarterly Financial Data

The following table presents AHC's unaudited consolidated quarterly results of operations for the ten fiscal quarters ended August 3, 2013. This table includes all adjustments, consisting only of normal recurring adjustments that AHC considers necessary for fair presentations of its financial position and operating results for the quarters presented:

	Quarter Ended									
(In thousands, unaudited)	April 30, 2011	July 30, 2011	October 29, 2011	January 28, 2012	April 28, 2012	July 28, 2012	October 27, 2012	February 2, 2013	May 4, 2013	August 3, 2013
Net Revenues	$146,102	$164,010	$ 194,517	$ 158,217	$151,664	$167,781	$ 203,355	$ 185,195	$170,714	$ 193,253
Cost of products sold	107,460	119,191	143,480	119,979	113,737	121,556	140,440	132,172	124,673	131,358
Gross Profit	38,642	44,819	51,037	38,238	37,927	46,225	62,915	53,023	46,041	61,895
Operating expenses:										
Selling, general and administrative expenses	38,641	40,201	37,145	39,233	41,814	41,712	45,786	48,443	45,174	48,329
Amortization of intangible assets	350	350	766	475	475	475	475	474	475	475
Restructuring, environmental remediation and other charges	1,367	323	109	852	988	1,276	556	2,271	782	45
Impairment of long-lived assets (excluding goodwill)	—	—	—	2,504	—	717	9	1,623	—	—
Impairment of goodwill	—	—	—	10,821	—	—	—	—	—	—
Change in fair value of contingent consideration	—	—	—	(1,578)	—	(4,507)	—	(2,655)	—	(54)
Total operating expenses	40,358	40,874	38,020	52,307	43,277	39,673	46,826	50,156	46,431	48,795
(Loss) income from operations	(1,716)	3,945	13,017	(14,069)	(5,350)	6,552	16,089	2,867	(390)	13,100
Interest expense, net	28,746	29,917	33,672	34,813	37,291	36,860	23,773	24,459	24,303	19,368
Gain on acquisition, net of tax	—	—	—	—	—	—	—	—	—	—
Gain on debt extinguishment	—	—	—	—	—	—	—	—	—	—
Other expense, (income) net	674	597	(314)	957	667	548	609	899	338	895
Loss before provision for income taxes	(31,136)	(26,569)	(20,341)	(49,839)	(43,308)	(30,856)	(8,293)	(22,491)	(25,031)	(7,163)
Provision for income taxes	1,296	1,169	556	380	1,238	1,007	(58)	(1,479)	1,354	1,325
Net loss from continuing operations	(32,432)	(27,738)	(20,897)	(50,219)	(44,546)	(31,863)	(8,235)	(21,012)	(26,385)	(8,488)
Net income (loss) from discontinued operations, net of income taxes	1,793	(1,894)	(960)	(15,519)	(2,609)	(2,189)	(6,660)	9,405	11,276	(2,046)
Net loss	$ (30,639)	$ (29,632)	$ (21,857)	$ (65,738)	$ (47,155)	$ (34,052)	$ (14,895)	$ (11,607)	$ (15,109)	$ (10,534)

Liquidity and Capital Resources

AHC has substantial indebtedness as a result of its February 2008 acquisition of Kellwood Company by the Pre-IPO Stockholders. Since its acquisition, AHC has incurred additional debt in order to fund negative cash flows, principally due to significant cash outflows resulting from its numerous restructuring activities, the significant level of interest expense arising from its substantial indebtedness, and significant cash outflows related to payments for acquisitions. The retail and apparel industry and economy as a whole have suffered recessionary conditions, a decline in employment levels and declines in consumer confidence in a number of the years since the acquisition of Kellwood Company by affiliates of Sun Capital, which have negatively impacted operating results. As a result, AHC has been, and continues to be, challenged by its heavily leveraged capital structure, negative cash flows, and significant level of interest expense.

AHC currently funds its cash requirements primarily through cash generated from operations and relies on its revolving credit facility for cash borrowings as needed. At February 2, 2013, its borrowing base provided for a borrowing level of $110.9 million under the Wells Fargo Facility and there were borrowings outstanding and letters of credit outstanding of $79.8 million and $13.3 million, respectively. AHC expects that cash on hand, cash flows from operating activities, and available credit under the Wells Fargo Facility will be adequate to meet its liquidity needs for the next 12 months. As of October 5, 2013, availability under the Wells Fargo Facility was $17.7 million.

AHC will continue to evaluate potential financing transactions, including refinancing certain tranches of its indebtedness, issuing incremental debt, obtaining incremental letter of credit facilities and extending maturities of its existing debt, as well as evaluating other potential transactions which may provide it with additional liquidity. In addition, AHC's capital and SG&A spending, restructuring plans, and growth initiatives contain discretionary elements. The discretionary elements can be deferred or otherwise eliminated in the near term to provide additional flexibility to manage its liquidity requirements. However, there can be no assurance as to which, if any, of these alternatives AHC may choose, or whether financing or refinancing will be available to it on acceptable terms or at all.

Wells Fargo Facility

On October 19, 2011, Kellwood Company and certain of its domestic subsidiaries, as borrowers, ("Borrowers"), entered into a credit agreement with the Wells Fargo Bank, National Association, as agent, and lenders from time to time party thereto, as amended, the Wells Fargo Facility. The Wells Fargo Facility provides the Borrowers with a non-amortizing senior revolving credit facility with aggregate lending commitments of $160.0 million, reduced to $155.0 million by the December 31, 2012 Amendment described below. The Wells Fargo Facility terminates at the earliest to occur of (a) October 19, 2016, (b) 90 days prior to the scheduled December 31, 2014, maturity date of the 12.875% Notes (including any extension effective on or prior to such 90th day prior to such scheduled maturity date) or (c) 90 days prior to the scheduled maturity date of the Cerberus Term Loan (including any extension effective on or prior to such 90th day prior to such scheduled maturity date). The amount which the Borrowers may borrow from time to time under the Wells Fargo Facility is determined on the basis of a borrowing base formula that is a percentage of Kellwood Company's accounts receivable and inventory that meet eligibility criteria specified in the Wells Fargo Facility, but in no case more than the aggregate lending commitments of the participating lenders. All borrowings under the Wells Fargo Facility bear interest at a rate per annum equal to an applicable margin (ranging from 2.5% to 3.0% per annum for LIBOR Revolver Loans (as defined therein) and 1.25% to 1.75% for Base Rate Loans (as defined therein) based on average availability under the Wells Fargo Facility plus, at the Borrowers' election, LIBOR or a Base Rate (as defined in the Wells Fargo Facility)). In addition to paying interest, the Borrowers will pay a periodic commitment fee to the lenders under the Wells Fargo Facility based on the amount of unused availability under the borrowing base formula. The Wells Fargo Facility is

secured by a first-priority security interest in substantially all of the assets of the Borrowers, principally consisting of accounts receivable, inventory, and intellectual property. The Wells Fargo Facility contains certain customary representations, warranties, provisions and restrictions. The Wells Fargo Facility requires that the Borrowers maintain a fixed charge coverage ratio of at least 1:1 during any Covenant Testing Period (as defined in therein) which is triggered when excess availability is below 12.5% of the aggregate commitments under the Wells Fargo Facility (the “Covenant Testing Trigger Date”). The fixed charge ratio is defined as the ratio of Consolidated EBITDA (as defined in the Wells Fargo Facility) (with certain addbacks as defined in the Wells Fargo Facility for certain restructuring charges, startup losses in newly developed brands, costs incurred in certain acquisitions, management fees, as well as certain other costs and charges) minus certain capital expenditures and certain distributions, redemptions and management fees; to fixed charges, defined as consolidated net interest expense paid or payable in cash, scheduled principal payments on debt in cash and certain earnout payments paid in cash, excluding earnout payments related to the Vince brand for the 2011 fiscal year, up to a certain amount, calculated over the trailing four fiscal quarters. Upon the occurrence and during the continuance of an event of default or upon the occurrence of a Covenant Testing Trigger Date, a cash dominion period will go into effect whereby the agent has the ability to direct the disposition of the balances in controlled deposit accounts. The cash dominion period will expire when availability is over 12.5% of the aggregate commitments under the Wells Fargo Facility for a period of 90 consecutive days and any other events of default have been waived.

On March 23, 2012, Kellwood Company amended the Wells Fargo Facility to modify the Covenant Testing Period such that it is now triggered when excess availability is below $5.0 million, and triggered the cash dominion period, as defined therein. This amendment was entered into in consideration for a guaranty of payment of Kellwood Company’s obligations under the Wells Fargo Facility and a $20.0 million letter of credit to the benefit of Wells Fargo Bank, National Association, as agent, issued by an affiliate of Sun Capital for repayment under the guaranty should it ever become payable pursuant to its terms.

On April 20, 2012, Kellwood Company amended the Wells Fargo Facility to extend the modification to the Covenant Testing Period to be in effect until March 21, 2014 unless the guaranty described above is no longer in effect or the full face amount of the letter of credit described above is no longer available to be drawn. The guaranty will be released, the letter of credit returned and the trigger for the Covenant Testing Period will return to the pre-amendment level when availability is above $35.0 million for 90 consecutive days and is projected to remain above $25.0 million through the remaining term of the Wells Fargo Facility. This amendment also provided for the consent of the Wells Fargo Facility lenders to the additional loans under the Sun Loan Agreements.

On December 31, 2012, Kellwood Company amended the Wells Fargo Facility to obtain consent to the sale of the Royal Robbins business, to release Royal Robbins, LLC as a Borrower and/or Obligor under the Wells Fargo Facility, and to release the agent’s lien on the assets of the Royal Robbins business. Additionally, the first $10 million of the net cash proceeds arising from the cash purchase price paid at closing (excluding any escrow amount) were to be applied to the Cerberus Term Loan and the remaining portion to be remitted to the Wells Fargo Facility. This amendment also resulted in a permanent reduction to availability of $5.0 million.

On June 28, 2013, Kellwood Company and the lenders under the Wells Fargo Facility entered into a consent pursuant with respect to Kellwood Company’s incurrence of Term Loan G under the Sun Term Loan B/C/D/E/F/G Agreement.

In connection with consummation of this offering, Kellwood Company, LLC will refinance the Wells Fargo Facility. See “Use of Proceeds” and “Restructuring Transactions.”

Sun Promissory Notes

On May 2, 2008, AHC issued the Sun Promissory Notes in amounts totaling $300.0 million. The unpaid principal balance of the note accrues interest at 15% per annum until the maturity date of October 15, 2011, at which point any unpaid principal balance of the note shall accrue interest at a rate of 17% per annum until the note is paid in full. All interest which is not paid in cash on or before an interest payment date shall be deemed paid in kind and added to the principal balance of the note. All interest accrued shall be deemed interest paid in kind unless an election is made otherwise. No interest has been paid on the Sun Promissory Notes.

On July 19, 2012, AHC amended the Sun Promissory Notes to extend the maturity date to October 15, 2016 and reduce the interest rate to 12% per annum until maturity, at which point any unpaid principal balance of the notes shall accrue interest at a rate of 14% per annum until the notes are paid in full.

On December 28, 2012, all interest accrued under the note prior to July 19, 2012 was waived. This resulted in an increase to additional paid-in-capital in the amount of $270.8 million as both parties were under the common control of affiliates of Sun Capital.

Effective June 18, 2013, an affiliate of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes as a capital contribution to AHC in the Sun Capital Contribution.

Sun Capital Loan Agreement

AHC is party to the Sun Capital Loan Agreement with SCSF Kellwood Finance, LLC (“SCSF Finance”) and Sun Kellwood Finance (as successors to Bank of Montreal) for a $72.0 million line of credit. Under the terms of this agreement, as amended from time to time, interest accrues at the greater of prime plus 2% per annum or LIBOR plus 4.75% per annum and is due by the last day of each fiscal quarter. The principal balance of the loan which remains unpaid after demand for repayment or during the existence of any other Event of Default, as defined in the credit agreement, bears interest until paid in full at a post-maturity rate of 2% per annum above the rate otherwise applicable. Interest on the loan is payable either in immediately available funds on each interest payment date or by adding such interest to the unpaid principal balance of the loan on each interest payment date. No interest has been paid on the Sun Capital Loan Agreement. The original maturity date of the loan was August 6, 2009. On July 19, 2012, the maturity date of the loan was extended to August 6, 2014.

On December 28, 2012, Sun Kellwood Finance and SCSF Finance waived all interest capitalized and accrued under the loan authorization agreement prior to July 19, 2012. As all parties are under the common control of affiliates of Sun Capital, this transaction resulted in a capital contribution of $18.2 million, which was recorded as an adjustment to additional paid-in-capital as of February 2, 2013.

Effective June 18, 2013, an affiliate of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes as a capital contribution to AHC in the Sun Capital Contribution.

Cerberus Term Loan

On October 19, 2011, Kellwood Company and certain of its domestic subsidiaries, as borrowers, entered into the Cerberus Term Loan with Cerberus Business Finance, LLC (the “Agent”) as collateral agent, and the lenders from time to time party thereto. The Cerberus Term Loan provides the

Borrowers with a non-amortizing secured Cerberus Term Loan in an aggregate amount of $55.0 million. The Cerberus Term Loan terminates at the earliest to occur of (a) October 19, 2015, (b) the date on which the Wells Fargo Facility has been paid in full and all commitments thereunder have been terminated, (c) 60 days prior to the scheduled December 31, 2014 maturity date of the 12.875% Notes (including any extensions thereof agreed to after October 19, 2011) or (d) the date on which the term loans under the Sun Term Loan Agreements are accelerated. All borrowings under the Cerberus Term Loan bear interest, from the date of the agreement until the effective date of the amendment described below at a rate per annum equal to an applicable margin (10.25% per annum for LIBOR Rate Loans (as defined therein) and 7.75% for Reference Rate Loans (as defined therein)) plus, at the Borrowers' election, LIBOR or a Reference Rate as defined in the Cerberus Term Loan. The Cerberus Term Loan is secured by a security interest in substantially all of the assets of the Borrowers, principally consisting of accounts receivable, inventory and intellectual property, which security interest is contractually subordinated to security interests of the lenders under the Wells Fargo Facility. The Cerberus Term Loan contains certain customary representations, warranties, provisions and restrictions. The Cerberus Term Loan required that the Borrowers maintain a fixed charge coverage ratio as of each fiscal quarter end prior to the effective date of the amendment described below of at least 1:1. The fixed charge ratio is defined as the ratio of Consolidated EBITDA (as defined in the December 31 amendment to the Cerberus Term Loan as described below) (with certain addbacks as defined in the amended Cerberus Term Loan for certain restructuring charges, startup losses in newly developed brands, costs incurred in certain acquisitions, as well as certain other costs and charges) minus certain capital expenditures and certain distributions, redemptions and management fees; to fixed charges, defined as consolidated net interest expense paid or payable in cash, scheduled principal payments on debt in cash and certain earnout payments paid in cash, excluding earnout payments related to the Vince brand for the 2011 fiscal year, up to a certain amount, calculated over the trailing four fiscal quarters. The Cerberus Term Loan also required that the Borrowers maintain a leverage ratio as defined in the Cerberus Term Loan and ranging from 2.85:1 to 4.25:1 during the life of the Cerberus Term Loan prior to the effective date of the amendment described below. The leverage ratio is defined as the ratio of indebtedness secured by a lien on any collateral (including the debt under the Wells Fargo Facility and Cerberus Term Loan and capitalized leases, but excluding the debt under the Sun Loan Agreements (as defined below) and the 12.875% Notes), divided by Consolidated EBITDA (as defined in the December 31 amendment to the Cerberus Term Loan described below) for the trailing four fiscal quarters.

On January 26, 2012, Kellwood Company obtained a waiver to the Cerberus Term Loan until the end of the first quarter of fiscal 2012 (the "Waiver Period") as AHC anticipated not being in compliance with the fixed charge coverage ratio and the leverage ratio covenants as of January 28, 2012. In conjunction with this waiver, Kellwood Company paid the Agent a $75,000 waiver fee and an affiliate of Sun Capital provided the Agent with a $10.0 million letter of credit. The waiver required the parties to the Cerberus Term Loan to work in good faith during the Waiver Period to amend the financial covenants set forth in the Cerberus Term Loan at levels mutually acceptable to all parties.

On March 23, 2012, Kellwood Company entered into a waiver consenting to the March 23, 2012 amendment entered into with respect to the Wells Fargo Facility referred to above.

On April 20, 2012, Kellwood Company entered into Consent and Amendment No. 1 to Cerberus Term Loan. This amendment provided for the consent of the Cerberus Term Loan lenders to the additional term loans under the Sun Loan Agreement (as defined below), the release of the $10.0 million letter of credit noted above and the delivery of Kellwood Company's audited fiscal 2011 financial statements within 97 days of the fiscal year-end. This amendment increased the applicable margins for borrowings under the Cerberus Term Loan which bore interest from and after the effective date of the amendment at a rate per annum equal to an applicable margin (ranging from 10.75% to 11.25% per annum for LIBOR Rate Loans (as defined in the Cerberus Term Loan) and 8.25% to

8.75% for Reference Rate Loans (as defined in the Cerberus Term Loan) based on leverage and income tests under the Cerberus Term Loan) plus, at the Borrowers' election, LIBOR or a Reference Rate as defined in the Cerberus Term Loan. The amendment also provided for a portion of such interest equal to 1% per annum to be paid-in-kind and added to the principal amount of such term loans at Kellwood Company's option so long as no event of default exists. The amendment also modified the financial covenant levels required to be maintained by the Borrowers beginning with the second quarter of fiscal 2012 for each financial covenant. The Cerberus Term Loan, as amended, requires that the Borrowers maintain a fixed charge coverage ratio as of each fiscal quarter end (beginning with the second quarter of fiscal 2012) ranging from 0.14:1 to 1.28:1 during the life of the Cerberus Term Loan. The Cerberus Term Loan, as amended, also required that the Borrowers maintain a leverage ratio as defined in the Cerberus Term Loan and ranging from 2.44:1 to 7.77:1 during the life of the Cerberus Term Loan (beginning with the second quarter of fiscal 2012). The minimum fixed charge coverage ratios for the second, third and fourth quarters of fiscal 2012 were 0.14:1, 0.41:1 and 0.67:1, respectively. The minimum fixed charge coverage ratios for 2013 were 0.89:1, 1.24:1, 1.28:1, and 1.22:1 for the first through fourth quarters, respectively. Subsequent to 2013, the quarterly minimum fixed charge coverage ratio remained at 1.22:1. The maximum leverage ratios for the second, third and fourth quarters of fiscal 2012 were 7.77:1, 5.71:1 and 3.51:1, respectively. The maximum leverage ratios for 2013 were 3.47:1, 358:1, 3.08:1, and 2.44:1 for the first through fourth quarters, respectively. Subsequent to 2013, the maximum quarterly leverage ratio remains at 2.44:1.

On December 31, 2012, Kellwood Company amended the Cerberus Term Loan to obtain consent to the sale of the Royal Robbins business, to release Royal Robbins, LLC as a Borrower and/or Obligor under the Cerberus Term Loan, and to release the agent's lien on the assets of Royal Robbins. This amendment required the prepayment of the obligations under the Cerberus Term Loan in an amount not less than $10.0 million from a portion of the proceeds from the sale of Royal Robbins, with the remaining funds to be remitted to the Wells Fargo Facility. This amendment also redefined the definition Consolidated EBITDA to allow for certain additional addbacks.

On May 3, 2013, Kellwood Company amended the Cerberus Term Loan in anticipation of not being in compliance with the fixed charge coverage ratio covenant during fiscal 2013. This amendment modified the definition of the fixed charge coverage ratio to allow Kellwood Company to exclude certain types of capital expenditures in the calculation of the minimum fixed charge coverage ratio for the second, third, and fourth quarters of fiscal 2013, not to exceed $7.5 million in total. Additionally, this amendment modified the minimum fixed charge coverage ratios for the second, third, and fourth quarters of fiscal 2013 to be 1.10:1, 1.175:1, and 1.25:1, respectively. The minimum fixed charge coverage ratio for all fiscal quarters subsequent to fiscal 2013 was modified to be 1.25:1. Kellwood Company anticipates that it will be in compliance with all provisions of the amended Cerberus Term Loan during fiscal 2013, until consummation of this offering, at which time Kellwood Company, LLC will use a portion of the net proceeds from the repayment of the Kellwood Note Receivable to repay all amounts outstanding under the Cerberus Term Loan (and accrued and unpaid interest thereon). At February 2, 2013, Kellwood Company was in compliance with all provisions of the amended Cerberus Term Loan. On June 28, 2013, Cerberus and Kellwood Company entered into a consent to the Cerberus Term Loan with respect to AHC's incurrence of the Term G Loan under the Sun Term Loan B/C/D/E/F/G Agreement.

Immediately after the consummation of this offering, Kellwood Company, LLC will use a portion of the proceeds from the repayment of the Kellwood Note Receivable to repay all amounts outstanding under the Cerberus Term Loan (and accrued and unpaid interest thereon) in full **.**

Sun Term Loan A/B/C/D/E/F/G Obligations

On July 23, 2009, Kellwood Company and certain of its domestic subsidiaries, as borrowers (the “Borrowers”), affiliates of Sun Capital, as lenders, and Sun Kellwood Finance, LLC, as collateral agent, entered into the Sun Term Loan A Loan Agreement pursuant to which the Sun Capital affiliated lenders made certain Term A loans with an original principal amount of $12.2 million, the proceeds of which were used by the Borrowers to fund payment of the principal amounts outstanding, plus accrued and unpaid interest on Kellwood Company’s 7.875% 1999 Debentures due July 15, 2009 that were not tendered as part of the exchange offer for the 12.875% Notes.

On October 19, 2011, the Sun Term Loan A Loan Agreement was amended and restated in order to conform to representations, warranties and covenants to that of the Wells Fargo Facility and the Cerberus Facility which were entered into on that date. The Sun Term Loan Agreements were also amended to provide a termination date of the earlier of (i) January 19, 2017 or (ii) the date on which the Cerberus Term Loan has been terminated; provided that, if the Cerberus Term Loan is extended, the stated maturity date set forth in (i) above shall be extended by a period of the same duration. The interest terms of the Sun Term Loan Agreements were amended such that the Sun Term Loan Agreements bear interest at 10% per annum (or 12% per annum in the case of the Term E Loans, Term F Loans and the Term G Loans described below) that will be added to the principal amounts of the term loans thereunder. If the availability under the Wells Fargo Facility is not less than $45.0 million, Kellwood Company may pay interest at a rate of 5% per annum in cash with respect to the Term A, B, C and D Loans and at a rate of 6% per annum in cash with respect to the Term E, F and G Loans. The Sun Term Loan Agreements are secured by a security interest in substantially all of the assets of the Borrowers, which security interest is contractually subordinated to the security interests of the lenders under the Wells Fargo Facility and the Cerberus Term Loan. The Sun Term Loan Agreements contain customary representations, warranties, provisions and restrictions substantially similar to Wells Fargo Facility and the Cerberus Term Loan.

The Sun Term Loan B/C/D Agreement, dated as of July 23, 2009 pursuant to which the lenders made certain (i) Term B Loans with an original principal amount of $22.4 million issued on January 4, 2011, the proceeds of which were used by the Borrowers solely to finance the acquisition of Rebecca Taylor, (ii) Term C Loans with an original principal amount of $14.9 million issued on March 18, 2011, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers and (iii) Term D Loans with an original principal amount of $10.0 million issued on August 5, 2011, the proceeds of which were used to fund all or any part of the purchase price or cost of design, construction, installation or improvement or lease of property (real or personal), plant or equipment (whether through the direct acquisition of such assets or the acquisition of capital stock of any person owning such assets) used in the business of the Borrowers.

On October 19, 2011, the Sun Term Loan B/C/D Agreement and the Sun Term Loan A Agreement each were amended and restated in order to confirm the related representations, warranties and covenants to those of the Wells Fargo Term Facility and the Cerberus Term Loan entered into on that date. The Sun Term Loan Agreements were also amended to provide a termination date of the earlier of (i) January 19, 2017 or (ii) the date on which the Cerberus Term Loan has been terminated; provided that, if the Cerberus Term Loan is extended, the stated maturity date set forth in (i) above shall be extended by a period of the same duration. The interest terms of the Sun Term Loan Agreements were amended such that the Sun Term Loan Agreements bear interest at 10% per annum (or 12% per annum in the case of the Term E Loans, Term F Loans and the Term G Loans described below) that will be added to the principal amounts of such term loans. If the availability under the Wells Fargo Facility is not less than $45.0 million, AHC may pay interest at a rate of 5% per annum in cash with respect to the Term A Loan, Term B Loan, Term C Loan and Term D Loans and at a rate of 6% per annum in cash with respect to the Term E Loan, Term F Loan and Term G Loan. The Sun Term Loan Agreements are secured by a security interest in substantially all of the assets of the Borrowers, which security interest is contractually subordinated to the security

interests of the lenders under the Wells Fargo Facility and the Cerberus Term Loan. The Sun Term Loan Agreements contain customary representations, warranties, provisions and restrictions substantially similar to Wells Fargo Facility and the Cerberus Term Loan.

On April 20, 2012, Kellwood Company entered into an amendment and restatement of each of the Sun Term Loan Agreements. The Sun Term Loan B/C/D Agreement was amended and restated and became the Sun Term Loan B/C/D/E/F Agreement in order to (i) provide for new Term E Loans with an original principal amount of $5.1 million, the proceeds of which were used to finance costs and expenses and earnout payments in respect of certain acquisitions consummated by the Borrowers prior to the date of the Term E Loans, (ii) provide for new Term F Loans with an original principal amount of $24.9 million, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers, and (iii) conform certain covenant and definitional changes made to the Wells Fargo Facility and the Cerberus Term Loan. The primary reason for entering into the amendment and restatement of the Sun Term A Loan Agreement was to conform to the aforementioned changes made to the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan B/C/D Agreement. The Term E Loans and the Term F Loans bear interest at a rate of 12% per annum and such interest will be added to the principal amounts of such loans at the end of each fiscal quarter. If the availability under the Wells Fargo Facility is not less than $45.0 million, Kellwood Company may pay interest at a rate of 6% per annum in cash. No cash interest has been paid on the Sun Term Loan Agreements.

On June 28, 2013, Kellwood Company entered into an amendment and restatement of the Sun Term Loan B/C/D/E/F Agreement in order to (i) provide for new Term G Loans with an original principal amount of $5.0 million, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers and (ii) to conform to the changes made to the Wells Fargo Facility and the Cerberus Term Loan. On June 28, 2013 Kellwood Company also entered into an amendment to the Sun Term Loan A Agreement to allow for the addition of the Term G Loans and to conform to the changes made to the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan B/C/D/E/F Agreement.

As part of the IPO Restructuring Transactions, affiliates of Sun Capital will contribute certain indebtedness under the Sun Term Loan Agreements as a capital contribution to Apparel Holding Corp. in the Additional Sun Capital Contribution (which indebtedness shall be subsequently cancelled in connection with Apparel Holding Corp.'s subsequent contribution of such indebtedness to Kellwood Company). Immediately after the consummation of this offering, Kellwood Company, LLC will use a portion of the proceeds from the repayment of the Kellwood Note Receivable to repay all amounts outstanding under the Sun Term Loan Agreements (and accrued and unpaid interest thereon) in full (after giving effect to the Additional Sun Capital Contribution).

12.875% Notes

Interest on the 12.875% Notes is paid (a) in cash at a rate of 7.875% per annum payable in January and July; and (b) in the form of PIK interest at a rate of 5% per annum ("PIK Interest") payable either by increasing the principal amount of the outstanding 12.875% Notes, or by issuing additional 12.875% Notes with a principal amount equal to the PIK Interest accrued for the interest period. The 12.875% Notes are guaranteed by various of Kellwood Company's subsidiaries on a secured basis, which security interest is contractually subordinated to security interests of lenders under the Wells Fargo Facility, the Cerberus Term Loan and the Sun Loan Agreements. The 12.875% Notes contain certain customary provisions that, among other things, limit Kellwood Company's ability to incur additional indebtedness, make certain restricted payments, dispose of assets or redeem or repurchase capital stock or prepay subordinated indebtedness.

Immediately after the consummation of this offering, Kellwood Company, LLC will issue an unconditional redemption notice to redeem at par all issued and outstanding 12.875% Notes (including accrued and unpaid interest thereon) in full and deposit such amounts with the trustee under the indenture governing the 12.875% Notes using a portion of proceeds from the repayment of the Kellwood Note Receivable, with such amounts to be distributed to the holders of the 12.875% Notes when such notes are redeemed in accordance with the notice of redemption.

7.625% Notes

On April 15, 2010, Kellwood Company repurchased $29.7 million in aggregate principal amount of the 7.625% Notes from an affiliate of Sun Capital for $9.1 million in cash. The repurchased 7.625% Notes were then retired. Approximately $87.0 million in aggregate principal amount of 7.625% Notes remain outstanding following the repurchase. Interest is payable in April and October. The extinguishment resulted in a gain of $15.9 million during 2010.

In connection with consummation of this offering, Kellwood Company will conduct a tender offer for all of the outstanding 7.625% Notes at par plus accrued and unpaid interest thereon and will use a portion of proceeds from the repayment of the Kellwood Note Receivable to purchase, at or after the closing of this offering, all such notes validly tendered and not validly withdrawn in such tender offer.

Cash (used in)/provided by operating activities. Cash provided by operating activities primarily consists of net loss, adjusted for certain non-cash items including depreciation and amortization, share-based compensation, capitalized PIK interest expense, deferred income taxes, amortization of bond discounts and debt issuance costs, impairment, restructuring, environmental remediation and other charges, gains and losses on dispositions of various assets and businesses, and the effect of changes in working capital and other activities.

In the first six months of fiscal 2013, net cash used in operating activities was $41.0 million and consisted of a net loss of $25.6 million plus non-cash items of $21.5 million less changes in working capital and other activities of $36.9 million. Non-cash items consisted primarily of capitalized PIK interest expense of $23.3 million, deferred income tax benefit of $9.7 million, depreciation and amortization of $3.7 million, and amortization of bond discounts and debt issue costs of $3.5 million. Cash used in working capital and other activities consisted of an increase in receivables, net of $4.2 million, an increase in inventories, net of $18.8 million, an increase in prepaid and other current assets of $7.3 million and a decrease in accounts payable and other accrued expenses of $4.2 million as a result of timing of payments to vendors.

In the first six months of fiscal 2012, net cash used in operating activities was $41.0 million and consisted of a net loss of $81.2 million plus non-cash items of $61.5 million less changes in working capital and other activities of $21.4 million. Non-cash items consisted primarily of capitalized PIK interest expense of $55.2 million, depreciation and amortization of $4.6 million, amortization of bond discounts and debt issuance costs of $3.6 million, net gains of $2.4 million on the disposition of trademarks and businesses, and a net gain of $4.5 million on fair value of contingent consideration. Cash used in working capital and other activities consisted primarily of an increase in inventories, net of $8.3 million, an increase in receivables, net of $7.5 million as a result of timing of customer payments, an increase in prepaid expenses and other current assets of $2.3 million, and payments of liabilities associated with restructuring and environmental remediation activities of $7.4 million.

In fiscal 2012, net cash used in operating activities was $26.0 million and consisted of a net loss of $107.7 million plus non-cash items of $98.3 million less changes in working capital and other activities of $16.6 million. Non-cash items consisted primarily of capitalized PIK interest expense of $86.5 million, depreciation and amortization of $8.4 million, amortization of bond discounts and debt

issuance costs of $7.2 million, impairment charges of $6.7 million, restructuring, environmental remediation and other charges of $5.5 million, gains on disposition of trademarks of $4.2 million, gains on disposition of businesses of $7.3 million and a net gain on fair value of contingent consideration of $7.2 million. Cash used for working capital and other activities consisted primarily of payments of liabilities associated with restructuring and environmental remediation activities of $16.1 million, a decrease in accounts payable and accrued expenses of $7.8 million due to timing of vendor payments and payroll, partially offset by an increase in other assets and liabilities of $5.7 million.

In fiscal 2011, net cash used in operating activities was $38.3 million and consisted of a net loss of $147.9 million plus $135.6 million of non-cash items less $26.0 million for changes in working capital and other activities. Non-cash items consisted primarily of capitalized PIK interest expense of $92.1 million, depreciation and amortization of $11.1 million, amortization of bond discounts and debt issuance costs of $6.4 million, impairment charges of $19.5 million and restructuring, environmental remediation and other charges of $3.1 million. Cash used for working capital and other activities consisted primarily of an increase in receivables, net of $20.9 million due to increased net sales, an increase in inventories, net of $5.9 million due to a forecasted increase in net sales, payments of liabilities associated with restructuring and environmental remediation activities of $12.9 million, partially offset by an increase in accounts payable and accrued expense of $12.6 million due to timing of vendor payments and payroll.

In fiscal 2010, net cash used in operating activities was $44.7 million and consisted of a net loss of $104.5 million plus $118.2 million of non-cash items less $58.5 million for changes in working capital and other activities. Non-cash items consisted primarily of capitalized PIK interest expense of $75.1 million, depreciation and amortization of $10.3 million, amortization of bond discounts and debt issuance costs of $6.8 million, impairment charges of $24.6 million and restructuring, environmental remediation and other charges of $13.3 million, and a gain on debt extinguishment of $15.9 million. Cash used for working capital and other activities consisted primarily of an increase in inventories, net of $28.5 million due to timing of inventory purchases, payments of liabilities associated with restructuring and environmental remediation activities of $18.6 million, an increase in receivables, net of $5.8 million due to the timing of customer payments, and an increase in accounts payable and accrued expenses of $6.0 million due to timing of vendor payments and payroll.

Net cash (used in)/provided by investing activities. Net cash from investing activities primarily relates to capital expenditures and payments for acquisitions and proceeds from dispositions. Net cash provided by investing activities was $0.5 million in the first six months of fiscal 2013 due primarily to proceeds received from the disposition of a trademark and other assets, partially offset by capital expenditures of $5.5 million. Net cash used in the first six months of fiscal 2012 was $2.5 million due to deposits to restricted accounts and capital expenditures, partially offset by proceeds from dispositions of trademarks and businesses. Net cash from investing activities increased $87.0 million from $69.6 million used in investing activities in fiscal 2011 to $17.5 million provided by investing activities in fiscal 2012. The increase is primarily attributable to significantly higher amounts of cash used in fiscal 2011 for cash purchase consideration related to the Vince acquisition, as well as proceeds received from the disposition of various trademarks, the disposition of two closed distribution center facilities, and the sale of the BLK DNM and Royal Robbins business during fiscal 2012. Net cash from investing activities decreased $35.5 million from $34.0 million used in investing activities in fiscal 2010 to $69.6 million used in investing activities in fiscal 2011. The change is due to significant cash purchase consideration paid during fiscal 2011 related to the Vince acquisition as well as additional capital expenditures for new retail store development.

Net cash (used in)/provided by financing activities. Net cash from financing activities primarily relates to borrowings and repayments of short-term debt obligations, long-term debt obligations, revolving credit facilities and debt issuance costs related thereto. Net cash provided by financing

activities was $40.8 million in the first six months of fiscal 2013 due to additional net borrowings of $35.8 million on the Wells Fargo Facility and additional borrowings of $5.0 million under the Sun Term Loan Agreements. Net cash provided by financing activities was $43.6 million in the first six months of fiscal 2012 due to additional borrowings of $30.0 million under the Sun Term Loan Agreements and net borrowings of $16.5 million on the Wells Fargo Facility. Net cash from financing activities decreased $95.8 million from $104.5 million provided by financing activities in fiscal 2011 to $8.6 million provided by financing activities in fiscal 2012. The decrease is primarily due to a fiscal 2012 repayment on a long-term loan obligation incurred in the prior year, as well as fewer net borrowings of long-term loan obligations and revolving credit facilities during fiscal 2012, net of fees paid for amendments. Net cash from financing activities increased $37.1 million from $67.3 million provided by financing activities in fiscal 2010 to $104.5 million provided by financing activities in fiscal 2011. This increase is due to additional debt obligations incurred during fiscal 2011 partially offset by lower net borrowings from revolving credit facilities and fees paid for debt issuance.

Cash from discontinued operations. All cash flows from discontinued operations are combined with cash flows from continuing operations within our discussions of net cash from operating activities, investing activities, and financing activities above.

Net cash used in operating activities of AHC included a $14.8 million increase, $13.3 million increase, and $11.2 million increase in working capital of discontinued operations for fiscal 2010, fiscal 2011, and fiscal 2012, respectively. Net cash used in operating activities of AHC included a $0.5 million increase and $1.9 million decrease in working capital requirements of discontinued operations for the first six months of fiscal 2012 and fiscal 2013, respectively.

Noteworthy investing activities of discontinued operations consist of proceeds received from the dispositions of various businesses and trademarks. In fiscal 2012, AHC received a combined amount of $28.3 million net of selling costs for the sale of its Phat Farm trademark, BLK DNM business, and Royal Robbins business. During the first six months of fiscal 2013, AHC sold the Baby Phat trademark and received $4.8 million in sale proceeds, net of related selling costs. During the first six months of fiscal 2012, AHC received $4.6 million net of selling costs to sell various trademarks related to discontinued operations, including its Phat Farm trademark. There were no investing activities related to discontinued operations that generated material cash flows in fiscal 2010 or fiscal 2011.

Net cash from financing activities was not materially impacted by discontinued operations for all periods presented.

Cash and cash equivalents. Cash and cash equivalents increased $0.1 million from $1.8 million at January 28, 2012 to $1.9 million at February 2, 2013. The increase is due to cash provided by investing activities, specifically the disposition of businesses and trademarks, as well as net borrowings on AHC’s long-term loan obligations, offset by cash used to finance operating activities.

Contractual Obligations and Commitments

A summary of AHC's contractual obligations and commitments at February 2, 2013 is as follows:

	Future payments due by period(1)				
(In thousands)	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years	Total
Wells Fargo Facility(2)(3)	$ —	$ 79,783	$ —	$ —	$ 79,783
Sun Promissory Notes—principal and PIK interest(4)	—	—	497,894	—	497,894
Sun Capital Loan Agreement—principal and PIK interest(4)	—	77,450	—	—	77,450
Other long-term debt—principal and PIK interest(3)	—	331,685	86,953	200	418,838
Long-term debt—cash interest(2)(3)	18,047	24,750	13,260	244	56,301
Operating lease obligations	16,367	28,016	19,822	30,081	94,286
Minimum royalty/advertising obligations	574	508	—	—	1,082
Purchase orders/commitments	103	—	—	—	103
Contingent purchase price(5)	—	3,663	3,454	—	7,117
Uncertain tax positions(6)	2,357	4,138	690	—	7,185
Environmental remediation(7)	656	2,115	1,611	8,499	12,881
State income tax settlement(8)	2,042	3,067	—	—	5,109
Employment contracts(9)	132	332	—	—	464
Obligation from exit activities	3,356	1,594	—	—	4,950
Other contractual commitments(10)	1,334	624	—	—	1,958
Tax Receivable Agreement(11)	—	—	—	—	172,087
Total	$ 44,968	$557,725	$623,684	$39,024	$1,437,488

(1) In connection with consummation of this offering, Vince, LLC will enter into the Shared Services Agreement with Kellwood Company, LLC pursuant to which Kellwood will provide support services in various operational areas including, among other things, distribution, information technology and back office support (as described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement"). We have excluded the amounts due under such agreement from the table herein as we cannot precisely estimate the future payments to be made thereunder and timing thereof. However, we currently expect to pay between $8.0 million to $10.0 million on an annualized basis in the near to intermediate term after consummation of this offering for services to be provided by Kellwood under the Shared Services Agreement.

(2) The cash interest commitment excludes cash interest on the Wells Fargo Facility as the agreement contains variable interest provisions for which no reliable estimate of future payment amounts can be made. These long-term debt obligations will be repaid, refinanced or discharged in connection with the consummation of this offering.

(3) Payments under these instruments will not be required in any period after consummation of this offering, as most of the net proceeds from this offering, along with the net borrowings under our new term loan facility, will be used to repay the Kellwood Note Receivable. In turn, Kellwood Company, LLC will use the proceeds from such repayment to repay, refinance or discharge this indebtedness for which Vince, LLC is a guarantor or an obligor (after giving effect to the Additional Sun Capital Contribution immediately after the closing of this offering). Kellwood Company, LLC may also use such proceeds to repurchase or refinance the other indebtedness represented by these instruments at or after the closing of this offering.

(4) On June 18, 2013, Sun Kellwood Finance and SCSF Finance assigned all title and interest in both the Sun Promissory Notes and note under the Sun Capital Loan Agreement to Sun Cardinal. Immediately following the assignment of these notes, Sun Cardinal contributed all outstanding principal and interest due as of June 18, 2013 to the capital of AHC. These transactions were recorded in the second quarter of fiscal 2013 as increases to AHC's additional paid in capital in the amounts of $334.6 million and $72.9 million for the Sun Promissory Notes and Sun Capital Loan Agreement, respectively, in connection with the Sun Capital Contribution.

(5) Represents the amount of potential additional cash purchase consideration related to the Rebecca Taylor acquisition. The obligor under such agreements and contracts is Kellwood Company and such obligations will remain with Kellwood Company after the consummation of this offering. These commitments and obligations are not currently, and will not become, the obligations of Vince, LLC or the Vince business subsequent to the IPO Restructuring Transactions and the consummation of this offering.

(6) These amounts are inclusive of estimated interest currently due, as well as an estimate of future interest that will be payable. AHC has excluded $2.7 million from the table that it believes is not reasonably possible to predict when it may be paid.

(7) Kellwood Company has posted a letter of credit in the amount of $5.9 million as a performance guarantee related to environmental remediation work. AHC currently estimates undiscounted cash flows of $12.9 million related to this remediation work. The obligor under such agreements and contracts is Kellwood Company and such obligations will remain with Kellwood Company after the consummation of this offering. These commitments and obligations are not currently, and will not become, the obligations of Vince, LLC or the Vince business subsequent to the IPO Restructuring Transactions and the consummation of this offering.

(8) Kellwood Company settled an ongoing income tax case with a state jurisdiction during fiscal 2012 payable over a three year period. The amounts within the table include estimated interest payments at a rate of 7.5%. The obligor under such agreements and contracts is Kellwood Company and such obligations will remain with Kellwood Company after the consummation of this offering. These commitments and obligations are not currently, and will not become, the obligations of Vince, LLC or the Vince business subsequent to the IPO Restructuring Transactions and the consummation of this offering.

(9) Kellwood Company has entered into agreements with certain employees to provide for relocation benefits.

(10) Other contractual commitments include payments under significant non-cancellable consulting and software contracts. The obligor under such agreements and contracts is Kellwood Company and such obligations will remain with Kellwood Company after the consummation of this offering. These commitments and obligations are not currently, and will not become, the obligations of Vince, LLC or the Vince business subsequent to the IPO Restructuring Transactions and the consummation of this offering.

(11) Immediately prior to the consummation of this offering, Vince Holding Corp. will enter into the Tax Receivable Agreement with the Pre-IPO Stockholders (as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement”). While we have included the total amount estimated to be due under such agreement, we cannot reliably estimate in which future periods these amounts would become due.

Inflation

While inflation may impact AHC’s sales and cost of goods sold, AHC believes the effects of inflation on its results of operations and financial condition are not significant. While the offering involves only an investment in the Vince business, AHC cannot provide any assurances that its results of operations and financial condition will not be materially impacted by inflation in the future.

Quantitative and Qualitative Disclosures About Market Risk

AHC is exposed to interest rate risk resulting from fluctuations in interest expense of variable-rate debt, as well as fluctuations in the fair value of its fixed-rate debt instruments. These obligations were contributed to the capital of AHC in the Sun Capital Contribution or will be repaid, refinanced, repurchased or discharged in connection with this offering (including the Additional Sun Capital Contribution).

As of February 2, 2013, 23.4% of AHC’s total debt outstanding related to variable-rate debt instruments, including the Wells Fargo Facility, Cerberus Term Loan, and the Sun Capital Loan Agreement and the Sun Promissory Notes. Affiliates of Sun Capital contributed $407.5 million of

indebtedness, including under the Sun Capital Loan Agreement, in the Sun Capital Contribution. Any increase in interest rates of these financial instruments could have an adverse impact on the results of AHC's operations, as management does not currently hedge against interest rate fluctuations and does not intend to engage in such hedging activity in the foreseeable future. A 100 basis point increase to the market rates utilized within each of the variable-rate debt instruments would have resulted in a $1.8 million increase to AHC's interest expense for fiscal 2012. AHC's strategy regarding management of its exposure to interest rate fluctuations did not change significantly during the year. Management does not expect any significant changes in AHC's exposure to interest rate fluctuations or in how such exposure is managed during the remainder of fiscal 2013.

Based on quoted market prices obtained through independent pricing sources for the same or similar types of borrowing arrangements, AHC's fixed-rate debt had a fair value of approximately $620.4 million as of February 2, 2013, which compares to the book value of $644.8 million. Market interest rate changes result in increases or decreases in the fair value of AHC's fixed-rate debt. Notwithstanding that all of AHC's fixed-rate debt will be repaid, refinanced, repurchased or discharged in connection with this offering (after giving effect to the Sun Capital Contribution and the Additional Sun Capital Contribution), at February 2, 2013 a 100 basis point increase in interest rates would have resulted in approximately a $4.4 million decrease in the fair value of its fixed-rate debt; a 100 basis point decrease in interest rates would have resulted in approximately a $4.5 million increase in the fair value of its fixed-rate debt.

In addition, AHC does not believe that foreign currency risk, commodity price or inflation risks are expected to be material to its business or its consolidated financial position, results of operations or cash flows after giving effect to the Sun Capital Contribution and the IPO Restructuring Transactions (including the Additional Sun Capital Contribution).

Off-Balance Sheet Arrangements

During fiscal 2010, fiscal 2011 and fiscal 2012, AHC did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

The preparation of the consolidated financial statements included elsewhere in this prospectus in conformity with generally accepted accounting principles requires that management make certain estimates and assumptions that affect amounts reported in AHC's consolidated financial statements and accompanying notes. Actual results will differ from those estimates and assumptions and the differences may be material. Significant accounting policies, estimates and judgments which management believes are the most critical to aid in fully understanding and evaluating the reported financial results are discussed below.

Revenue Recognition

Sales are recognized when goods are shipped in accordance with customer orders for AHC's wholesale and e-commerce businesses, and at the time of sale to consumer for AHC's retail business. The Vince segment and the Rebecca Taylor operations are the only parts of AHC's business with retail store operations. The estimated amounts of sales discounts, returns and allowances are accounted for as reductions of sales when the associated sale occurs. These estimated amounts are adjusted periodically based on changes in facts and circumstances when the changes become known to AHC. Accrued discounts, returns and allowances are included as an offset to accounts receivable in the balance sheets for AHC's wholesale business.

Accounts Receivable—Reserves for Allowances

Accounts receivable are recorded net of allowances for returns and existing and expected future chargebacks from customers. It is the nature of the apparel and recreational products industry that suppliers like AHC face significant pressure from customers in the retail industry to provide allowances to compensate for customer margin shortfalls. This pressure often takes the form of customers requiring AHC to provide price adjustments on prior shipments as a prerequisite for obtaining future orders. Pressure for these concessions is largely determined by overall retail sales performance and, more specifically, the performance of AHC's products at retail. To the extent AHC's customers have more of its goods on hand at the end of the season, there will be greater pressure for AHC to grant markdown allowances on prior shipments. AHC's accounts receivable balances are reported net of expected allowances for these matters based on the historical level of concessions required and its estimates of the level of markdowns and allowances that will be required in the coming season in order to collect the receivables. AHC evaluates the allowance balances on a continuing basis and adjust them as necessary to reflect changes in anticipated allowance activity. AHC also provides an allowance for sales returns based on historical return rates.

Accounts Receivable—Allowance for Doubtful Accounts

AHC maintains an allowance for doubtful accounts receivable for estimated losses resulting from customers that are unable to meet their financial obligations. AHC's estimation of the allowance for doubtful accounts involves consideration of the financial condition of specific customers as well as general estimates of future collectability based on historical experience and expected future trends. The estimation of these factors involves significant judgment. In addition, actual collection experience, and thus bad debt expense, can be significantly impacted by the financial difficulties of as few as one customer.

Inventory Valuation

Inventories are stated at lower of cost or market. Inventory values are reduced to net realizable value when there are factors indicating that certain inventories will not be sold on terms sufficient to recover their cost. AHC's products can be classified into two types: replenishment and non- replenishment. Replenishment items are those basics that are not highly seasonal or dependent on fashion trends. The same products are sold by retailers 12 months a year and styles evolve slowly. Retailers generally replenish their stocks of these items as they are sold. Only a relatively small portion of AHC's business involves replenishment items.

The majority of AHC's products consist of items that are non-replenishment as a result of being highly tied to a season or fashion look. These products are economically "perishable". The value of this seasonal merchandise might be sufficient for AHC to generate a profit over its cost at the beginning of its season, but by the end of its season a few months later the same inventory might be salable only at less than cost. For these products, the selling season generally ranges from three to six months. The value may rise again the following year when the season in which the goods sell approaches—or it may not, depending on the level of prior year merchandise on the market and on year-to-year fashion changes.

The majority of out-of-season inventories must be sold to off-price retailers and other customers who serve a customer base that will purchase prior year fashions. The amount, if any, that these customers will pay for prior year fashions is determined by the desirability of the inventory itself as well as the general level of prior year goods available to these customers. The assessment of inventory value, as a result, is highly subjective and requires an assessment of the seasonality of the inventory, its future desirability, and future price levels in the off-price sector.

Many of AHC's products are purchased for and sold to specific customers' orders. Others are purchased in anticipation of selling them to a specific customer. The loss of a major customer, whether

due to the customer's financial difficulty or other reasons, could have a significant negative impact on the value of the inventory expected to be sold to that customer. This negative impact can also extend to purchase obligations for goods that have not yet been received. These obligations involve product to be received into inventory over the next one to six months.

Fair Value Assessments of Goodwill and Intangible Assets

Goodwill and other indefinite-lived intangible assets are tested for impairment at least annually and in an interim period if a triggering event occurs. AHC completed its most recent annual impairment testing on goodwill and indefinite-lived intangible assets during the fourth quarter of fiscal 2012.

Goodwill represents the excess of the cost of acquired businesses over the fair market value of their identifiable net assets. As the acquisition by Kellwood Company of the net assets of Vince occurred prior to the current requirements of ASC Topic 805: *Business Combinations* , the additional purchase consideration paid to the former owners of Vince subsequent to the acquisition date was recorded as an addition to the purchase price, and therefore goodwill, once determined. In September 2011, the Financial Accounting Standards Board ("FASB") issued an amendment to the Intangibles—Goodwill and Other Topic of Accounting Standards Codification ("ASC"). The goodwill impairment qualitative assessment requires an assessment of the reporting unit to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If adverse qualitative trends are identified that could negatively impact the fair value of the reporting unit, a "step one" goodwill impairment test is performed. The "step one" goodwill impairment test requires an estimate of the fair value of the reporting unit and certain assets and liabilities. If the fair value of a reporting unit exceeds its book value, goodwill of the reporting unit is not considered impaired and "step two" of the impairment test is not required. If the book value of a reporting unit exceeds its fair value, "step two" of the impairment test is performed to measure the amount of impairment loss, if any. The implied fair value of the reporting unit's goodwill is compared to the book value of that goodwill. If the book value of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination.

An entity may pass on performing the qualitative assessment for a reporting unit and directly perform "step one" of the assessment. This determination can be made on an asset by asset basis, and an entity may resume performing a qualitative assessment in subsequent periods. These amendments are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. AHC early adopted these amendments during fiscal year 2011 and performed a qualitative assessment of impairment in fiscal 2011 for goodwill related to its reporting units, with the exception of Vince, as there was significant related purchase consideration capitalized in fiscal 2011.

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, Intangibles—Goodwill and Other (Topic 350): *Testing Indefinite Lived Assets for Impairment* . Under this amendment, an entity may elect to perform a qualitative impairment assessment for indefinite-lived intangible assets similar to the goodwill impairment testing guidance discussed above.

This amendment is effective for annual and interim impairment tests for indefinite-lived intangible assets performed for fiscal years beginning after September 15, 2012. AHC early adopted this amendment during fiscal 2012 and performed a quantitative assessment of impairment in fiscal 2012 for trademarks associated with certain brands.

For trademarks that AHC directly proceeded to "step one" during fiscal 2012, and for impairment tests performed in prior years, AHC primarily uses the relief from royalty method to calculate the fair value of the intangible assets, which uses revenue projections, royalty rates and discount rates in the calculation.

Determining the fair value of goodwill and other intangible assets is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates and operating margins, discount rates and future market conditions, among others. It is possible that estimates of future operating results (which will need to give effect to give effect to the IPO Restructuring Transactions and the discontinuance of the Kellwood operations) could change adversely and impact the evaluation of the recoverability of the carrying value of goodwill and intangible assets and that the effect of such changes could be material.

Definite-lived intangible assets are primarily compromised of customer relationships and are being amortized on a straight-line basis over their useful lives of 10 to 20 years.

Income Taxes

AHC is subject to taxation in many jurisdictions, and the calculation of its tax liabilities involves dealing with inherent uncertainties in the application of complex tax laws and regulations in various taxing jurisdictions. AHC assesses the income tax positions and record tax liabilities for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. AHC accounts for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities at enacted rates. AHC bases its estimate of deferred tax assets and liabilities on current tax laws and rates and, in certain cases, business plans and other expectations about future outcomes. AHC records a valuation allowance to reduce its deferred tax assets to the amount that is more likely than not to be realized.

AHC's accounting for deferred tax consequences represents management's best estimate of future events that can be appropriately reflected in the accounting estimates. Changes in existing tax laws, regulations, rates and future operating results may affect the amount of deferred tax liabilities or the valuation of deferred tax assets over time.

The application of tax laws and regulations is subject to legal and factual interpretation, judgment and uncertainty. Tax laws and regulations themselves are also subject to change as a result of changes in fiscal policy, changes in legislation, the evolution of regulations and court rulings. Although AHC believes the measurement of liabilities for uncertain tax positions is reasonable, no assurance can be given that the final outcome of these matters will not be different than what is reflected in the historical income tax provisions and accruals. If AHC ultimately determines that the payment of these liabilities will be unnecessary, the liability will be reversed and a tax benefit will be recognized during the period in which it is determined the liability no longer applies. Conversely, additional tax charges are recorded in a period in which it is determined that a recorded tax liability is less than the ultimate assessment is expected to be. If additional taxes are assessed as a result of an audit or litigation, it could have a material effect on AHC's income tax provision and net income in the period or periods for which that determination is made.

Recent Accounting Pronouncements

In June 2011, the FASB issued an accounting standards update regarding the presentation of comprehensive income in financial statements. The provisions of this standard provide an option to present the components of net income and other comprehensive income either as one continuous statement of comprehensive income or as two separate but consecutive statements. This standard was amended December 2011 as it relates to the presentation of comprehensive income. This amendment defers the requirement to present the effects of reclassifications out of accumulated other comprehensive income on AHC's consolidated statements of income, which was required in the

Comprehensive Income amendment made in June 2011. The provisions of this new disclosure standard were effective January 1, 2012. AHC has provided a separate Statement of Other Comprehensive Income during the current year. The requirement to present the effects of reclassifications out of accumulated other comprehensive income will impact only the presentation of the financial statements to the extent AHC has instances of these transactions in the future.

In September 2011 and July 2012, the FASB issued amendments to the *Intangibles—Goodwill and Other* topic of ASC. Under these amendments, an entity may elect to perform a qualitative impairment assessment for goodwill and indefinite-lived intangible assets. We have adopted these amendments, as discussed above.

In May 2011, the FASB issued ASU 2011-04. The new guidance resulted in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP. The new guidance did not extend the use of fair value accounting, but provided guidance on how it should be applied where its use is already required or permitted by other standards within GAAP. This update was effective for interim and annual periods beginning after December 15, 2011. The adoption of this guidance in fiscal 2011 did not have a material impact on AHC's consolidated financial position, results of operations, or cash flows.

AHC BUSINESS

Overview

AHC is a holding company, controlled by the affiliates of Sun Capital. Kellwood Company was founded in 1961 as the successor by merger of fifteen independent suppliers to Sears, Roebuck & Co. ("Sears"). Beginning in 1985, Kellwood implemented a strategy to expand its branded business, broaden its customer base, diversify its distribution channels and further develop its global product sourcing capability. As a result of this strategy, AHC has redirected its focus from the manufacturing of private label apparel and home fashions for Sears to the development of branded fashion apparel and recreational products. As part of this strategy, AHC also acquired various apparel companies or businesses and has divested numerous others. AHC now has a diversified brand portfolio that serves a broad range of customer segments across multiple wholesale partners and through its own retail stores and websites.

AHC did not have any customers that accounted for more than 10% of consolidated net sales from continuing operations during fiscal 2012. In fiscal 2011, sales to Kohl's accounted for more than 10% of the consolidated net sales of continuing operations. These sales represented 14% of fiscal 2011 net sales. In fiscal 2010, sales to Kohl's and Macy's accounted for more than 10% of the consolidated net sales from continuing operations. These sales represented 15% and 12% of fiscal 2010 net sales, respectively.

AHC manufactures, distributes and markets products under many brands, some of which it owns, and others that are under licensing agreements. In addition, prior to the IPO Restructing Transactions, AHC had four reportable segments, as set forth below. Each segment is responsible for its own design, merchandising and sourcing activities:

- *Vince* : Contemporary fashion apparel and accessories sold under the Vince ® brand name through wholesale distribution to premier department stores and specialty stores as well as direct-to-consumer through our retail stores and the *www.vince.com* website;
- *American Recreational Products ("ARP")* : Recreational apparel and products sold under Kelty, Sierra Designs, Ultimate Direction, Slumberjack, Wenzel and Isis brand names through wholesale distribution to retailers as well as through websites;
- *Juniors* : A collection of denim, dresses and sportswear labels that appeal to girls and young women sold under the Rewind, My Michelle and Jolt brand name as well as private label to wholesale partners. Additionally, AHC licenses the XOXO brand name and produces apparel under that name for wholesale partners within this segment; and
- *Moderate* : Moderately priced related separates and pants covering career and casual lifestyle sold through wholesale distribution and produced under private labels as well as under the Sag Harbor and Briggs New York brands.

Performance results of AHC's remaining operating segments, primarily apparel sold under the Rebecca Taylor, Democracy, Jax and Sangria brands as well as under the licensed David Meister brand, have been combined in Other, as none of these brands individually meets the quantitative thresholds for disclosures as a reportable segment. Other operations accounted for less than 25% of AHC's revenues in each of fiscal 2010, fiscal 2011 and fiscal 2012 and the first six months of fiscal 2013.

In connection with this offering, all AHC segments other than the Vince segment will be separated from AHC in the IPO Restructuring Transactions, as defined elsewhere in this prospectus, by Apparel Holding Corp., the entity offering stock in this offering. Apparel Holding Corp. will report operations from all segments other than the Vince segment as discontinued operations in future reporting periods after the consummation of this offering.

Company History

Affiliates of Sun Capital acquired Kellwood Company and formed AHC in connection with the February 2008 acquisition of Kellwood Company by affiliates of Sun Capital. As discussed in “Additional Information Related to Vince—Vince Business” elsewhere in this prospectus, Kellwood Company acquired the Vince business in September 2006. Gerber Childrenswear LLC and Hanna Andersson LLC were sold during the fourth quarter of fiscal 2008 to affiliates of Sun Capital. In January 2010, AHC acquired certain net assets from Juno Rising, Inc. AHC subsequently acquired the Adam operations in August 2010. Thereafter, AHC acquired Rebecca Taylor and Zobha in July 2011. Additionally, during 2011, AHC discontinued its Adam operations and Koret wholesale business. During 2012, AHC decided to exit its Baby Phat wholesale and Lamb & Flag businesses. Additionally, BLK DNM and Royal Robbins, LLC businesses (and certain related Canadian assets and liabilities), were sold during 2012. AHC divested the Zobha operations during the second quarter of fiscal 2013.

Properties; Distribution and Production

At October 5, 2013, AHC operated two distribution or production facilities and utilized six third-party distribution centers. AHC’s operating facilities are leased under operating leases that generally contain renewal options. AHC also operated 35 retail stores at October 5, 2013. AHC’s retail spaces are leased under operating leases. AHC leases its corporate office spaces in St. Louis County, Missouri and New York City, as well as showrooms and divisional office spaces in City of Industry, Los Angeles, California, New York City, Boulder, Colorado, and Mississauga, Ontario.

The fashion apparel divisions currently operate one warehousing and distribution center totaling approximately 471,000 square feet in City of Industry, California. All of AHC’s warehousing and distribution occurs at its distribution facility in City of Industry, California or third party distribution centers. These facilities serve multiple divisions, thereby generating economies of scale in warehousing and distribution activities.

The recreational apparel and products division operates one warehousing and distribution center totaling approximately 177,000 square feet in St. George, Utah, and also uses third-party distribution facilities.

Information Systems

AHC is responsible for and maintains the following information technology systems and services across all of its segments (except as described in the following paragraph): information technology and planning and administration; desktop support and help desk; its ERP system; financial applications, warehouse systems, reporting and analysis applications; and its retail and e-commerce interfaces. Kellwood will continue to provide such services to Vince after consummation of the IPO Restructuring Transactions and this offering, until such time as Vince elects to terminate provision of such services in accordance with the terms of the Shared Services Agreement.

AHC’s ERP system was developed from a core system that is widely used in the apparel and fashion industry, which AHC has customized to suit its inventory management and order processing requirements. AHC has integrated Oracle Financials with its ERP system to meet its financial reporting and accounting requirements. Additionally, AHC uses a suite of third-party hosted retail applications integrated with its ERP system that provide it with merchandising , retail inventory management, point-of-sale systems, customer relationship management and retail accounting. Its retail applications are supported through a “Software as Service” model, which allows for new implementations to occur quickly. AHC’s ERP and warehouse systems are also integrated with a hosted, third-party e-commerce platform.

Competition

AHC faces strong competition in each of its segments and markets where it competes on the basis of price, quality, style and brand recognition and is facing increased competition from private label brands. Some of AHC's competitors have achieved significant recognition for their brand names or have substantially greater financial, marketing, distribution and other resources than AHC. AHC's competitors vary across segment but include other fashion label platforms, including the Jones Group, Fifth and Pacific, PVH Corp., VF Corporation, G-III Apparel Group, Ltd. and Perry Ellis.

In management's opinion, AHC's current facilities are generally well maintained and provide adequate capacity for future operations. However, management continues to evaluate the need to reposition its portfolio of businesses and facilities to meet the needs of the changing markets we serve and to reflect the international business environment.

Employees

As of October 5, 2013, AHC had approximately 1,514 employees. None of our employees are currently covered by a collective bargaining agreement, and we believe our employee relations are good.

Intellectual Property

AHC owns or has rights to trademarks or tradenames that it uses for the production, marketing and distribution of its products in the U.S. and internationally. These trademarks and tradenames include the following: Vince ®, Rebecca Taylor ®, David Meister ®, My Michelle ®, XOXO ®, Jolt ®, Rewind ®, Democracy ™, Sag Harbor ®, Briggs New York ®, Jax ®, Sangria ™, Kelty ®, Sierra Designs ®, Ultimate Direction ®, Slumberjack ®, Wenzel ® and Isis ®. After giving effect to the IPO Restructuring Transactions and the consummation of this offering, Vince, LLC will have the sole right to use the Vince ® trademark, under which Vince will operate the Vince business and Kellwood will continue to own the trademarks and tradenames necessary to operate the non-Vince businesses.

Legal Proceedings

During the second quarter of fiscal 2012, Kellwood Company entered into a Consent Decree with the EPA and MDNR to conduct cleanup initiatives for the decontamination of soil and groundwater located near a former metal fabrication plant in New Haven, Missouri. The agreement became effective August 24, 2012, and was entered into as settlement of a lawsuit filed against Kellwood Company by the EPA and MDNR. Effective October 15, 2012, in accordance with the terms of the agreement, Kellwood Company posted a letter of credit payable to the EPA in the amount of $5.9 million as a performance guarantee for the estimated cost of remediation work. As of February 2, 2013, AHC recorded $9.6 million for estimated capital costs and ongoing remedial activities at the New Haven site. AHC's recorded liability differs from the performance guarantee required by the EPA primarily due to management's use of a lower discount rate, as well as assumption of additional costs not reflected in the EPA's estimate of remediation work. These additional costs include voluntary corrective actions implemented by AHC, as well as EPA oversight fees.

AHC is currently party to various legal proceedings. While management currently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse impact on AHC's financial position, cash flows or results of operations, litigation is subject to inherent uncertainties.

AHC MANAGEMENT

Below is a list of names, ages and a brief overview of the business experience of AHC's executive officers and directors:

Name	Age	Position/Title
Christopher T. Metz	48	Director and Chairman
Mark E. Brody	52	Director
Jason H. Neimark	42	Director
Jerome Griffith	55	Director Nominee
Robert A. Bowman	58	Director Nominee
Jill Granoff	51	Director and Chief Executive Officer
Lynn Shanahan	53	Chief Executive Officer, Kellwood Brands
Arthur Gordon	72	Chief Executive Officer, Kellwood Western Region
Lisa Klinger	46	Chief Financial Officer and Treasurer
Deena Gianoncelli	40	Senior Vice President, Human Resources
Keith Grypp	49	Senior Vice President, General Counsel and Secretary

Directors and Executive Officers

AHC believes that Apparel Holding Corp.'s board of directors should be composed of individuals with knowledge and experience in many substantive areas that impact our business. The following areas are the most important to AHC: fashion and consumer goods; retail and wholesale; marketing and merchandising; sales and distribution; international business development; strategic planning and leadership of complex organizations; accounting, finance, and capital structure; legal/regulatory and government affairs; talent management; and board practices of other major corporations. AHC believes that all of Apparel Holding Corp.'s current board members possess the professional and personal qualifications necessary for board service, and have highlighted in the individual biographies below the specific experience, attributes, and skills that led to the conclusion that each board member should serve as a director.

Christopher T. Metz. Mr. Metz has served as a director since 2008 and will be appointed to serve as the Chairman of Apparel Holding Corp.'s board of directors prior to the consummation of this offering. Mr. Metz has served as Managing Director of Sun Capital since 2005 and has extensive global operating and leadership experience in the consumer and durable goods industries. Prior to joining Sun Capital, Mr. Metz was President at Black & Decker, leading its Hardware and Home Improvement Group from 1999 to 2005. During his 13 years at Black & Decker, Mr. Metz held various other senior leadership positions, including President of Kwikset Corporation, President of Price Pfister faucets, President of Baldwin Hardware, and General Manager of European Professional Power Tools and Accessories, based in Frankfurt, Germany. Mr. Metz also serves on several boards of Sun Capital portfolio companies, including Avion Services Group Holding Corp., Captain D's Holding Corp., Friendly's Ice Cream LLC, Grandy's Holding Corp., Lexington Furniture Industries, Inc., Pemco World Air Services, Inc., Rowe Fine Furniture, Inc., and SK Financial Services Corp. Mr. Metz also served on the board of Amicus Wind Down Corporation, a public company, from 2010 to 2012. Mr. Metz brings to Apparel Holding Corp.'s board extensive public and international leadership experience.

Mark E. Brody. Mr. Brody has served as a director since 2008. Mr. Brody has served as a Managing Director and Group Chief Financial Officer of Sun Capital since 2006. Prior to joining Sun Capital, Mr. Brody served from 2001 to 2006 as Chief Financial Officer for Flight Options, a leading provider of fractional jet services. Prior to Flight Options, he served as Chief Financial Officer or Vice President, Finance for manufacturing-related public companies, including Sudbury, Inc., Essef

Corporation, Anthony & Sylvan Pools, and Waterlink, Inc. Mr. Brody also serves on several boards of Sun Capital portfolio companies, including Limited Stores Company, LLC, Cello-Foil Products, Inc., Emerald Performance Materials LLC, Exopack Holding Corp., Garden Fresh Restaurant Corp., and TPG Enterprises, Inc. Mr. Brody started his career as an auditor with Ernst & Young. Mr. Brody brings to the board significant experience in finance, accounting and corporate strategy development.

Jason H. Neimark. Mr. Neimark has served as a director since May 2013. Mr. Neimark has served as a Managing Director of Sun Capital since 2001. Mr. Neimark has led more than 65 buyout and capital markets transactions in a broad range of industries on behalf of affiliates of Sun Capital in the U.S. and Europe. From 2000 to 2001, Mr. Neimark was a Principal and President of K&D Distributors, a national direct marketer and specialty distributor of optical products where he led a financial and operational turnaround which concluded in a successful sale. From 1995 to 2000, Mr. Neimark served as a principal of Midwest Mezzanine Funds, a provider of junior capital to middle market businesses. After receiving his CPA designation in 1992, Mr. Neimark worked as a tax consultant and auditor for KPMG Peat Marwick. Mr. Neimark also serves on several boards of Sun Capital portfolio companies, including Gordmans Stores Inc. Mr. Neimark was a director of Accuride Corporation, a public company, from February 2009 to October 2009 and was a director of Loud Technologies, a private company, from May 2005 to July 2008. Mr. Neimark provides strong finance skills to Apparel Holding Corp.'s board of directors and valuable experience gained from previous board service.

Jerome Griffith. Mr. Griffith will be appointed to our board of directors in connection with the consummation of this offering. Mr. Griffith has served as the Chief Executive Officer, President and a member of the board of directors of Tumi Holding, Inc. since April 2009. From 2002 to February 2009, Mr. Griffith was employed at Esprit Holdings Limited, a global fashion brand, where he was promoted to Chief Operating Officer and appointed to the board of directors in 2004, then promoted to President of Esprit North and South America in 2006. From 1999 to 2002, Mr. Griffith worked as an Executive Vice President at Tommy Hilfiger. From 1998 to 1999, Mr. Griffith worked as the President of Retail at the J. Peterman Company, a catalog-based apparel and retail company. From 1989 through 1998, Mr. Griffith worked in various positions at Gap, Inc. Mr. Griffith brings to our board experience as a public company director, experience as a senior executive of a major global consumer products company and a proven track record of innovation and driving international growth and expansion.

Robert A. Bowman. Mr. Bowman will be appointed to our board of directors in connection with the consummation of this offering. Mr. Bowman currently serves as President and Chief Executive Officer of Major League Baseball Advanced Media ("MLB.com"), the Internet and interactive media unit of Major League Baseball. Prior to joining MLB.com in November 2000, Mr. Bowman was President and Chief Executive Officer of Cyberian Outpost, Inc., an online retailer of computers and electronics. Before joined Cyberian Outpost in September 1999, Mr. Bowman held several senior management positions at ITT Corporation, including President, Chief Operating Officer and Chief Financial Officer. Earlier in his career, Mr. Bowman served for eight years as Treasurer of the State of Michigan. Mr. Bowman is currently a director and chairman of the audit committee of Take-Two Interactive Software Inc. Mr. Bowman previously served as a director of Warnaco Group, Inc. from 2004 to 2013, Director of Blockbuster, Inc. from 2003 to 2010 and director of World Wrestling Entertainment, Inc. from 2003 to 2008. Mr. Bowman brings to our board experience as a public company director and extensive financial experience in both the public and private sectors.

Jill Granoff. Ms. Granoff has served as AHC's Chief Executive Officer and a director since May 2012. Ms. Granoff has also served as Vince's Chief Executive Officer since August 2012. Previously, Ms. Granoff served as Chief Executive Officer of Kenneth Cole Productions, Inc., a designer and marketer of women's and men's apparel, footwear and accessories, from 2008 until 2011. Prior to that, Ms. Granoff served as Executive Vice President of Liz Claiborne Inc. where she had global

responsibility for Juicy Couture, Lucky Brand Jeans, Kate Spade and the company's e-commerce and outlet businesses. Prior to joining Liz Claiborne, Ms. Granoff was President and Chief Operating Officer of Victoria Secret Beauty, a division of Limited Brands, where she worked from 1999 to 2006. From 1990 to 1999, Ms. Granoff held various executive positions at The Estée Lauder Companies. Ms. Granoff is a member of the board of directors of Demandware and the Fashion Institute of Technology Foundation. Ms. Granoff brings significant senior leadership, operating and industry experience to Apparel Holding Corp.'s board of directors. Ms. Granoff's position as AHC's Chief Executive Officer also allows her to advise the board of directors on management's perspective over a full range of issues affecting AHC.

Lynn Shanahan . Ms. Shanahan has served as the Chief Executive Officer of Kellwood Brands, since July 2013. Previously, Ms. Shanahan was founder of C2 Group, LLC ("C2 Group") a company that partners with leading fashion and lifestyle companies to provide operating management, brand development and overall growth strategies. Most recently, through C2 Group, Ms. Shanahan was President of Marimekko NA from 2011 to 2013. Prior to that, Ms. Shanahan worked at Tommy Hilfiger for 15 years where she last served as Group President, with responsibility for U.S. Wholesale, E-commerce, Licensing and Marketing.

Arthur Gordon . Mr. Gordon has served as the Chief Executive Officer of Kellwood Western Region since August 2009. Previously, Mr. Gordon served as Chief Executive Officer of Kellwood ENC (previously En Chant'e Inc.) and My Michelle from 1998 to 2009. Prior to that, Mr. Gordon served as President of ENC from 1987 to 1997.

Lisa Klinger. Ms. Klinger has served as AHC's Chief Financial Officer and Treasurer since December 2012. Ms. Klinger has also served as Vince's Chief Financial Officer since December 2012. Previously, Ms. Klinger served as Executive Vice President and Chief Financial Officer of The Fresh Market, Inc., a specialty retailer, from 2009 until 2012. Prior to that, Ms. Klinger served as interim Chief Financial Officer of Michael's Stores during 2008 and Senior Vice President of Finance and Treasurer from 2005 to 2009. Ms. Klinger previously served as Assistant Treasurer at Limited Brands from 2000 to 2005.

Deena Gianoncelli. Ms. Gianoncelli began serving as our Senior Vice President, Human Resources in September 2013. Previously, Ms. Gianoncelli served as Director of Human Resources for Amazon.com from 2012 to 2013. Prior to that, Ms. Gianoncelli served as the Vice President of Human Resources for Hugo Boss Americas from 2010 to 2012. In addition, Ms. Gianoncelli served as Senior Director of Human Resources for Medco Health Solutions from 2005 to 2010.

Keith Grypp. Mr. Grypp has worked at AHC for over 20 years and has served as AHC's Senior Vice President, Secretary and General Counsel since 2009. Mr. Grypp served as Vice President, Secretary and General Counsel from 2008 to 2009. Prior to that, Mr. Grypp served as Assistant General Counsel and Assistant Secretary from 2007 to 2008 and Attorney and Assistant Secretary from 2002 to 2007. Prior to that, Mr. Grypp held various management positions in the audit and information technology department from 1989 to 2002. Mr. Grypp is also a licensed CPA and was employed as an auditor with PricewaterhouseCoopers LLP from 1986 to 1989 and as an attorney with a law firm in St. Louis from 1995 to 1997.

Family Relationships

There are no family relationships between any of AHC's executive officers or directors.

Corporate Governance

See “Additional Information Related to Vince—Vince Management—Corporate Governance” for a description of the corporate governance provisions and practices to be adopted by the AHC board of directors and stockholders in connection with the consummation of this offering.

Compensation Committee Interlocks and Insider Participation

In fiscal year 2012, AHC did not have a Compensation Committee. All compensation decisions were made by the board of directors of AHC, which held deliberations during fiscal year 2012 concerning executive officer compensation. As a member of the board of directors of AHC, Ms. Granoff participated in deliberations concerning compensation of executive officers. See “Additional Information Related to AHC—AHC Executive Compensation—Employment Agreements” for a description of the employment agreements of our executive officers.

None of our executive officers serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors.

AHC EXECUTIVE COMPENSATION

The following executive compensation section contains information related to the historical Named Executive Officers of AHC. In connection with this offering, all AHC segments other than the Vince segment will be separated from AHC in the IPO Restructuring Transactions as defined elsewhere in this prospectus. Some of the current AHC officers will remain with the Kellwood business and thus will not be officers of Vince, LLC or Apparel Holding Corp. (to be renamed Vince Holding Corp.), the entity offering stock in this offering, after consummation of this offering.

The following section provides compensation information pursuant to the scaled disclosure rules applicable to “emerging growth companies” under the rules of the SEC and may contain statements regarding future individual and company performance targets and goals. These targets and goals are disclosed in the limited context of the company’s executive compensation program and should not be understood to be statements of management’s expectations or estimates of results or other guidance. AHC specifically cautions investors not to apply these statements to other contexts. AHC’s Named Executive Officers for fiscal 2012 and the positions they held with AHC during fiscal 2012 are set forth below:

Jill Granoff, Chief Executive Officer, Kellwood and Vince
Arthur Gordon, Chief Executive Officer, Kellwood Western Region

Michael Saunders, Senior Vice President and Chief Operating Officer, Kellwood

This executive compensation section contains certain forward-looking statements that are based on our current plans and expectations regarding future compensation plans and arrangements. The actual compensation plans and expectations that we adopt may differ materially from the currently anticipated plans and arrangements as summarized in this discussion.

Overview

AHC is a privately-held company solely owned by the Pre-IPO Stockholders. As a result, AHC was not subject to any stock exchange listing or SEC rules requiring a majority of its board of directors to be independent or relating to the formation and functioning of board committees, including audit, compensation and nominating committees. As such, all compensation decisions have historically been made by the board of directors of Kellwood Company, a wholly-owned subsidiary of AHC. Furthermore, AHC’s executive officers are currently compensated by Kellwood Company for performing services on its behalf. To date, the compensation of the executive officers identified in the “Summary Compensation Table” in this prospectus, who are referred to as AHC’s Named Executive Officers, has consisted of a combination of base salary, bonuses (sign-on, performance based and guaranteed) and long-term incentive compensation in the form of Kellwood Company stock options issued under the 2010 Option Plan). Executive officers and all salaried employees are also eligible to receive health and welfare benefits. Pursuant to employment agreements or an offer letter, the Named Executive Officers were also eligible to receive certain payments and benefits upon termination of employment under certain circumstances, as well as acceleration of vesting of certain outstanding equity awards in connection with a change in control. See “—Employment Agreements” for additional information.

In connection with the consummation of the IPO Restructuring Transactions and this offering, Kellwood Company will assign to Vince Holding Corp. or one of its subsidiaries (after giving effect to the IPO Restructuring Transactions) Kellwood Company’s obligations under those executive employment agreements pursuant to which the related executive officers will be providing services to Vince after consummation of this offering. Employment Agreements for the non-Vince officers will remain with Kellwood Company. See “—Employment Agreements” for additional information.

The compensation paid to AHC's Named Executive Officers for fiscal 2012 may not necessarily be indicative of how Vince Holding Corp. or Kellwood Company, LLC, a wholly-owned subsidiary to be separated from Apparel Holding Corp. in the IPO Restructuring Transactions, may compensate its Named Executive Officers following the consummation of this offering. See "Additional Information Related to Vince—Vince Executive Compensation" for a description of executive compensation paid to Vince's named executive officers.

Executive Compensation Design Overview

AHC's executive compensation programs have historically been designed to provide competitive total compensation opportunities. They were designed to align pay with achievement of Kellwood's annual and long-term financial and operational goals and recognize individual achievement. In setting pay levels, AHC reviewed published survey information and other available compensation data that was specific to companies of similar size and positioning in our industry. As currently structured, AHC's executive compensation program is designed to:

- provide aggregate compensation that reflects the market compensation for executives with similar responsibilities in similar companies with appropriate adjustments to reflect the experience, performance and other distinguishing characteristics of specific individuals;
- be commensurate with our short-term and long-term financial performance;
- be aligned with the value for stakeholders; and
- provide a competitive compensation opportunity to allow us to attract and retain key executive talent.

AHC believes that an important criterion for the determination of the aggregate value of its compensation program and the allocation of such value among the various elements of its compensation plans is market data on the amounts, allocations and structures utilized by similarly situated companies for positions of comparable responsibility. As discussed in "Additional Information Related to Vince—Executive Compensation—Executive Compensation Design Overview," Apparel Holding Corp. intends to work with Aon to determine the elements of its go-forward public company compensation program, for Vince officers and directors. Affiliates of Sun Capital and AHC management are continuing to evaluate the elements of the compensation package for Kellwood officers that will remain employed by Kellwood Company, LLC after the consummation of this offering.

Risk Assessment and Compensation Practices

AHC's management assesses and discusses with the board of directors its compensation policies and practices for its employees as they relate to AHC's overall risk management, and based upon this assessment, AHC believes that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on us.

Compensation of Named Executive Officers

Base Salaries . In fiscal 2012, the board of directors of Kellwood Company, a wholly-owned subsidiary of AHC, reviewed and held deliberations concerning the compensation of its executive officers, including AHC's Named Executive Officers. Going forward, Vince's compensation committee will review the base salaries of Vince's executive officers, including Ms. Granoff, at least annually and make adjustments as it determines to be reasonable and necessary. AHC anticipates that Kellwood Company, LLC's board of managers (after giving effect to the IPO Restructuring Transactions and

Kellwood Company's conversion) will continue to make compensation decisions for its managers and the non-Vince officers. The current base salaries of the Named Executive Officers are as follows:

Named Executive Officer	Base Salary
Jill Granoff, Chief Executive Officer, Kellwood and Vince(1)	$1,000,000
Arthur Gordon, Chief Executive Officer, Kellwood Western Region	$ 800,000
Michael Saunders, Senior Vice President and Chief Operating Officer, Kellwood(2)	$ 540,000

(1) Ms. Granoff joined AHC as Chief Executive Officer in May 2012 and subsequently became the Chief Executive Officer of the Vince business in August 2012. The board of directors approved a base salary increase for Ms. Granoff from $900,000 to $1,000,000 effective as of February 1, 2013.

(2) Mr. Saunders resigned his position as Senior Vice President and Chief Operating Officer of Kellwood effective June 30, 2013. He will not be an AHC Named Executive Officer for fiscal 2013 or any subsequent period.

Sign-On Bonuses . Certain executives received a one-time sign-on bonus when they joined AHC. For fiscal 2012, no Named Executive Officers received any sign-on bonus.

Guaranteed Bonus . Certain executives were eligible to receive a guaranteed minimum bonus based on their annual salary and their targeted bonus opportunity. If an executive's award in fiscal 2012 under the AHC 2012 Bonus Plan was lower than their guaranteed minimum bonus as set forth in their employment agreement or offer letter, they received a cash bonus for such year in amount equal to the difference, so that their total cash bonus award for fiscal 2012 was equal to their guaranteed minimum bonus. For fiscal 2012, Ms. Granoff, Mr. Gordon and Mr. Saunders had guaranteed bonuses of $500,000, $250,000 and $100,000, respectively. See "Summary Compensation Table" and "—Cash Bonus Plan" for additional information.

Cash Bonus Plan . The AHC 2012 Bonus Plan was designed to encourage a high level of performance in each year so that the achievement of targeted performance levels is rewarded with a target incentive payout, and performance above such levels is rewarded with higher-level payouts. Each executive officer is assigned a target annual award opportunity based on the achievement of EBITDA performance that is expressed as a percentage of such executive's base salary. Kellwood Company's board of directors has historically approved these targeted award opportunities for each executive officer. Ms. Granoff received additional cash bonus payments for fiscal 2012, as the amount of her guaranteed bonus exceeded the amount she received based on the EBITDA targets under the AHC 2012 Bonus Plan. For fiscal 2012, the threshold, target and maximum EBITDA targets for AHC were $42.4 million, $47.4 million and $57.4 million, respectively. Actual EBITDA for AHC for fiscal 2012 was $46.9 million. Neither Mr. Saunders nor Mr. Gordon received any additional cash bonus payment for fiscal 2012 as the amount they received under the AHC 2012 Bonus Plan exceeded their guaranteed bonuses for fiscal 2012.

Kellwood Company's board of directors established EBITDA targets for fiscal 2013 for AHC's Named Executive Officers under the AHC 2013 Bonus Plan. For fiscal 2013, Ms. Granoff's targeted incentive payout under the AHC 2013 Bonus Plan is based on the following allocations:

- From February 2, 2013 to July 31, 2013, 50% of her targeted incentive payout under the AHC 2013 Bonus Plan is based on the achievement of EBITDA targets for AHC's non-Vince businesses and 50% of such payment is based on the achievement of Vince EBITDA targets;
- From August 1, 2013 until the date of consummation of this offering, 25% of her targeted incentive payout under the AHC 2013 Bonus Plan is based on the achievement of EBITDA targets for AHC's non-Vince businesses and 75% of such payment is based on the achievement of Vince EBITDA targets; and

- After the date of consummation of this offering, 100% of such payout will be based on the achievement of Vince EBITDA targets.

AHC believes it is currently on track to achieve the targeted AHC non-Vince and Vince EBITDA performance levels under the AHC 2013 Bonus Plan. The EBITDA targets under the AHC 2013 Incentive Plan for Mr. Saunders are based on the achievement of targeted AHC Non-Vince EBITDA levels. For Mr. Gordon, the EBITDA targets under the AHC 2013 Bonus Plan are based on the achievement of targeted AHC Non-Vince and AHC regional EBITDA levels.

Although AHC is using EBITDA performance as a financial measure for fiscal 2013 and have done so historically, it may use other objective financial performance indicators for the cash bonus plan in the future, including but not limited to the price of our common stock, stockholder return, return on equity, return on investment, return on capital, sales productivity, same-store sales growth, economic value added, gross margin, cash flow, earnings per share or market share.

Kellwood Equity Incentives. On June 30, 2010, the board of directors of Kellwood Company, a wholly-owned subsidiary of AHC, approved the 2010 Option Plan. The 2010 Option Plan provides for the grant of options to acquire up to 105,000 shares of non-voting common stock of Kellwood Company. Options granted under the 2010 Option Plan (i) have an exercise price based on the fair market value; (ii) vest over a five year period at a rate of 20% per year, (iii) expire on the earlier of the tenth anniversary of the grant date or upon termination of employment for cause and (iv) generally become exercisable upon termination or a liquidity event, as defined by the 2010 Option Plan.

Ms. Granoff's grant agreement provides that she may exercise vested options in connection with a sale, certain termination events (including termination by the company without cause, termination by Ms. Granoff with or without good reason and upon her death or disability) and this offering; provided, that Ms. Granoff shall be entitled to exercise only a portion of her vested options in connection with this offering (based upon the amount of cash realized by affiliates of Sun Capital in connection therewith). The grant agreements associated with all other issued and outstanding Kellwood Company options prohibit the exercise of vested options, except in connection with a sale or termination of employment for cause. This offering does not constitute a sale event under such agreements.

Notwithstanding the foregoing, Kellwood Company intends to amend and restate the grant agreements associated with the issued and outstanding Kellwood Company options (which would include Ms. Granoff's grant agreement) prior to their assumption by Apparel Holding Crop. to eliminate the restrictions on exercisability for vested options following the closing of an initial public offering and to provide for a minimum holding period to apply to any shares received on account of exercising such options.

The fair value of the stock options is determined at the grant date using a probability-weighted expected return method model, which requires us to make several significant assumptions including long-term EBITDA growth rates, future enterprise value, discount rates, and timing and probability of a future liquidity event. This methodology was selected based on the current capital structure and forecasted operational performance.

In addition, 100% of any outstanding and unvested shares granted under the 2010 Option Plan will vest upon a "Sale of the Company." Sale of the Company is defined as (i) any consolidation, merger or other transaction in which Kellwood Company is not the surviving entity or which results in the acquisition of all or substantially all of Kellwood Company's outstanding shares of common stock by a single person or entity or by a group of persons or entities acting in concert; (ii) any sale or transfer of all or substantially all of (A) Kellwood Company's assets (excluding, however, for this purpose any real estate "sale-lease back" transaction) or (B) the subsidiaries which make up Kellwood Company's "women's business;" or

(iii) the date that (A) more than fifty percent (50%) of the shares of voting stock of the surviving or acquiring entity is owned and/or controlled (by agreement or otherwise), directly or indirectly, by a single person or entity or by a group of persons or entities acting in concert other than Sun Capital or its affiliates; and (B) Sun Capital or its affiliates no longer controls Kellwood Company's board of directors; provided, however, that the term "sale" shall not include transactions either (x) with affiliates of Kellwood Company or Sun Capital (as determined by the board of directors of Kellwood Company in its good faith sole discretion) or (y) pursuant to which more than fifty percent (50%) of the shares of voting stock of the surviving or acquiring entity is owned and/or controlled (by agreement or otherwise), directly or indirectly, by Sun Capital or its affiliates. Because the IPO Restructuring Transactions all involve transactions with affiliates of Kellwood Company or Sun Capital, they will not constitute a "Sale of the Company" which would result in the vesting of Kellwood Company options held by our named executive officers.

In determining the number of shares underlying each option grant, the Kellwood Company board of directors took into account each executive officer's existing unvested equity grants and made awards that they determined would be sufficient to motivate and retain each executive officer past the expected date of this offering. The stock option grants made to AHC's Named Executive Officers in fiscal 2012 were as follows:

Named Executive Officer	Date of Grant	Number of Shares	Exercise Price (1)
Jill Granoff	May 4, 2012	44,000	$ 150.78
Arthur Gordon(2)	N/A		
Michael Saunders	N/A		

(1) The grant date fair value of these option grants is reflected in the "Summary Compensation Table" under the "Option Awards" column.

(2) As described below in "—Employment Agreements," Mr. Gordon agreed to cancel his outstanding Kellwood Company stock options in exchange for payments under his retirement agreement. Such options were effectively surrendered and cancelled on October 4, 2012 in accordance with the terms of the related option cancellation agreement.

In connection with the consummation of this offering, Apparel Holding Corp. employees who will continue as employees of the non-Vince businesses after the consummation of this offering will receive shares of Apparel Holding Corp. common stock in exchange for their vested Kellwood Company stock options (previously issued under the 2010 Option Plan). The number of shares of Apparel Holding Corp. to be issued to each such employee shall be calculated by dividing the aggregate spread value of such employee's vested options (determined as the difference between the exercise price and the public offering price set forth on the cover of this prospectus) by this public offering price. All other stock options previously issued to such employees under the 2010 Option Plan will be cancelled upon the closing of this offering. Apparel Holding Corp. will assume Kellwood Company's remaining obligations under the 2010 Option Plan. After giving effect to such assumption and the IPO Restructuring Transactions (including the related stock split), the stock options previously issued to Vince employees and to Mr. Saunders (as discussed below in Note 5 to "—Outstanding Equity Awards at Fiscal 2012 Year-End") under the 2010 Option Plan will become options to acquire shares of Apparel Holding Corp. common stock. Assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus, the options to acquire 44,000 shares of Kellwood Company common stock previously issued to Ms. Granoff will become options to acquire 1,153,291 shares of Apparel Holding Corp. common stock with an exercise price of $5.75 per share, with the exact number of options to be calculated by dividing the aggregate spread value of Ms. Granoff's options (determined as the difference between $150.78 and the public offering price set forth on the cover of this prospectus, multiplied by 44,000) by this public offering price. The grant date fair value of Ms. Granoff's option grant, as set forth below in the "Summary Compensation Table" under the "Option Awards" column, will remain unchanged, after giving effect to Apparel Holding Corp.'s assumption of Kellwood Company's obligations under the 2010 Option Plan and the IPO Restructuring Transactions.

Summary Compensation Table

The following table provides information regarding the total compensation for services rendered in all capacities that was earned by each individual who served as a principal executive officer of AHC at any time during fiscal 2012 and the two other most highly compensated executive officers who were serving as executive officers during the fiscal year ended February 2, 2013.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compen-sation ($)(2)	All Other Compen-sation ($)	Total ($)
Jill Granoff							
Chief Executive Officer (3)	2012	$ 661,154(4)	$ 27,363(5)	$2,128,920	$ 472,637	$ 11,245(6)	$3,301,319
Arthur Gordon							
Chief Executive Officer, Kellwood Western Region	2012	$ 800,000	—	—	$ 308,766	$ 21,074(6)	$1,129,840
	2011	$ 800,000	—	—	$ 190,109	$ 21,645(6)	$1,011,754
Michael Saunders							
Senior Vice President and Chief Operating Officer	2012	$ 540,000	—	—	$ 189,055	$ 14,988(6)	$ 744,043
	2011	$ 539,846	—	—	$ 0	$ 14,932(6)	$ 554,778

(1) The fair value of stock options granted in fiscal 2012 was determined at the grant date using a Black-Scholes model, which requires us to make several significant assumptions including risk-free interest rate, volatility, expected term, and discount factors for stockholders in a privately-held company. At the grant date, the options granted in fiscal year 2012 had a weighted average fair value of $43.01 per share. As discussed above in "—Compensation of Named Executive Officers—Kellwood Equity Incentives," the options previously issued to Ms. Granoff will become options to acquire 1,153,291 shares of Apparel Holding Corp. common stock (after giving effect to the IPO Restructuring Transactions (including the related stock split) and Apparel Holding Corp.'s assumption of Kellwood Company's obligations under the 2010 Option Plan), with an exercise price per share equal to $5.75, assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus.

(2) Amounts reflect the annual incentive cash bonus earned in the fiscal year shown but paid in the following fiscal year.

(3) Ms. Granoff was not employed by the company in fiscal 2011.

(4) Salary reflects base compensation from hire date of May 4, 2012 through February 2, 2013.

(5) Amount reflects cash bonus payment after giving effect to the $472,637 which was paid upon the achievement of targeted objectives under the AHC 2012 Bonus. The aggregate of such amounts (or $500,000) represents the amount of Ms. Granoff's guaranteed bonus under the terms of her employment agreement.

(6) Amounts reflect the value of their clothing allowance, car allowance and excess life insurance.

Employment Agreements

Jill Granoff, Chief Executive Office *r* **.** Kellwood Company entered into an employment agreement with Ms. Granoff on May 4, 2012. Pursuant to the terms of the employment agreement, Ms. Granoff received an annual base salary of $900,000 in fiscal 2012. In addition to base salary, Ms. Granoff was eligible to participate in the AHC 2012 Bonus Plan which provided her with the opportunity to earn a bonus targeted at 75% of her base salary in fiscal 2012. Under her employment agreement, Ms. Granoff was guaranteed an annual cash bonus of $500,000 for fiscal 2012. Effective February 1, 2013, Ms. Granoff received a base salary increase to $1,000,000 and her targeted bonus opportunity increased to 100% of her base salary. Ms. Granoff has no guaranteed bonus for fiscal 2013.

In connection with the consummation of this offering and the repayment of certain Kellwood Company indebtedness, Ms. Granoff will earn a debt recovery bonus under the terms of her amended employment agreement. The amount of the bonus is equal to 4.4% of the related debt recovery, subject to the aggregate maximum bonus cap of $6.0 million; provided, that she remain continuously employed with AHC through the related payment date. As set forth therein, she is eligible to receive a

debt recovery bonus upon any reduction in the debt outstanding under the Cerberus Term Loan, the Public Bonds and the Sun Term Loan Agreements. In connection with Kellwood Company's sale of Royal Robbins in December 2012, Kellwood Company repaid $10.0 million of indebtedness under the Cerberus Term Loan. This repayment triggered a $440,000 debt recovery bonus for Ms. Granoff. Ms. Granoff has agreed to delay the payment of such bonus until the earlier of (i) December 31, 2013, (ii) the consummation of this offering, (iii) the consummation of a sale of all or substantially all of the Vince business to a third-party not affiliated with Kellwood Company or (iv) the termination of Ms. Granoff's employment for any reason, pursuant to the terms of a related letter agreement. This payment reduces the amount of debt recovery bonus to which she would otherwise be entitled to receive upon the repayment of the Cerberus Term Loan, the Public Bonds and the Sun Term Loan Agreements in connection with the consummation of this offering on a dollar for dollar basis.

On September 24, 2013, Ms. Granoff and Kellwood Company entered into an amendment to her employment agreement. Pursuant to the terms of the amendment, Kellwood Company has agreed to pay the debt recovery bonus to Ms. Granoff upon the closing of this offering prior to paying the restructuring fee to Sun Capital Management or repaying, refinancing or repurchasing the 7.625% Notes, each as described in "Use of Proceeds" and "Restructuring Transactions." Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of the 7.625% Notes.

In the event Ms. Granoff's employment is terminated without cause or Ms. Granoff terminates her employment for good reason, she would be eligible to receive (i) any unpaid base salary through her termination date, together with a pro-rated portion of the annual bonus for the year in which her termination occurs, (ii) reimbursement for any unreimbursed business expenses incurred through her termination date, (iii) any accrued and unused vacation time, (iv) all other payments, benefits or fringe benefits to which she is entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant, (v) her base salary during a period ending on the 18th month anniversary of her termination date, less any salary she receives from other full-time employment after the 12-month anniversary of her termination, (vi) continued participation in our group health plan for 18 months or until she obtains other employment following the first anniversary of her termination and such employment offers comparable group health benefits for which she is eligible, (vii) the pro rata portion of shares subject to Ms. Granoff's option grants which would have otherwise vested on the next scheduled vesting date had her employment continued until such time and (viii) any prior period bonus earned and not yet paid.

Kellwood Company's obligations under Ms. Granoff's employment agreement will be assigned to Vince Holding Corp. or one of its subsidiaries in connection with this offering.

Arthur Gordon, Chief Executive Officer , ***Kellwood Western Region .*** Beginning fiscal 2009, Mr. Gordon received an annual base salary of $800,000. In addition to base salary, Mr. Gordon was eligible to participate in the AHC 2012 Bonus Plan that provided him with the opportunity to earn a bonus targeted at 70% of his base salary. Effective May 1, 2013, Mr. Gordon entered into an amended and restated retirement agreement and related option cancellation agreement with Kellwood Company, a wholly-owned subsidiary of AHC. Pursuant to the terms of his retirement agreement, Kellwood Company agreed to make the following payments to Mr. Gordon in the event he is terminated without cause or voluntarily resigns or retires after February 1, 2014: (i) any unpaid and earned cash incentive bonus for the prior year; (ii) a lump sum equal to 18 months of his base salary, plus a lump sum equal to the average of his three prior year cash incentive bonuses, each subject to Mr. Gordon's execution of a satisfactory release; and (iii) provided that Mr. Gordon is paying the employee portion of his COBRA premium, the amount in excess of the COBRA premium for a period of 18 months or until he secures other employment. In such event, Kellwood Company may retain his exclusive consulting services, upon the mutual agreement of the parties, for a period beginning on his termination date and ending on the earlier of: (A) the 12-month anniversary of his termination date; (B) his death or disability; and (C) his termination as a consultant for cause. Mr. Gordon will earn a bonus of $130,563

upon the consummation of this offering, which constitutes a “Sale” under the terms of his retirement agreement. Such amount shall be paid by Kellwood Company, LLC upon the earlier of (1) 30 days following the consummation of this offering; (2) the payment of severance amounts to him; and (3) February 1, 2014. Notwithstanding the foregoing, he shall not be entitled to any payments under his retirement agreement if he voluntarily resigns or retires before February 2, 2014, upon his death or disability or if he is terminated for cause. Mr. Gordon agreed to cancel his outstanding Kellwood Company stock options in connection with his entry into this amended and restated retirement agreement.

It is currently anticipated that Mr. Gordon’s sole operational responsibilities will relate to AHC’s non-Vince businesses after consummation of this offering, and that he will remain an employee of Kellwood Company, LLC. As such, he will not be one of Vince Holding Corp.’s Named Executive Officers for fiscal 2013 or beyond.

Outstanding Equity Awards at Fiscal 2012 Year-End

The following table sets forth information regarding outstanding equity awards of Kellwood Company held by our Named Executive Officers at the end of fiscal 2012:

	Options Awards(1)				
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Jill Granoff	May 4, 2012(2)	—	44,000(3)	$ 150.78(3)	May 4, 2022(3)
Arthur Gordon(4)	N/A				
Michael Saunders	February 20, 2008	8,000	2,000	$ 1.00	June 30, 2020(5)

(1) Each stock option was granted pursuant to the 2010 Option Plan. Pursuant to the terms of his extension agreement (as described below in Note 4), the options previously issued to Mr. Saunders will be exercisable into shares of Apparel Holding Corp. common stock upon the consummation of this offering.

(2) Ms. Granoff’s options will vest 20% each year on the anniversary of the grant date beginning on the first anniversary of the grant date so long as she remains continuously employed with the company. Notwithstanding the foregoing, unvested options will automatically vest upon the consummation of certain sale and change of control transactions.

(3) As discussed above in “—Compensation of Named Executive Officers—Kellwood Equity Incentives,” the options to acquire 44,000 shares of Kellwood Company common stock previously issued to Ms. Granoff will become options to acquire 1,153,291 shares of Apparel Holding Corp. common stock with an exercise price of $5.75 per share (after giving effect to the IPO Restructuring Transactions (including the related stock split) and the assumption by Apparel Holding Corp. of Kellwood Company’s remaining obligations under the 2010 Option Plan), assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus. The option expiration date will remain May 4, 2022 and will be subject to the same vesting terms; provided that the restrictions on exercisability will be removed in connection with the amendment and restatement of such agreement, as described above in “—Compensation of Named Executive Officers—Kellwood Equity Incentives.”

(4) As described below in “—Employment Agreements,” Mr. Gordon agreed to cancel his outstanding Kellwood Company stock options in exchange for payments under his retirement agreement. Such options were effectively surrendered and cancelled on October 4, 2012 in accordance with the terms of the related option cancellation agreement.

(5) Mr. Saunders entered into an Extension Agreement with Kellwood Company on August 5, 2013, pursuant to which the expiration date of his previously granted Kellwood Company options was extended from the date which was ten days after the date upon which his employment with Kellwood Company was terminated, or July 8, 2013, to the earliest of (a) the date which is 10 days after the consummation of this offering, (b) the date of the consummation of a Sale (as such term is defined in Saunders’ original Grant Agreement) and (c) on June 30, 2020 (such earliest of (a), (b) or (c) referred to herein as, the “Expiration Time”). Kellwood Company shall provide Saunders with at least 10 days’ notice of the Expiration Time. Mr. Saunders has agreed not to exercise any of the subject options until the date that is 10 days prior to the Expiration Time. Within the 30 day period prior to the Expiration Time, affiliates of Sun Capital shall have the right to purchase all or any of Mr. Saunders’ options at the lower of (i) $120.78 per option (as such price may be adjusted in accordance with the Extension Agreement) and (ii) the fair market value of the underlying share, minus $1.00 per option. Such options will

become options to acquire shares of Apparel Holding Corp. common stock in connection with the assumption by Apparel Holding Corp. of Kellwood Company's remaining obligations under the 2010 Option Plan (with the number of shares subject to such options and the related exercise price adjusted to give effect to the stock split which will occur as part of the IPO Restructuring Transactions). Affiliates of Sun Capital would pay any such option purchase price in cash. In the event Mr. Saunders exercises his options prior to the Expiration Time, he will receive shares of Apparel Holding Corp. common stock. Additionally, affiliates of Sun Capital shall have the right, within seven months of the related exercise date, to purchase any or all of such shares of Apparel Holding Corp. common stock at the lower of (i) $121.78 per share (as may be adjusted in accordance with the Extension Agreement) and (ii) the fair market value of such share at the time of repurchase. They would pay for any such shares in cash. Assuming a public offering price equal to the midpoint of the initial public offering range indicated on the cover of this prospectus, these options will become options to acquire 262,112 shares of Apparel Holding Corp. common stock with an adjusted exercise price of $0.04 per share. Affiliates of Sun Capital intend to purchase such options and exercise them in connection with the closing of this offering.

Director Compensation

During fiscal 2012, AHC did not make any compensation payments (including any equity grants) to its directors, for service as directors, as all of its directors were employees of AHC or affiliates of Sun Capital, which will continue to be AHC's controlling stockholder after consummation of this offering. Sun Cardinal, an affiliate of Sun Capital, will also have the authority to designate a majority of AHC's directors after consummation of this offering. AHC did reimburse directors for out-of-pocket expenses they incurred in connection with their service as directors, including those incurred in connection with attending all board and committee meetings. See "Additional Information Related to Vince—Vince Executive Compensation—Director Compensation" for a description of Vince Holding Corp.'s director compensation arrangements after consummation of this offering.

Director and Officer Indemnification and Limitation of Liability

There is no pending litigation or proceeding naming any of our directors or officers to which indemnification is being sought, and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Employee Stock Plans

2010 Option Plan

The 2010 Option Plan was adopted by the board of directors of Kellwood Company, a wholly-owned subsidiary of Apparel Holding Corp., on June 30, 2010. As of October 5, 2013, Kellwood Company had reserved 105,000 shares of its common stock for issuance under the 2010 Option Plan. The Kellwood Company board of directors will not grant any further awards under the 2010 Option Plan to any of AHC's officers or directors after the consummation of this offering. Future awards to executive officers that will provide services to Vince after consummation of this offering and AHC's directors shall be granted by AHC's board of directors or compensation committee under the Vince 2013 Incentive Plan, as described in "Additional Information Related to Vince—Vince Executive Compensation."

As discussed above in "—Compensation of Named Executive Officers—Kellwood Equity Incentives," Apparel Holding Corp. employees who will continue as employees of the non-Vince businesses after the consummation of this offering will receive shares of Apparel Holding Corp. common stock in exchange for their vested Kellwood Company stock options (previously issued under the 2010 Option Plan). The number of shares of Apparel Holding Corp. to be issued to each such employee shall be calculated by dividing the aggregate spread value of such employee's vested options (determined as the difference between the exercise price and the public offering price set forth on the cover of this prospectus) by this public offering price. A $1.00 increase in the assumed initial offering price of $18.00 per share, which is the midpoint of the range set forth on the cover of this

prospectus, would increase the number of shares of our common stock to be issued to all such executives from 204,447 shares to 208,199 shares. A $1.00 decrease in the assumed initial offering price of $18.00 per share would decrease the number of shares of our common stock to be issued to all such executives from 204,447 shares to 200,253 shares. All other stock options previously issued to such employees under the 2010 Option Plan will be cancelled upon the closing of this offering. Vince Holding Corp. will assume Kellwood Company's remaining obligations under the 2010 Option Plan. After giving effect to such assumption, the stock options previously issued to Vince employees and to Mr. Saunders under the 2010 Option Plan will become options to acquire shares of Apparel Holding Corp. common stock (with the number of shares subject to such options and the related exercise price adjusted to give effect to the stock split which will occur as part of the IPO Restructuring Transactions). A $1.00 increase in the assumed initial offering price of $18.00 per share, which is the midpoint of the range set forth on the cover of this prospectus, would decrease the weighted average exercise price of all such options from $5.38 per share to $5.29 per share and would increase the aggregate number of options (on an as adjusted basis) issued to such employees from 2,208,290 to 2,248,821. A $1.00 decrease in the assumed initial offering price of $18.00 per share would increase the average weighted exercise price of all such options from $5.38 per share to $5.50 per share and would decrease the aggregate number of options (on an as adjusted basis) issued to such employees from 2,208,290 to 2,162,992.

Section 401(k) Plan

AHC provides the defined contribution Kellwood Retirement Savings Plan, a 401(k) Plan, as well as various group health and welfare programs that are generally available to all Kellwood employees, including AHC's Named Executive Officers.

Under the plan, eligible employees electing to participate may contribute up to 100% of their pretax income, subject to IRS rules limiting an individual's total contributions and the application of IRS tests designed to ensure that the plan does not discriminate in favor of highly compensated employees.

Effective February 1, 2013, AHC reinstated the 401(k) match for all employees. AHC will match 50% up to the first 3% of the employee's deferral. AHC did not make any contributions to any AHC Named Executive Officer's 401(k) account in fiscal 2012.

DESCRIPTION OF CERTAIN INDEBTEDNESS OF AHC

The following description of certain indebtedness of AHC sets forth the debt of historical AHC and its consolidated subsidiaries. Immediately prior to the consummation of this offering, all AHC segments other than the Vince segment (or the non-Vince businesses) will be separated from AHC in the IPO Restructuring Transactions. In connection with these transactions, the Pre-IPO Stockholders will continue to own the non-Vince businesses through their ownership of Kellwood Holding, LLC. Kellwood Company, LLC will become a subsidiary of Kellwood Holding, LLC and will remain liable for its obligations under the debt described in this section. Additionally, Vince, LLC's obligations under the Wells Fargo Facility, the Cerberus Term Loan, the Sun Term Loan Agreements and the 12.875% Notes will be terminated or released immediately after the consummation of this offering (after giving effect to the Additional Sun Capital Contribution) and Vince, LLC will not guarantee or become a party to Kellwood's new revolving credit facility. As a result, the debt of Kellwood after giving effect to the IPO Restructuring Transactions will not be the debt of Apparel Holding Corp, the entity offering stock in this offering.

Immediately after the consummation of this offering, Kellwood Company, LLC will use the proceeds from the repayment of the Kellwood Note Receivable to, after giving effect to the Additional Sun Capital Contribution, (i) repay, at closing, all indebtedness outstanding under (A) the Cerberus Term Loan, which had an outstanding balance of $45.7 million as of August 3, 2013 and (B) the Sun Term Loan Agreements, which collectively totaled $118.0 million in the aggregate as of August 3, 2013, (ii) redeem at par all of the outstanding 12.875% Notes, which totaled $146.8 million as of August 3, 2013, pursuant to an unconditional redemption notice to be issued at the closing of this offering, plus, with respect to clauses (i) and (ii), fees, expenses and accrued and unpaid interest thereon, (iii) pay a restructuring fee equal to 1% of the aggregate of the offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement and (iv) pay a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in "Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements." It is currently estimated that the restructuring fee described in clause (iii) above and payable to Sun Capital Management in connection with this offering will total $3.1 million. There will be no outstanding balance on the Kellwood Note Receivable after giving effect to the repayment thereof to be made by Vince Intermediate Holding, LLC immediately after the closing of this offering.

In addition, Kellwood Company will conduct a tender offer for all of its outstanding 7.625% Notes, which totaled $87.0 million in aggregate principal amount as of August 3, 2013, at par plus accrued and unpaid interest thereon, using proceeds from the repayment of the Kellwood Note Receivable. The tender offer will close at or after the closing of this offering. Kellwood Company, LLC may also, at or after the closing of this offering, use proceeds remaining from the repayment of the Kellwood Note Receivable to discharge or repurchase at par all or any of its 3.5% Convertible Notes, which totaled $0.2 million in aggregate principal amount as of August 3, 2013, plus accrued and unpaid interest thereon. Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of either the 7.625% Notes or the 3.5% Convertible Notes.

If the tender offer for the 7.625% Notes is not completed contemporaneously with the closing of this offering, Kellwood Company, LLC shall enter into an escrow agreement with Vince Intermediate Holding, LLC and the Escrow Agent at the closing of this offering, pursuant to which Kellwood Company, LLC will escrow an amount necessary to purchase the 7.625% Notes which may be tendered in the tender offer at the closing of the tender offer until the termination of the related escrow agreement. If the tender offer is completed contemporaneously with the consummation of this offering, we will not enter into the escrow agreement. No interest will accrue on the funds placed into escrow with the Escrow Agent and both Vince Intermediate Holding, LLC and Kellwood Company, LLC must

consent to any distributions from the escrow account in accordance with the terms of the Transfer Agreement. The escrow agreement will automatically terminate upon the earlier of (i) the closing of the tender offer for the 7.625% Notes and (ii) the three-month anniversary of the closing of this offering. Amounts in escrow shall be held for the benefit of Kellwood Company, LLC and not for the benefit of any holders of the 7.625% Notes.

In addition, Kellwood Company, LLC will, immediately after the consummation of this offering, refinance the Wells Fargo Facility, to among other things, remove Vince, LLC as an obligor thereunder. See “Use of Proceeds” and “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC” for additional information and “Additional Information Related to AHC—Management’s Discussion and Analysis of Financial Condition and Results of Operations of AHC—Liquidity and Capital Resources” for a description of such indebtedness.

In connection with the refinancing of the Wells Fargo Facility, Kellwood Company, LLC anticipates entering into a $120 million revolving facility. In general, we expect that such facility will contain representations and warranties, financial and restrictive covenants, events of default and collateral arrangements that are customary for this type of financing. Vince, LLC will not guarantee or be a borrower party or guarantor to any such new revolving credit facility.

ADDITIONAL INFORMATION RELATED TO VINCE

The information appearing in this section relates to the Vince business and Apparel Holding Corp., the entity offering shares of common stock in this offering after giving effect to the IPO Restructuring Transactions, and to the operations of Vince, LLC and the Vince business on a historical basis, as the context requires.

Please note the following:

- **Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of this offering) is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC;**
- **The information set forth below is provided as supplemental information and should not be considered in lieu of the information pertaining to Apparel Holding Corp; and**
- **The financial information included in this discussion and in Vince, LLC's historical financial statements may not be indicative of Apparel Holding Corp.'s financial position, operating results and changes in equity after the completion of the IPO Restructuring Transactions, or what they would have been had the Vince business operated separately from the non-Vince businesses during the periods presented.**

As used in this "Additional Information Related to Vince" section, unless the context otherwise requires:

- *"our," "us," "we" and "Vince Holding Corp." refers to Vince Holding Corp. (currently known as Apparel Holding Corp.) and its consolidated subsidiaries (including Vince, LLC) after giving effect to the IPO Restructuring Transactions;*
- *"Vince" refers to the Vince business after giving effect to the IPO Restructuring Transactions;*
- *"Vince, LLC" refers to the entity that has historically held the Vince assets and liabilities and will continue to do so after completion of the IPO Restructuring Transactions and the consummation of this offering and the application of proceeds of this offering as discussed herein. Apparel Holding Corp. is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC.;*
- *"AHC" refers to Apparel Holding Corp. and its consolidated subsidiaries (including Kellwood Company) prior to the completion of the IPO Restructuring Transactions. Apparel Holding Corp. is the historical owner and operator of the Vince and non-Vince businesses; and*
- *"Kellwood" refers to Kellwood Holding, LLC and its consolidated subsidiaries (including Kellwood Company, LLC) after giving effect to the IPO Restructuring Transactions, as the future owner and operator of the non-Vince businesses, or to the non-Vince businesses of AHC prior to the completion of the IPO Restructuring Transactions, as the context requires.*

SUPPLEMENTAL SELECTED HISTORICAL FINANCIAL DATA OF VINCE, LLC

The following tables set forth the supplemental selected historical financial data of Vince, LLC, the entity that has historically held the Vince assets and liabilities and will continue to do so after completion of the IPO Restructuring Transactions and the consummation of this offering.

You should read the information set forth below in conjunction with “Use of Proceeds,” “Capitalization of AHC,” “Additional Information Related to Vince—Supplemental Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC” and Vince, LLC’s audited financial statements and notes thereto included elsewhere in this prospectus. The statement of operations data for each of fiscal 2010, fiscal 2011 and fiscal 2012 and the balance sheet data as of January 28, 2012 and February 2, 2013 set forth below are derived from Vince, LLC’s audited financial statements included elsewhere in this prospectus.

The statement of operations data for the six month periods ended July 28, 2012 and August 3, 2013 and the balance sheet data as of August 3, 2013 set forth below are derived from Vince, LLC’s unaudited quarterly financial statements and contain all adjustments, consisting of normal recurring adjustments, that management considers necessary for a fair presentation of our financial position and results of operations for the periods presented.

Operating results for the six month periods are not necessarily indicative of results for a full financial year, or any other periods. Vince, LLC’s summary historical financial data include charges from Kellwood Company for certain expenses, including centralized legal, tax, treasury, information technology, employee benefits and other centralized services and infrastructure costs. The charges have been determined on bases that we considered to be reasonable reflections of the utilization of services provided or the benefit received by Vince, LLC.

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012	August 3, 2013
(In thousands, except for percentages and store counts)				(unaudited)	(unaudited)
Statement of Operations Data:					
Net sales	$111,492	$175,255	$240,352	$ 90,531	$ 114,657
Cost of products sold	55,695	89,545	132,156	50,119	63,506
Gross profit	55,797	85,710	108,196	40,412	51,151
Operating expenses:					
Selling, general and administrative expenses(1)(2)	32,704	42,148	66,639	27,057	33,954
Amortization of intangible assets	598	599	598	299	300
Total operating expenses	33,302	42,747	67,237	27,356	34,254
Income from operations	22,495	42,963	40,959	13,056	16,897
Interest expense(3)	7,172	15,004	22,903	10,690	12,429
Other expense, net	350	478	779	396	512
Income before provision for income taxes	14,973	27,481	17,277	1,970	3,956
Provision for Income taxes	5,923	10,812	6,964	789	1,556
Net income	$ 9,050	$ 16,669	$ 10,313	$ 1,181	$ 2,400
Other Operating and Financial Data:					
Total stores at end of period	16	19	22	19	24
Comparable store sales growth	9.3%	7.6%	23.1%	13.9%	31.7%
Capital expenditures	$ 1,602	$ 1,450	$ 1,821	$ 457	$ 3,406

(1) Includes the impact of our public company transition costs and certain one-time costs of $9.3 million for fiscal 2012 and $4.0 million for the first six months of 2013. These costs include transition payments to our founders, charges that are directly attributable to offering, incremental costs for external legal counsel and consulting fees incurred to effect the Restructuring Transactions and other one-time charges. We expect additional transaction costs (excluding underwriting discounts and commissions) of approximately $5.0 million for the remainder of fiscal 2013 will be charged to SG&A.

(2) Vince, LLC is charged for the use of services provided by Kellwood Company departments and shared facilities. These charges are based upon the actual cost incurred, without markup. These functions and facilities will remain with Kellwood upon separation in the IPO Restructuring Transactions and will continue to be an integral part of the non-Vince businesses going forward. Vince, LLC will continue to use certain of these services for a period of time through the shared services agreement described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement" and will be charged accordingly. The charges to Vince, LLC may not be representative of what the costs would have been had Vince, LLC been a separate, stand-alone entity during the periods presented.

(3) Interest expense for fiscal 2010, fiscal 2011 and fiscal 2012 and the six month periods ended July 28, 2012 and August 3, 2013 represents interest costs and amortization of debt issuance costs on certain Kellwood Company indebtedness, including the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements. These debt instruments and related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. The Kellwood Note Receivable will include accrued and unpaid interest on such indebtedness (and on the Public Bonds and the 3.5% Convertible Notes), through the closing date of this offering. All such debt instruments are to be repaid, refinanced or discharged in connection with the consummation of this offering. We intend to enter into a new revolving credit facility and a new term loan facility with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We also intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing, had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 (including amortization of deferred financing costs) million for fiscal 2012 or the six months ended August 3, 2013, respectively.

The balance sheet data of Vince, LLC is presented on an actual basis as of January 28, 2012, February 2, 2013 and August 3, 2013.

(In thousands)	As of January 28, 2012	As of February 2, 2013	As of August 3, 2013 (unaudited)
Balance Sheet Data:			
Cash and cash equivalents	$ 34	$ 35	$ 106
Total current assets	40,861	60,854	82,603
Total current liabilities(1)	102,470	110,466	148,005
Long-term debt(1)	122,207	152,675	163,675
Total invested equity	(1,524)	(22,017)	(26,159)
Total liabilities and invested equity	228,942	247,211	290,562

(1) Included within current liabilities are short-term borrowings under the Wells Fargo Facility of $88.2 million, $79.8 million and $115.6 million as of January 28, 2012, February 2, 2013 and August 3, 2013, respectively. Long-term debt includes the Cerberus Term Loan and the Sun Term Loan Agreements. These debt instruments and the related capitalized deferred issuance costs are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. This debt was incurred to fund the operation and growth of the Vince and non-Vince businesses, including to finance certain acquisitions made by Kellwood Company since 2008. As discussed above, we intend to enter into a new revolving credit facility and a new term loan facility with the consummation of this offering. We also intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing (including amortization of deferred financing costs), had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013 would have been $11.4 million or $5.7 million, respectively.

SUPPLEMENTAL MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF VINCE, LLC

You should read the following discussion together with "Additional Information Related to Vince—Supplemental Selected Historical Financial Data of Vince, LLC," "Additional Information Related to AHC—Description of Certain Indebtedness of AHC" and Vince, LLC's audited financial statements and related notes thereto included elsewhere in this prospectus. You should also read this discussion in connection with "Additional Information Related to AHC—Unaudited Pro Forma Consolidated Financial Data of AHC" for a detailed discussion of the effects of the IPO Restructuring Transactions on our financial condition and results of operations. The statements in this discussion regarding expectations of our future performance, liquidity and capital resources and other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Risk Factors—Risks Related to Vince," "Risk Factors—Risks Related to the Restructuring Transactions," "Risk Factors— Risks Related to this Offering and Our Common Stock" and "Special Note Regarding Forward-Looking Statements." Our actual results may differ materially from those contained in or implied by any forward-looking statements.

As used in this section, unless the context requires otherwise:

- *"our," "us," "we" and "Vince Holding Corp." refer to Vince Holding Corp. (currently known as Apparel Holding Corp.) and its consolidated subsidiaries (including Vince, LLC) after giving effect to the IPO Restructuring Transactions;*
- *"Vince" refers to the Vince business after giving effect to the IPO Restructuring Transactions;*
- *"Vince, LLC" refers to the entity that has historically held the Vince assets and liabilities and will continue to do so after completion of the IPO Restructuring Transactions and the consummation of this offering. Apparel Holding Corp. is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC;*
- *"AHC" refers to Apparel Holding Corp. and its consolidated subsidiaries (including Kellwood Company) prior to consummation of the IPO Restructuring Transactions. AHC is the historical owner and operator of the Vince and non-Vince businesses; and*
- *"Kellwood" refers to Kellwood Holding, LLC and its consolidated subsidiaries (including Kellwood Company, LLC) after giving effect to the IPO Restructuring Transactions, as the future owner and operator of the non-Vince businesses, or to the non-Vince businesses of AHC prior to the consummation of the IPO Restructuring Transactions, as the context requires.*

As described elsewhere in this prospectus AHC will use a series of transactions to separate the non-Vince businesses from the Vince business in the IPO Restructuring Transactions. In connection with Vince Intermediate Holding, LLC's acquisition of Vince, LLC, Vince Intermediate Holding, LLC will issue the Kellwood Note Receivable to Kellwood Company, LLC immediately prior to the consummation of this offering. Proceeds from the repayment of the Kellwood Note Receivable will be used to (i) repay, discharge or repurchase indebtedness of Kellwood Company, LLC in connection with the closing of this offering (including accrued and unpaid interest and any related fees and expenses) and (ii) pay (A) a restructuring fee equal to 1% of the aggregate of this offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management pursuant to the Management Services Agreement, as described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Management Fees," and (B) a debt recovery bonus of up to $6.0 million to our Chief Executive Officer, as described in "Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements," all after

giving effect to the Additional Sun Capital Contribution. It is currently estimated that the restructuring fee described in clause (ii) above and payable to Sun Capital Management in connection with this offering will total $3.1 million. Most of the net proceeds from this offering will be used to repay the Kellwood Note Receivable. As further described within “Additional Information Related to AHC—Unaudited Pro Forma Consolidated Financial Data of AHC,” the estimated pro forma amount due under the Kellwood Note Receivable is $323.5 million (based on estimated net offering proceeds of $159 million and net borrowings of $169.5 million under our new term loan facility). Once the IPO Restructuring Transactions have occurred, the non-Vince businesses will operate separately from the Vince business. After consummation of this offering, the Vince business will be our only operations going forward. An investment in Vince Holding Corp. is an investment in the Vince business. Vince, LLC’s assets and liabilities consist solely of the Vince business.

AHC has maintained distinct financial records of its Vince and non-Vince businesses. Revenues and expenses identified as directly pertaining to the Vince or non-Vince businesses have been credited or charged directly to the Vince or non-Vince businesses, as applicable. Additionally, we will continue to be charged for the use of services provided by centralized Kellwood departments and shared facilities, such as distribution, information technology and back office support, after the consummation of this offering. However, the financial information included herein may not necessarily reflect the financial position, results of operations and cash flows of the Vince business in the future or what they would have been had we been operated separately from the non-Vince businesses during the periods presented.

AHC has significant indebtedness. Vince, LLC is a borrower party or guarantor to a significant amount of this debt. Kellwood Company, LLC will use proceeds from the Kellwood Note Receivable together with new financing arrangements to repay, refinance or discharge, much of this debt. Because Vince, LLC is a borrower party to the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements, all such debt and related balances are included on the Vince, LLC balance sheet, and the corresponding interest expense is included in our statements of operations. Vince, LLC will have no obligations under such debt (or under the 12.875% Notes, the 7.625% Notes or the 3.5% Convertible Notes that are also to be repaid, refinanced or discharged by Kellwood Company, LLC with proceeds from the repayment of the Kellwood Note Receivable) after giving effect to the consummation of this offering and the application of the related proceeds. We intend to enter into a new revolving credit facility and new term loan facility in connection with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We also intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing, had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

Our future results of operations after giving effect to the IPO Restructuring Transactions and the consummation of this offering will include costs and expenses for us to operate as a stand-alone company, and, consequently, these costs and expenses may be materially different than our historical results of operations. We expect that we will incur significantly higher expenses such as audit fees, professional fees, and costs to maintain our corporate functions, such as board of director fees and expenses, SEC reporting costs and costs to comply with Sarbanes-Oxley Act and other internal control requirements. Also, as a stand-alone company, we may not be able to negotiate as favorable terms in contracts, such as those for materials, services and intellectual property, as those negotiated in the past by AHC. Accordingly, the Vince, LLC financial information for these periods may not be indicative of our future results of operations, financial position and cash flows.

Business Summary

Vince is a prominent, high-growth contemporary apparel brand known for modern, effortless style and everyday luxury essentials. Founded in 2002, Vince has generated strong sales momentum over the last decade. We believe that we will achieve continued success by expanding our product assortment distributed through premier wholesale partners in the U.S. and select international markets, as well as in our own branded retail locations and on our e-commerce platform. We have a small number of wholesale partners who account for a significant portion of our net sales. Net sales to the full-price, off-price and e-commerce operations of our four largest wholesale partners were 59% of our total revenue for fiscal 2011, 61% of our total revenue for fiscal 2012 and 63% of our total revenue for the first six months of 2013. These partners, each of which accounted for more than 10% of our total revenue for fiscal 2011 and fiscal 2012, include Nordstrom, Saks Fifth Avenue, Neiman Marcus and Bloomingdales. Nordstrom, Saks Fifth Avenue and Neiman Marcus each accounted for more than 10% of our total revenue for the first six months of fiscal 2013 and collectively represented 55.7% of our total revenue in such period. We design our products in the U.S. and source the vast majority of our products from contract manufacturers outside the U.S., primarily in Asia and South America.

We serve our customers through a variety of channels that reinforce the Vince brand image. Our diversified channel strategy allows us to introduce our products to customers through multiple distribution points that are reported in two segments: wholesale and direct-to-consumer. Our wholesale segment is comprised of sales to premier department stores and specialty stores in the U.S. and in select international markets, with U.S. wholesale representing 76% of our fiscal 2012 sales and 70.4% of our sales in the first six months of fiscal 2013. We believe that our success in the U.S. wholesale channel and our strong relationships with premier wholesale partners provide opportunities for continued growth. These growth initiatives include creating enhanced product assortments and brand extensions through both in-house development activities and licensing arrangements, as well as continuing the build-out of branded shop-in-shops in select wholesale partner locations. We also believe international wholesale, which represented 8% of net sales for fiscal 2012 and 10.3% of net sales for the first six months of fiscal 2013, presents a significant growth opportunity as we strengthen our presence in existing geographies and introduce Vince in new markets globally.

In 2008, we initiated a direct-to-consumer strategy with the opening of our first retail store. As of October 5, 2013, we operated 27 stores, which consist of 21 full-price retail stores and six outlet locations. Based on a combination of third-party analyses and internal projections, we believe that the U.S. market can currently support at least 100 free-standing Vince store locations. Comparable store sales reflect net revenue at retail stores that have been open for at least 12 months. Net revenue from a store is included in comparable store sales in the 13 th month following its opening. Non-comparable store sales include sales from new stores that have not been open for at least 12 months. In the event that we relocate, or change square footage of an existing store, we would treat that store as a non-comparable store until the 13th month following the relocation or square footage adjustment. For 53-week fiscal years, we do not adjust comparable store sales to exclude the additional week. Fiscal 2012 was a 53-week year while fiscal 2011 reflects a 52-week year. Our comparable store sales grew by 23.1% in fiscal 2012 and by 31.7% in the first six months of fiscal 2013 primarily as a result of a 24.4% increase in average dollar sale and a 7.3% increase in transaction volume. We plan to continue to drive our comparable store sales growth through a balanced combination of increased traffic, conversion and average dollar sale.

The direct-to-consumer segment also includes our website, *www.vince.com* , which was also launched in 2008. The direct-to-consumer segment accounted for 15.5% of fiscal 2012 net sales and 19.3% of net sales in the first six months of fiscal 2013, and we expect sales from this channel to grow as we drive productivity in existing stores, open new stores and upgrade and re-launch our website in 2014.

Despite recent global economic trends which led to a decline in discretionary consumer spending, we believe, based on industry experience, that our performance remained strong due primarily to a strong design aesthetic and superior quality. Our net sales are derived exclusively from the sale of Vince branded apparel and accessories and have grown from $175.3 million in 2011 to $240.4 million in 2012, representing a 37.1% increase. Total net sales were $90.5 million and $114.7 million in the first six months of fiscal 2012 and fiscal 2013, respectively, representing growth of 26.7%. Since the start of fiscal 2011, we have experienced significant sales growth within both the wholesale and direct-to-consumer segments. Wholesale segment sales growth since 2011 through the first six months of fiscal 2013 was driven primarily by the addition of over 600 wholesale doors, bringing total wholesale door count to 2,145 as of August 3, 2013 (of which 1,608 doors were in the U.S. and 537 doors were in international markets) compared to 1,527 as of January 29, 2011 (of which 1,268 doors were in the U.S. and 259 doors were in international markets), as well as increased penetration in our existing wholesale doors, primarily due to the continued expansion of our product offerings. Wholesale door count represents the number of third party wholesalers, such as department stores, who currently stock our products. Some of these wholesalers sell our products mixed in with their other apparel and accessories, while others carve out a dedicated area for Vince products. Each such store, regardless of whether it utilizes a dedicated area for Vince products and whether it offers men's and women's Vince product in different locations within the same store, counts as a single location for purposes of calculating our wholesale door count. Direct-to-consumer segment sales growth during these periods was driven by an increase in comparable store sales, the opening of eight additional retail stores in addition to the 16 stores opened as of January 29, 2011, and strong e-commerce sales growth. Our comparable store sales growth was 7.6%, 23.1% and 31.7% in fiscal 2011, fiscal 2012 and the first six months of fiscal 2013, respectively.

Opportunities, Challenges and Risks

We intend to focus on generating sales by increasing our wholesale productivity and by expanding our direct-to-consumer segment. In our wholesale business, we will work with our existing wholesale partners to increase our wholesale penetration by capitalizing on new and existing product categories (whether developed in-house or through licensing arrangements), improving our visual presentation, space layout and fixtures and opening branded shop-in-shops. We anticipate that an increasing percentage of our new sales will come from our direct-to-consumer segment and our international operations as we grow and expand our business. The growth in our direct-to-consumer business will be primarily driven by the opening of new retail stores, improving the productivity of our existing stores (by enhancing store-level merchandising, launching new product categories and improving our inventory management) and leveraging our recently enhanced e-commerce strategy.

Over the last decade, Vince has generated strong sales momentum and has successfully grown to include a men's collection in 2007, expanded denim, leather and outerwear lines in 2010, and women's footwear, which was launched through a licensing partnership in 2012. We intend to continue building existing product categories by elevating our men's collection, expanding our denim and outwear businesses, increasing the assortment of women's bottoms and dresses and implementing a replenishment program for core items. Additionally, we have identified new product categories, including handbags and leather accessories as well as more tailored collections for women and men, which we believe will allow us to capture incremental share from existing customers and attract new customers in our wholesale and direct-to-consumer businesses.

We have a small number of wholesale partners who account for a significant portion of our net sales. Net sales to the full-price, off-price and e-commerce operations of our four largest wholesale partners represented 63.0% of our total revenue in the first six months of fiscal year 2013, 61% of our total revenue for fiscal 2012 and 59% of our total revenue for fiscal 2011. We do not have written agreements with any of these wholesale partners, which include Nordstrom, Saks Fifth Avenue, Neiman Marcus and Bloomingdale's. As such, purchases from our wholesale partners generally occur

on an order-by-order basis. A decision by any of our major wholesale partners to significantly decrease the amount of merchandise purchased from us or our licensing partners could substantially reduce our revenue and have a material adverse effect on our profitability.

As of October 5, 2013, we had seven shop-in-shops with our U.S. wholesale partners and eight shop-in-shops with our international wholesale partners. Working with our wholesale partners, we are planning to open 15 to 20 new branded shop-in-shops in fiscal 2013 and believe there is an attractive opportunity to open additional shop-in-shops in 2014 and beyond. While expanding the number of shop-in-shops is part of our growth strategy, there can be no assurances we will be able to align our wholesale partners with this strategy and continue to receive floor space from our wholesale partners to open or expand shop-in-shops.

In fiscal 2012, approximately 15.5% of our net sales were generated from our direct-to-consumer segment, which consists of our retail stores and our e-commerce platform. In the first six months of fiscal 2013 approximately 19.3% of our net sales were generated from our direct-to-consumer segment. Based on a combination of third-party analyses and internal projections, we believe the U.S. market can currently support at least 100 free-standing Vince store locations. We plan to double our store base over the next three to five years, including opening net six new stores in fiscal 2013. As we expand our store base, we may not be able to maintain or grow the levels of comparable store sales that we have experienced historically.

Vince products are currently sold in 43 countries, either directly to premier department and specialty stores, or through distribution relationships with highly-regarded international partners with exclusive rights to certain territories. Approximately 8% of our net sales for fiscal 2012 and 10.3% of our net sales for the first six months of fiscal 2013 resulted from our international wholesale operations. We intend to continue to increase our presence in international markets, including Canada, select European countries, Asia and the Middle East, by supplementing existing distribution partnerships, increasing wholesale partner penetration and productivity and selectively adding stand-alone retail locations with current and prospective partners. Locating and managing these international partnerships may be challenging and we may incur additional costs in doing so.

We entered into a licensing agreement when we launched women’s footwear in 2012 and signed a licensing agreement in 2013 for the launch of children’s apparel in 2014. We also anticipate launching men’s footwear in 2014 through a licensing partner. We will continue to explore additional licensing opportunities for select categories requiring specialized expertise, such as intimates/loungewear, men’s footwear and fashion accessories. While these licensing arrangements present an attractive way to grow our business, identifying, implementing and maintaining licensing arrangements requires additional expenditures of management time and oversight to ensure brand consistency and brand integrity.

We have expanded our operations since our inception in 2002 and have limited operating experience at our current size. Our business has more than doubled over the past two years, as we have grown our total net sales from $111.5 million in fiscal 2010 to $240.4 million in fiscal 2012 and from $90.5 million in the first six months of fiscal 2012 to $114.7 million in the first six months of fiscal 2013. Although we have made and are continuing to make investments to support our near and longer-term growth, we will continue to have an ongoing relationship with Kellwood which will provide services, including distribution, information technology and back office support, under the Shared Services Agreement. Our continued expansion may exceed the capacity that Kellwood is able to provide under the terms of such agreement. In addition, Kellwood has experienced financial difficulties in the past. If Kellwood encounters any such issues during the term of the Shared Services Agreement or is unable to satisfy its obligations thereunder on a timely basis, we may be unable to provide these services internally or implement acceptable, substitute arrangements with third-party providers.

After the IPO Restructuring Transactions, we must obtain goods, technology and services we will not obtain from Kellwood on our own. We may be unable, as an entity separate from and smaller than Kellwood, to obtain such goods, technology and services at prices and terms as favorable as those available to us prior to the separation. As a result, our costs may increase and our profitability may decrease.

Our CEO, Jill Granoff, and CFO, Lisa Klinger, joined the company in 2012. Many of the other members of our senior management team, including our President and Chief Creative Officer, Karin Gregersen, have been with us less than one year. As a result, our senior management team has limited experience working together as a group. The lack of shared experience could negatively impact our senior management's ability to quickly and efficiently respond to problems and effectively manage our business.

Basis of Presentation

We operate on a fiscal calendar widely used by the retail industry that results in a given fiscal year consisting of a 52- or 53-week period ending on the Saturday closest to January 31 of the following year.

- References to "fiscal year 2012" or "fiscal 2012" refer to the fiscal year ended February 2, 2013;
- References to "fiscal year 2011" or "fiscal 2011" refer to the fiscal year ended January 28, 2012; and
- References to "fiscal year 2010" or "fiscal 2010" refer to the fiscal year ended January 29, 2011.
- References to "first six months of fiscal 2013" refer to the six months ended August 3, 2013; and
- References to "first six months of fiscal 2012" refer to the six months ended July 28, 2012.

Fiscal year 2012 consists of a 53-week period and each of fiscal 2011 and fiscal 2010 consisted of a 52-week period. The first six months of fiscal 2013 and the first six months of fiscal 2012 each consisted of 26 weeks.

Net sales. Our net sales consist of revenues from the sale of products, less returns, discounts and allowances and other offsets to net sales as well as shipping and handling fees and licensing fees and royalties. In our wholesale segment, revenue is recognized when goods are shipped in accordance with customer orders, at which point title passes. Provisions for discounts, returns and other allowances are recorded as a reduction of net sales in the same period as the related sales. Historically, increases in revenues have been driven primarily by the addition of new wholesale doors, increased penetration in our existing wholesale doors and by incorporating higher priced items into our product assortment. Going forward, we anticipate that the wholesale and direct-to-consumer segments will contribute almost equivalent amounts to future sales growth, with the direct-to-consumer channel becoming a higher percentage of the business than it is today (but not higher than wholesale overall). In our direct-to-consumer segment, revenue is recognized at the time of customer purchase in our retail stores, and at the time of shipment for customer e-commerce orders. Comparable store sales are calculated based on our own branded retail locations that have been open for at least 13 months and do not include any sales from our e-commerce business. There may be variations in the way other companies and retailers calculate comparable store or "same store" sales. As a result, data in this prospectus regarding our comparable store sales may not be comparable with similar data made available by other companies. Additionally, comparable store sales for companies like our own that are in the midst of opening additional retail locations may be of limited utility.

Cost of products sold . Our cost of products sold includes:

- the cost of purchased merchandise, including raw materials;

- the cost of inbound transportation, including freight;
- the cost of our production, sourcing and technical design departments;
- other processing costs associated with acquiring and preparing the inventory for sale as charged by Kellwood as part of the Shared Services Agreement; and
- shrink and valuation reserves.

Gross profit/Gross margin . Gross profit is defined as net sales less the cost of products sold. Gross margin is gross profit expressed as a percentage of net sales. As we have continued to use more expensive but lower margin raw materials such as leather and fur-trimmed items and as our men's business has become a larger portion of our sales, we have seen a reduction in our gross margin rate; however our gross profit dollars have continued to increase. Our gross margins have also been adversely impacted in the past by margin assistance to our wholesale customers. Such margin arrangements are customary in the industry and will continue to impact future margins in relation to the overall performance of the Vince product with our retail partners. Going forward, we expect our margin rate to improve as a result of increasing the percentage of our net sales derived from our direct-to-consumer segment, which tends to generate higher margins than our wholesale business, optimizing our pricing strategy and by leveraging economies of scale as we evolve into a larger organization.

There may be variations in the costs that other companies use to calculate gross profit. As a result, data in this prospectus regarding our gross profit dollars and gross margin may not be comparable with similar data made available by other companies.

Selling, general and administrative expenses . Our selling, general and administrative expenses ("SG&A expenses") consist of all other operating expenses, excluding amortization of intangible assets, which are not included in cost of products sold. These expenses include marketing, advertising, design, occupancy, certain distribution costs, salaries and benefits and other corporate overhead. Additionally, our historical financials include charges for the use of services provided by centralized Kellwood departments and shared facilities. These costs were charged upon the actual cost incurred, without mark-up. The charges to Vince, LLC may not be representative of what the costs would have been had we been operated separately from the non-Vince businesses during the periods presented, however, we believe the amounts charged are representative of incremental cost to Kellwood to provide these services to us. In future periods we will continue to use certain of these services, such as distribution, information technology and back office support, from Kellwood as part of the Shared Services Agreement. SG&A expenses have increased over the past 18 months as we have added resources and capabilities to operate as a stand-alone company. We expect our SG&A expenses as a percentage of sales to slightly increase over the near-term as we incur additional costs associated with our retail operations as sales from our direct-to-consumer segment becomes a larger percentage of our business and as we incur costs associated with the consummation of this offering (including stock based compensation charges). Additionally, in an effort to build our brand awareness, we intend to increase our marketing investment across a range of strategic initiatives, including cooperative advertising with wholesale partners, print media, digital media, editorial coverage, direct mail, search engine optimization, social media initiatives, targeted product placement, celebrity outreach and in-store events. In the long-term, we expect our SG&A expenses, as a percentage of sales, to increase slightly from recent levels as we grow our direct-to-consumer business and invest in expanded marketing efforts, as well as from ongoing public company costs.

Amortization of intangible assets . Our amortization of intangible assets consists of straight-line amortization expense on our definite-lived intangible assets over a 20 year life. These assets are comprised of Vince customer relationships and were valued at the time of the acquisition of Kellwood Company by affiliates of Sun Capital in 2008. We test definite-lived intangible assets if a triggering

event occurs. There have been no triggering events or impairments recorded on the Vince customer relationships. Under the provisions of ASC Topic 350, we do not amortize indefinite-lived tangible assets (our Vince trademark). In accordance with ASC Topic 350, indefinite-lived intangible assets are tested for impairment at least annually and in an interim period if a triggering event occurs. The fair value of the trademark is estimated and compared to its carrying value. We estimate the fair value of these assets primarily based on a royalty savings model, which uses discounted cash flow assumptions. We completed our most recent annual impairment testing on our indefinite-lived intangible assets during the fourth quarter of fiscal 2012 and no impairments were identified.

Interest expense . Our interest expense has historically included interest and related costs on the Wells Fargo Facility, Cerberus Term Loan and the Sun Term Loan Agreements. These debt instruments and the related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party under such instruments. Vince, LLC will have no obligations under such debt (or under the 12.875% Notes, the 7.625% Notes or the 3.5% Convertible Notes that are also to be repaid, refinanced or discharged by Kellwood Company, LLC with proceeds from the repayment of the Kellwood Note Receivable) after giving effect to the consummation of this offering and the application of the related proceeds. As this expense is expected to be significantly less than our historical interest expense under the Wells Fargo, Cerberus and Sun Term Loans, we believe that our interest expense will decrease in both absolute terms and as a percentage of revenue in both the near and intermediate term.

We intend to enter into a new revolving credit facility and new term loan facility in connection with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing, had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

Other expense, net . Our other expense, net primarily consists of miscellaneous income and expenses and management fees incurred by Kellwood Company which were charged to Vince in the amounts of $0.4 million, $0.5 million, $0.8 million and $0.2 million for fiscal 2010, fiscal 2011, fiscal 2012 and the first six months of fiscal 2013, respectively. Upon consummation of this offering, Vince will no longer incur management fees payable to Sun Capital Management as the obligations under the Management Services Agreement will be terminated or remain with Kellwood. As a result, we do not expect to report other expense, net, after consummation of this offering. We will enter into a services agreement with Sun Capital Management, pursuant to which we will agree to reimburse Sun Capital Management for out-of-pocket expenses incurred in connection with providing consulting services to us. We intend to report any expense associated with this new services agreement as SG&A expense in future reporting periods.

Provision for income taxes . We are subject to taxation in many jurisdictions, and the calculation of our tax liabilities involves dealing with inherent uncertainties in the application of complex tax laws and regulations in various taxing jurisdictions. Historically, we have been primarily subject to taxation in the U.S. because we have sold the majority of our products to customer in the U.S. We anticipate that in the future as we expand our sale of products to customers outside the U.S., we could become subject to taxation based on the foreign statutory rates in the countries where these sales occurred and our effective tax rate would fluctuate accordingly. We are subject to examination of our income tax returns by the IRS and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our income tax reserve and expense. Should actual events differ from our current expectations, we could experience a material impact to our financial position, results of operations and cash flows.

Our operating results have historically been included in the U.S. federal and state income tax returns for AHC. Provision for income taxes in the Vince, LLC financial statements have been determined on a stand-alone basis (i.e., on a “separate return” basis). As such, we are required to assess the realization of our net deferred tax assets, the need for a valuation allowance and judgments on the recognition of tax benefits based on our own facts and circumstances and exclude from that assessment any impact of the overall results of AHC. We believe the assumptions underlying the allocation of income taxes are reasonable; however, the amounts allocated for income taxes in the Vince, LLC financial statements are not necessarily indicative of the income taxes that would have been recorded had Vince, LLC been a separate, stand-alone entity during the periods presented.

We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities at enacted rates. We determine the appropriateness of valuation allowances in accordance with the “more likely than not” recognition criteria.

AHC has generated certain tax benefits (including NOLs) and tax credits which it has been unable to utilize, and will generate certain section 197 intangible deductions. Absent the IPO Restructuring Transactions, based on available information, it is more likely than not that AHC’s net deferred tax assets will not be realized, and accordingly there is currently a full valuation allowance against all of the U.S. net deferred tax assets.

As a result of the IPO Restructuring Transactions, we expect that these net deferred tax assets will be available to offset future taxable income. As of August 3, 2013 AHC has deferred tax assets of $77.6 million related to U.S. NOL carry-forwards, which has a full valuation allowance recorded against them. Approximately $205.0 million in federal NOL carry-forwards would become available to offset future taxable income as of August 3, 2013. In connection with the consummation of this offering, we will enter into the Tax Receivable Agreement with the Pre-IPO Stockholders. As a result of the Tax Receivable Agreement, 85% of any benefits we receive from utilization of NOLs and other tax attributes will be paid to the Pre-IPO Stockholders. As further described within “Additional Information Related to AHC—Unaudited Pro Forma Consolidated Financial Data of AHC,” the pro forma amount due under the Tax Receivable Agreement as of August 3, 2013 is $172.1 million. We anticipated funding amounts due under the Tax Receivable Agreement with internally generated cash flow from operations and availability under our new revolving credit facility. We estimate the net benefits from the NOL carry-forwards and other tax attributes covered by the Tax Receivable Agreement will be utilized within ten years. We do not anticipate that the existence of the Tax Receivable Agreement, or payments to be made thereunder, will impact our effective tax rate which is estimated to be approximately 38% to 42% both during and after the period we will be subject to the Tax Receivable Agreement. The expansion of our international operations may cause our effective tax rate to fluctuate and be different than expected.

Furthermore, federal and state laws impose substantial restrictions on the utilization of NOL carry-forwards in the event of an “ownership change,” as defined in Section 382 of the Code. Under the rules, such an ownership change is generally any change in ownership of more than 50 percent of a company’s stock within a rolling three-year period, as calculated in accordance with the rules. The rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning directly or indirectly 5% or more of the stock of the company and any change in ownership arising from new issuances of stock by the company.

At this time, we have not performed a detailed analysis under Section 382 of the Code to determine if the IPO Restructuring Transactions would constitute an ownership change. However, with this offering and other transactions that have occurred over the past three years, we may trigger or have already triggered an “ownership change” limitation. We may also experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As a result, if we earn net taxable

income, our ability to use our pre-change NOL carry-forwards (after giving effect to payments to be made to the Pre-IPO Stockholders under the Tax Receivable Agreement) to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. Notwithstanding the foregoing, our preliminary analysis under Section 382 of the Code indicates that the IPO Restructuring Transactions would not trigger an "ownership change" limitation.

Vince, LLC Results of Operations

	Fiscal Year			Percentage of Net Sales		
	2010	2011	2012	2010	2011	2012
(In thousands, except store counts, percentages)						
Statements of Operations:						
Net sales	$111,492	$175,255	$240,352	100.0%	100.0%	100.0%
Cost of products sold	55,695	89,545	132,156	50.0%	51.1%	55.0%
Gross profit	55,797	85,710	108,196	50.0%	48.9%	45.0%
Operating expenses:						
Selling, general and administrative expenses	32,704	42,148	66,639	29.3%	24.1%	27.7%
Amortization of intangible assets	598	599	598	0.5%	0.3%	0.3%
Total operating expenses	33,302	42,747	67,237	29.8%	24.4%	28.0%
Income from operations	22,495	42,963	40,959	20.2%	24.5%	17.0%
Interest expense	7,172	15,004	22,903	6.5%	8.5%	9.5%
Other expense, net	350	478	779	0.3%	0.3%	0.3%
Income before provision for income taxes	14,973	27,481	17,277	13.4%	15.7%	7.2%
Provision for income taxes	5,923	10,812	6,964	5.3%	6.2%	2.9%
Net income	$ 9,050	$ 16,669	$ 10,313	8.1%	9.5%	4.3%
Other Operating and Financial Data:						
Total stores at end of period	16	19	22			
Comparable store sales growth	9.3%	7.6%	23.1%			
Capital expenditures	$ 1,602	$ 1,450	$ 1,821			

	Six Months Ended		Percentage of Net Sales	
	July 28, 2012	August 3, 2013	July 28, 2012	August 3, 2013
(In thousands, except store counts, percentages)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Statements of Operations:				
Net sales	$ 90,531	$ 114,657	100.0%	100.0%
Cost of products sold	50,119	63,506	55.4	55.4
Gross profit	40,412	51,151	44.6	44.6
Operating expenses:				
Selling, general and administrative expenses	27,057	33,954	29.9	29.6
Amortization of intangible assets	299	300	0.3	0.3
Total operating expenses	27,356	34,254	30.2	29.9
Income from operations	13,056	16,897	14.4	14.7
Interest expense	10,690	12,429	11.8	10.8
Other expense, net	396	512	0.4	0.4
Income before provision for income taxes	1,970	3,956	2.2	3.5
Provision for income taxes	789	1,556	0.9	1.4
Net income	$ 1,181	$ 2,400	1.3%	2.1%
Other Operating and Financial Data:				
Total stores at end of period	19	24		
Comparable store sales growth	13.9%	31.7%		
Capital expenditures	$ 457	$ 3,406		

Non-GAAP Financial Measure

To provide investors with additional information about our financial results, we disclose within this prospectus Adjusted EBITDA, a non-GAAP financial measure. We have provided below a reconciliation between Adjusted EBITDA and net income. Net income is the most directly comparable GAAP financial measure.

We have included Adjusted EBITDA in this prospectus because we believe it enhances investors' understanding of our operating results. Adjusted EBITDA is provided because management believes it is an important measure of financial performance commonly used to determine the value of companies, to define standards for borrowing from institutional lenders and because it is the primary measure used by management to evaluate our performance.

Some limitations of Adjusted EBITDA are:

- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;
- Adjusted EBITDA does not reflect income tax payments that may represent a reduction in cash available to us;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future; and
- other companies may calculate Adjusted EBITDA differently or not at all, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income and Vince, LLC's audited historical financial results presented elsewhere in this prospectus in accordance with GAAP.

The following table presents a reconciliation of Adjusted EBITDA to net income based on our combined statements of operations for each of the periods indicated:

	Fiscal Year			Six Months Ended	
(in thousands)	2010	2011	2012	July 28, 2012	August 3, 2013
Adjusted EBITDA:					
Wholesale	$ 39,353	$ 63,171	$ 73,515	$ 27,932	$ 32,072
Direct-to-consumer	1,045	1,713	5,865	(698)	3,002
Segment Adjusted EBITDA	40,398	64,884	79,380	27,234	35,074
Unallocated Corporate Adjusted EBITDA	(16,761)	(20,698)	(27,860)	(11,974)	(13,572)
Total Adjusted EBITDA	23,637	44,186	51,520	15,260	21,502
Interest expense (a)	(7,172)	(15,004)	(22,903)	(10,690)	(12,429)
Provision for income taxes	(5,923)	(10,812)	(6,964)	(789)	(1,556)
Depreciation and amortization expense	(1,492)	(1,701)	(2,009)	(921)	(1,106)
Public company transition costs (b)	—	—	(9,331)	(1,679)	(4,011)
Net income	$ 9,050	$ 16,669	$ 10,313	$ 1,181	$ 2,400

(a) Interest expense for fiscal 2010, fiscal 2011 and fiscal 2012 and the six month periods ended July 28, 2012 and August 3, 2013 represents interest costs and amortization of debt issuance

costs on certain Kellwood Company indebtedness, including the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements. These debt instruments and related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. We intend to enter into a new revolving credit facility and new term loan facility in connection with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing, had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

(b) Adjusted EBITDA does not include the impact of our public company transition costs and certain one-time costs of $9.3 million for fiscal 2012 and $4.0 million for the first six months of fiscal 2013. These costs include transition payments to our founders, charges that are directly attributable to this offering, incremental costs for external legal counsel and consulting fees incurred to effect the Restructuring Transactions and other one-time costs. These charges are excluded due to their non-recurring nature and ability to impact comparability to other periods.

First Six Months of Fiscal 2013 Compared to First Six Months of Fiscal 2012

Net Sales for the first six months of fiscal 2013 were $114.7 million, increasing $24.2 million, or 26.6%, versus $90.5 million for the first six months of fiscal 2012. The increase in sales compared to the prior year is due to an increase in volume across both of our business segments.

Segment Results of Operations

	Net Sales by Segment		Segment Adjusted EBITDA	
	Six Months Ended		Six Months Ended	
(in thousands)	July 28, 2012	August 3, 2013	July 28, 2012	August 3, 2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Wholesale	$ 78,064	$ 92,551	$ 27,932	$ 32,072
Direct-to-consumer	12,467	22,106	(698)	3,002
Total	$ 90,531	$ 114,657	$ 27,234	$ 35,074

Net sales from our wholesale segment increased $14.5 million, or 18.6%, to $92.6 million in the first six months of fiscal 2013 from $78.1 million in the first six months of fiscal 2012. We increased volume with many of our premier wholesale partners through increased sales productivity in existing doors, including our first women's shop-in-shop at Saks Fifth Avenue, opened in September 2012, and the opening of 13 new shop-in-shops with our domestic and international partners.

Segment Adjusted EBITDA from our wholesale segment increased $4.2 million, or 14.8%, to $32.1 million in the first six months of fiscal 2013 from $27.9 million in the first six months of fiscal 2012. This increase was driven primarily from a sales volume increase of $14.5 million and a decrease in operating expenses as a percentage of wholesale sales, partially offset by a reduction in the gross margin rate primarily due to one-time charges associated with the recording of inventory reserves. The decrease in operating expenses as a percentage of net wholesale sales resulted as our net wholesale sales grew at a rate greater than our expenses during fiscal 2013.

Net sales from our direct-to-consumer segment increased $9.6 million, or 77.3%, to $22.1 million in the first six months of fiscal 2013 from $12.5 million in the first six months of fiscal 2012. This sales growth was due to (i) comparable retail store sales growth of 31.7% contributing $3.1 million, or 32.0%, driven by a 24.4% increase in average dollar sale and a 7.3% increase in transactions, (ii) opening five

stores (bringing our total retail store count to 24 as of August 3, 2013, compared to 19 as of July 28, 2012) contributing $4.7 million, or 48.9%, and (iii) e-commerce sales growth of 68.9% contributing $1.8 million, or 19.1%.

Segment Adjusted EBITDA from our direct-to-consumer segment was $3.0 million in the first six months of fiscal 2013 compared to $(0.7) million in the first six months of fiscal 2012. The $3.7 million increase resulted primarily from a sales volume increase of $9.6 million which more than offset the additional operating expenses incurred during the period to support the sales growth.

Cost of products sold for first six months of fiscal 2013 was $63.5 million, increasing $13.4 million, or 26.7%, versus $50.1 million for the first six months of fiscal 2012. The increase in costs of products sold is due to (i) additional volume contributing $11.9 million, or 88.9% and (ii) one-time charges to record inventory reserves for excess goods and raw materials purchased using prior inventory control management systems and processes contributing $1.5 million, or 11.1%.

Gross Profit/Gross Margin was 44.6% for the first six months of fiscal 2012 and the first six months of fiscal 2013. While the margin rate remained constant year over year, it was unfavorably impacted in fiscal 2013 by one-time inventory reserves for excess merchandise, which accounted for 130 basis points of decline, and increased margin assistance provided to our wholesale partners, which accounted for 54 basis points of decline. Favorable margin upside of 146 basis points was driven by a higher percentage of our sales coming from the direct-to-consumer segment, in which we generally recognize higher margins, and an increased percentage of full-price to off-price sales, which accounted for 38 basis points of upside.

Selling, general and administrative expenses for the first six months of fiscal 2013 were $34.0 million, increasing $6.9 million, or 25.5%, versus $27.1 million for the first six months of fiscal 2012. The increase in SG&A expenses compared to the prior year is primarily due to:

- Increased compensation expense of $1.1 million related to hiring and retaining certain key employees;
- Increased occupancy and depreciation expense of $1.4 million due primarily to new retail store openings;
- Increased design, development and marketing expenses of $2.4 million to support our brand awareness growth efforts and the opening of new retail stores; and
- Increased corporate costs such as legal and audit fees of $2.0 million associated with preparing to become a public company.

Amortization of intangible assets for the first six months of fiscal 2013 and fiscal 2012 were unchanged at $0.3 million.

Interest expense for the first six months of 2013 was $12.4 million, increasing $1.7 million, or 16.3%, versus $10.7 million for the first six months of 2012. Interest expense increased as we had higher average debt balances period over period. The increase in overall debt balances was primarily due to additional borrowings under the Sun Term Loan Agreements during the first six months of fiscal 2013 to fund capital spending and corporate costs associated with preparation for this offering, combined with the payment-in-kind feature of the interest recognized on these instruments.

Other expense, net for the first six months of fiscal 2013 and fiscal 2012 was largely unchanged at $0.5 million and $0.4 million, respectively.

Provision for income taxes for the first six months of fiscal 2013 was $1.6 million, increasing $0.8 million, or 97.2%, versus $0.8 million for the first six months of fiscal 2012. Our effective tax rate

on pretax income for the first six months of fiscal 2013 and fiscal 2012 was 39.3% and 40.1%, respectively. The rates for the first six months of fiscal 2013 and the first six months of fiscal 2012 differed from the U.S. statutory rate of 34.0% primarily due to state taxes for the periods presented.

Fiscal Year 2012 Compared to Fiscal Year 2011

Net sales for fiscal 2012 were $240.4 million, increasing $65.1 million, or 37.1%, versus $175.3 million for fiscal 2011. The increase in sales compared to the prior year was due to volume increases across both of our business segments. Net sales for the fifty-third week of fiscal 2012 were approximately $0.6 million for the direct-to-consumer and $17.6 million for the wholesale segment, which represents approximately 7.5% of Vince, LLC's net sales for fiscal 2012.

Segment Results of Operations

	Net Sales by Segment		Segment Adjusted EBITDA	
	Fiscal Year		Fiscal Year	
(in thousands)	2011	2012	2011	2012
Wholesale	$ 151,921	$ 203,107	$ 63,171	$ 73,515
Direct-to-consumer	23,334	37,245	1,713	5,865
Total	$ 175,255	$ 240,352	$ 64,884	$ 79,380

Net sales from our wholesale segment increased $51.2 million, or 33.7%, to $203.1 million in fiscal 2012 from $151.9 million in fiscal 2011, partially attributable to the expansion of the number of our wholesale doors by nearly 400 doors, or over 20% of our door base. This increase was also a result of increased sales volume with our four largest wholesale partners, which contributed $43.4 million, or 85%.

Segment Adjusted EBITDA from our wholesale segment increased $10.3 million, or 16.4%, to $73.5 million in fiscal 2012 from $63.2 million in fiscal 2011. This increase was driven primarily by a sales volume increase of $51.2 million in fiscal 2012, partially offset by a decrease in the gross margin rate as a result of higher cost of goods and increased margin assistance to our wholesale partners and higher operating expenses as a percentage of wholesale sales driven by increased compensation costs.

Net sales from our direct-to-consumer segment increased $13.9 million, or 59.6%, to $37.2 million in fiscal 2012 from $23.3 million in fiscal 2011. This sales growth was due to (i) comparable retail store sales growth of 23.1% contributing $4.4 million, or 31.4%, driven by a 16.0% increase in transactions and 7.1% increase in average dollar sale, (ii) opening three stores (bringing our total retail store count to 22 as of February 2, 2013, compared to 19 as of January 28, 2012) contributing $5.2 million, or 37.1%, and (iii) e-commerce sales growth of 103.4% contributing $4.4 million, or 31.6%.

Segment Adjusted EBITDA from our direct-to-consumer segment increased $4.2 million, or 242.4%, to $5.9 million in fiscal 2012 from $1.7 million in fiscal 2011. The increase was driven primarily by a sales volume increase of $13.9 million in fiscal 2012, which more than offset the additional expenses incurred during the period to support the sales growth.

Cost of products sold for fiscal 2012 was $132.2 million, increasing $42.6 million, or 47.6%, versus $89.5 million for fiscal 2011. The increase in costs of products sold is due to (i) additional volume contributing $21.9 million, or 51.4%, and (ii) increased material costs and a product assortment shift to more expensive but lower margin products contributing $20.7 million, or 48.6%.

Gross Profit/Gross Margin decreased 389 basis points to 45.0% in fiscal 2012 from 48.9% in fiscal 2011. The decrease in gross margin was due primarily to additional margin assistance provided to our wholesale partners, which accounted for 169 basis points of decline but which we believe was a major contributor to volume growth. The margin rate was further impacted by shifts in our product mix and the use of more expensive but lower margin raw materials such as leather and furs, which accounted for 106 basis points of the decline. The balance of our margin decline, or 114 basis points, was attributable to the increased penetration of off-price sales to full-price sales.

Selling, general and administrative expenses for fiscal 2012 were $66.6 million, increasing $24.5 million, or 58.1%, versus $42.1 million for 2011. The increase in SG&A expenses compared to the prior year is primarily due to:

- Increased compensation expense of $15.1 million related to hiring and retention of certain key employees (including one-time transition payments of $6.4 million in the aggregate to our founders), and increased charges from expanded and dedicated resources in retail operations that were previously centralized at the Kellwood level;
- Increased occupancy expense of $1.9 million due primarily to new retail store openings;
- Increased design, development and marketing expenses of $1.9 million to support our brand awareness growth efforts and the opening of new retail stores; and
- Increased corporate costs, such as legal and audit fees, of $2.7 million associated with preparing to become a public company.

Amortization of intangible assets for fiscal 2011 and fiscal 2012 was unchanged at $0.6 million in each period.

Interest expense for fiscal 2012 was $22.9 million, increasing $7.9 million, or 52.6%, versus $15.0 million for fiscal 2011. The increase was primarily due to higher average outstanding debt balances in fiscal 2012. Interest expense increased as we had higher average debt balances period over period, partially offset by a one-time charge of $1.7 million to write off debt issuance costs during the third quarter of fiscal 2011. The increase in overall debt balances was primarily due to (i) additional borrowings on the Sun Term Loan Agreements during fiscal 2012 to fund capital spending and corporate costs associated with preparations of this offering, combined with the payment-in-kind feature of the interest recognized on these instruments, and (ii) the full year impact of entering into the Cerberus Term Loan during the third quarter of fiscal 2011 to fund the fiscal 2011 cash purchase consideration payment of $58.5 million to CRL Group, LLC (“CRL Group”).

Other expense, net for fiscal 2012 and fiscal 2011 was $0.8 million and $0.5 million, respectively. The increase is primarily due to higher management fees payable to Sun Capital Management under the Management Services Agreement due to our increased revenue year over year.

Provision for income taxes for fiscal years 2012 and 2011 was an expense of $7.0 million and $10.8 million, respectively. Our effective tax rate on pretax income for fiscal 2012 and fiscal 2011 was 40.3% and 39.3%, respectively. The rates for the fiscal year 2012 and fiscal 2011 differed from the U.S. statutory rate of 34.0% primarily due to state taxes for the periods presented.

Fiscal Year 2011 Compared to Fiscal Year 2010

Net sales for fiscal 2011 were $175.3 million, an increase of $63.8 million, or 57.2%, versus $111.5 million for fiscal 2010. The increase in sales compared to the prior year is due to an increase in volume across both of our business segments.

Segment Results of Operations

	Net Sales by Segment		Segment Adjusted EBITDA	
	Fiscal Year		Fiscal Year	
(in thousands)	2010	2011	2010	2011
Wholesale	$ 95,798	$ 151,921	$ 39,353	$ 63,171
Direct-to-consumer	15,694	23,334	1,045	1,713
Total	$ 111,492	$ 175,255	$ 40,398	$ 64,884

Net sales from the wholesale segment increased $56.1 million, or 58.6%, to $151.9 million in fiscal 2011 from $95.8 million in fiscal 2010, due largely to increased sales volume with our four largest wholesale partners, which contributed $42.8 million, or 76%. This increase was also partially attributable to the expansion of the number of our wholesale doors by over 200 doors, or 15% of our door base.

Segment Adjusted EBITDA from the wholesale segment increased $23.8 million, or 60.5%, to $63.2 million in fiscal 2011 from $39.4 million in fiscal 2010. This increase was driven primarily by a sales volume increase of $56.1 million and a decrease in operating expenses as a percentage of wholesale sales, partially offset by a gross margin rate reduction due to higher cost of goods and an increase in our off-price sales penetration. The decrease in operating expenses as a percentage of net wholesale sales resulted from our net wholesale sales growing at a greater rate than our expenses during fiscal 2011.

Net sales from our direct-to-consumer segment increased $7.6 million, or 48.7%, to $23.3 million in 2011 from $15.7 million in 2010. This sales growth was due to (i) comparable retail stores sales growth of 7.6% contributing $1.0 million, or 13.2%, driven by the strength of our existing and expanded product categories and the increasing recognition of the Vince brand by consumers; (ii) opening three stores (bringing our total retail store count to 19 as of January 28, 2012 from 16 as of January 28, 2011) contributing $4.1 million, or 53.3%, and (iii) e-commerce sales growth of 146.7% contributing $2.5 million, or 33.1%.

Segment Adjusted EBITDA from our direct-to-consumer segment increased $0.7 million, or 63.9%, to $1.7 million in fiscal 2011 from $1.0 million in fiscal 2010. The increase was due primarily to a sales volume increase of $7.6 million during fiscal 2011, which more than offset the additional expenses incurred during the period to support sales growth.

Cost of products sold for fiscal 2011 was $89.5 million, increasing $33.9 million, or 60.8%, versus $55.7 million for fiscal 2010. The increase in costs of products sold compared to the prior year is primarily due to (i) additional sales volume contributing $17.5 million, or 51.8%, and (ii) increased material costs and a product shift to more expensive products but lower margin items contributing $16.3 million, or 48.2%.

Gross Profit/Gross Margin decreased 114 basis points to 48.9% in fiscal 2011 from 50.0% in fiscal 2010. The decrease in gross margin was due to increased off-price wholesale sales, which decreased margin by 56 basis points, and the use of more expensive but lower margin raw materials such as leathers and furs in our products, which had a 58 basis point impact.

Selling, general and administrative expenses for fiscal 2011 were $42.1 million, increasing $9.4 million, or 28.9%, versus $32.7 million for fiscal 2010. The increase in SG&A expenses compared to the prior year is primarily due to:

- Increased incentive compensation expense of $0.5 million related to the brand's strong financial performance;
- Increased occupancy expense of $1.7 million due primarily to new retail store openings;
- Increased design, development and marketing expenses of $1.8 million to support our brand awareness growth efforts and the opening of new retail stores; and
- Increased salaries, benefits, travel expenses, outside services and costs to support our information systems of $4.6 million due to increased focus on expanding our direct-to-consumer segment.

Amortization of intangible assets for fiscal 2011 and fiscal 2010 was unchanged at $0.6 million in each period.

Interest expense for fiscal 2011 was $15.0 million, increasing $7.8 million, or 109.2%, from $7.2 million in fiscal 2010. Interest expense increased as we had higher average debt balances period over period, partially offset by a one-time charge of $1.7 million to write off debt issuance costs during the third quarter of fiscal 2011. The increase in overall debt balances was primarily due to (i) additional borrowings on the Sun Term Loan Agreements during fiscal 2011 to fund capital spending, combined with the payment-in-kind feature of the interest recognized on these instruments and (ii) entering into the Cerberus Term Loan during the third quarter of fiscal 2011.

Other expense, net for fiscal 2011 and fiscal 2010 was $0.5 million and $0.4 million, respectively, for management fees payable to Sun Capital Management under the Management Services Agreement.

Provision for income taxes for fiscal years 2011 and 2010 was an expense of $10.8 million and $5.9 million, respectively. Our effective tax rate on pretax income for fiscal 2011 and fiscal 2010 was 39.3% and 39.6%, respectively. The rates for the fiscal year 2011 and fiscal 2010 differed from the U.S. statutory rate of 34.0% primarily due to state taxes for the periods presented.

Quarterly Financial Data

The following table presents our unaudited quarterly results of operations for the ten fiscal quarters ended August 3, 2013. This information includes all adjustments, consisting only of normal recurring adjustments that management considers necessary for the fair presentation of such data. This quarterly data should be read in conjunction with our audited financial statements and related notes. Our historical unaudited quarterly consolidated results of operations are not necessarily indicative of results for any future fiscal quarters or fiscal years.

	Three Months Ended									
(In thousands, unaudited)	April 30, 2011	July 30, 2011	October 29, 2011	January 28, 2012	April 28, 2012	July 28, 2012	October 27, 2012	February 2, 2013	May 4, 2013	August 3, 2013
Net sales	$ 25,993	$43,492	$ 57,459	$ 48,311	$ 33,376	$57,155	$ 76,990	$ 72,831	$40,363	$ 74,294
Cost of products sold	12,715	21,609	28,931	26,290	18,599	31,520	41,872	40,165	22,850	40,656
Gross profit	13,278	21,883	28,528	22,021	14,777	25,635	35,118	32,666	17,513	33,638
Selling, general and administrative expenses	9,100	10,414	10,498	12,136	12,323	14,734	19,406	20,176	15,456	18,498
Amortization of intangible assets	150	149	150	150	149	150	150	149	150	150
Interest expense	2,649	2,839	5,289	4,227	4,887	5,803	6,059	6,154	6,025	6,404
Other expense, net	117	118	118	125	193	203	193	190	125	387
Income (loss) before provision for income taxes	1,262	8,363	12,473	5,383	(2,775)	4,745	9,310	5,997	(4,243)	8,199
Provision for income taxes	503	3,320	4,949	2,040	(1,101)	1,890	3,748	2,427	(1,688)	3,244
Net income (loss)	$ 759	$ 5,043	$ 7,524	$ 3,343	$ (1,674)	$ 2,855	$ 5,562	$ 3,570	$ (2,555)	$ 4,955

Our wide-range of merchandise and our strategy of carrying a broad selection but limited quantities of each item reduce our overall seasonality relative to other contemporary brands. Nevertheless, our business is mildly seasonal in nature and sales are generally the highest in the third and fourth fiscal quarters due to the year-end holiday season and lowest in the first and second fiscal quarters. As a result of this seasonality and generally because of variation in consumer spending habits, we experience fluctuations in net sales and EBITDA during the year.

We incurred certain public company transition and certain one-time costs during the last three quarters of fiscal 2012 and the first six months of fiscal 2013. Those costs totaled $9.3 million in fiscal 2012 and $4.0 million in the first six months of fiscal 2013, which were recorded in SG&A. These costs include transition payments to our founders, charges that are directly attributable to this offering, incremental costs for legal counsel and consulting fees incurred to effect the Restructuring Transactions and other one-time costs. Such costs incurred during the second, third and fourth quarters of fiscal 2012 were $1.7 million, $4.2 million and $3.4 million, respectively.

Liquidity and Capital Resources

Our primary cash requirements are to support inventory purchases, working capital and capital expenditures for retail store expansion and remodeling. Historically, we were financed as part of Kellwood Company. Interest expense associated with a portion of Kellwood Company's indebtedness, including under the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements, is included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. Vince, LLC will have no obligations under such debt (or under the 12.875% Notes, the 7.625% Notes or the 3.5% Convertible Notes which are also to be repaid by Kellwood Company, LLC with proceeds from the repayment of the Kellwood Note Receivable), after giving effect to the consummation of this offering and the application of the related proceeds.

Capital expenditures are expected to aggregate approximately $10.0 to $12.0 million in fiscal 2013, including approximately $5.0 million to $7.0 million for new and remodeled stores, approximately $1.0 to $2.0 million for wholesale shop-in-shop build-out, and the remainder for other corporate activities, including a new corporate headquarters and information technology enhancements.

Capital expenditures are expected to increase as we invest in the direct-to-consumer store expansion and wholesale shop-in-shop buildout. In fiscal 2014, we project capital expenditures to aggregate $9.0 to $11.0 million, including $4.0 to $6.0 million for new and remodeled stores, approximately $2.0 to $3.0 million on new and updated store-in-store locations and the remainder for other corporate activities.

We anticipate funding our cash requirements and growth initiatives primarily from internally generated cash flow from operations and availability under our new revolving credit facility. If our business fails to perform, to our expectations we may require additional liquidity resources or we may need to reduce our growth initiatives.

We intend to enter into a new $50 million revolving credit facility and a new $175 million term loan facility in connection with the consummation of this offering. We expect that interest rates on the revolving credit facility will be based on a LIBOR or base rate plus, in either case, a margin based on an excess availability calculation. Under our revolving credit facility, base rate will mean, for any day, a fluctuating rate per annum equal to the highest of (i) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its prime rate; (ii) the Federal Funds Rate for such day, plus 0.50%; and (iii) the LIBOR Rate for a one month interest period as determined on such day, plus 1.0%. We expect that interest rates on the new term loan facility will be payable either at (A) the Eurodollar rate (subject to a 1.00% floor) plus 5.00% or (B) the base rate (subject to a 2.00% floor) plus 3.00%. Under our new term loan facility, base rate will mean, for any date, a fluctuating rate per annum equal to the highest of (A) the Federal Funds Effective Rate plus $^{1}/_{2}$ of 1%, (B) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" and (C) except during a Eurodollar unavailability period, the Eurodollar rate plus 10%. We expect that our new credit facilities will contain significant restrictive covenants. These covenants may limit or impair our financing and operational flexibility and make it difficult for us to react to market conditions and satisfy our ongoing capital needs and unanticipated cash requirements. See "Additional Information Related to Vince—Description of Certain Indebtedness of Vince, LLC" for a description of the proposed material terms of such new credit facilities.

We expect that cash flow from operations, availability under our new credit and term loan facilities, and proceeds from this offering will be sufficient to fund our operations for at least the next 18 months.

Operating Cash Flow Information

(In thousands)	Fiscal Years 2010	2011	2012	Six Months Ended July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Operating Activities:					
Net income	$ 9,050	$ 16,669	$10,313	$ 1,181	$ 2,400
Add (deduct) items not affecting operating cash flows:					
Depreciation	894	1,102	1,411	622	806
Amortization of intangible assets	598	599	598	299	300
Amortization of debt issuance costs	1,289	1,499	2,154	1,104	1,050
Deferred income taxes	3,091	5,825	(2,050)	2,441	1,173
Capitalized PIK interest	1,486	5,614	10,468	4,511	5,999
Deferred debt issuance cost write-off	738	1,747	—	—	—
Loss on disposition of property, plant and equipment	—	8	—	—	262
Changes in assets and liabilities:					
Receivables, net	(4,423)	(12,174)	(7,457)	(10,366)	(5,972)
Inventories, net	(3,987)	(2,592)	(8,360)	(10,905)	(9,118)
Prepaid expenses and other current assets	(2,036)	(490)	(2,455)	(3,829)	(6,588)
Accounts payable and accrued expenses	3,779	3,133	17,108	8,138	1,213
Other assets and liabilities	30	350	900	468	307
Net cash provided by (used in) operating activities	$10,509	$ 21,290	$22,630	$ (6,336)	$ (8,168)

Because we have been financed as part of Kellwood Company and cash is centrally managed by Kellwood Company, our cash balance as of August 3, 2013 was $0.1 million and represents retail store deposits.

Net cash provided by (used in) operating activities primarily consists of net income, adjusted for certain non-cash items including PIK interest on the Cerberus Term Loan and the Sun Term Loan Agreements depreciation, amortization and changes in deferred income taxes and the effects of changes in working capital and other activities.

Net cash used in operating activities for the first six months of fiscal 2013 was $8.2 million, which consisted of net income of $2.4 million, impacted by non-cash items of $9.6 million and cash used in working capital of $20.2 million. Net cash used in working capital primarily resulted from an increase in receivables, net of $6.0 million due to the timing of customer receipts as well as increases in inventories and prepaid expenses of $15.7 million due to anticipated retail store openings and shipments for the fall season. This was offset in part due to increases in our accounts payable and other accrued expenses of $1.2 million.

Net cash used in operating activities for the first six months of fiscal 2012 was $6.3 million, which consisted of net income of $1.2 million, impacted by non-cash items of $9.0 million and cash used in working capital of $16.5 million. Non-cash expenses included depreciation, amortization and PIK interest expense of $6.5 million, offset in part by a $2.4 million decrease in deferred income taxes. Net cash used in working capital primarily resulted from an increase in receivables, net of $10.4 million due to the timing of customer receipts as well as increases in inventories and prepaid expenses of $14.7 million due to anticipated shipments for the fall season. This was offset in part due to increases in our accounts payable and other accrued expenses of $8.1 million due to the timing of vendor payments.

Net cash provided by operating activities for fiscal 2012 was $22.6 million, which consisted of net income of $10.3 million, impacted by non-cash items of $12.6 million and cash used in working capital

of $0.3 million. Non-cash expenses included depreciation, amortization and PIK interest expense of $14.6 million, offset in part by a $2.1 million decrease in deferred income taxes. Net cash used in working capital resulted primarily from an increase in receivables, net of $7.5 million due to timing of customer receipts and an increase in inventories, net of $8.4 million due to timing of inventory receipts. This was partially offset by an increase in our accounts payable and other accrued expenses of $17.1 million due to timing of payments to our vendors, as well as the accrual of $6.4 million in transition payment to our founders, which was subsequently paid during fiscal 2013.

Net cash provided by operating activities for fiscal 2011 was $21.3 million, which consisted of net income of $16.7 million, impacted by non-cash items of $16.4 million and cash used in working capital of $11.8 million. Non-cash expenses included depreciation, amortization and PIK interest expense of $8.8 million, the write-off of debt placement costs of $1.8 million, as well as a $5.8 million increase to deferred income taxes. Net cash used in working capital resulted from an increase in receivables, net of $12.2 million due to timing of customer receipts and increase in inventories, net of $2.6 million due to timing of inventory receipts. This was partially offset by an increase in our accounts payable and other accrued expenses of $3.1 million due to timing of payments to our vendors.

Net cash provided by operating activities for 2010 was $10.5 million, which consisted of net income of $9.1 million, impacted by non-cash items of $8.1 million and cash used in working capital of $6.6 million. Non-cash expenses included depreciation, amortization and PIK interest expense of $4.3 million, the write-off of debt placement costs of $0.7 million, as well as a $3.1 million increase to deferred income taxes. Net cash used in working capital primarily resulted from an increase in receivables, net of $4.4 million due to timing of customer receipts and an increase in inventories, net of $4.0 million due to timing of inventory receipts. This was partially offset by an increase in our accounts payable and other accrued expenses of $3.8 million due to timing of payments to our vendors.

Investing Cash Flow Information

	Fiscal Years			Six Months Ended	
(In thousands)	**2010**	**2011**	**2012**	**July 28, 2012**	**August 3, 2013**
				(unaudited)	**(unaudited)**
Investing Activities:					
Payments for capital expenditures	$(1,602)	$ (1,450)	$(1,821)	$ (457)	$ (3,406)
Payments for contingent purchase price	(4,475)	(58,465)	(806)	(806)	—
Cash used in investing activities	$(6,077)	$(59,915)	$(2,627)	$ (1,263)	$ (3,406)

Cash used in investing activities. Cash used in investing activities represents capital expenditures, primarily related to retail store build-outs, including leasehold improvements and store fixtures, and cash payments paid to CRL Group related to the acquisition of the Vince business as a result of achievement of performance goals as specified in the purchase agreement.

Cash used in investing activities increased $2.1 million from $1.3 million used in investing activities in the first six months of fiscal 2012 to $3.4 million used in investing activities in the first six months of fiscal 2013. The increase is primarily attributable to an increase in capital expenditures of $2.9 million as a result of timing of retail store construction.

Cash used in investing activities decreased $57.3 million from $59.9 million used in investing activities in fiscal 2011 to $2.6 million used in investing activities in fiscal 2012. The decrease is primarily attributable to the cash purchase consideration of $58.5 million paid to CRL Group related to the acquisition of the Vince business, offset by a small increase in capital expenditures.

Cash used in investing activities increased $53.8 million from $6.1 million used in investing activities in fiscal 2010 to $59.9 million used in investing activities in fiscal 2011. The decrease is due to the cash purchase consideration paid to CRL Group during fiscal 2011 related to the acquisition of the Vince business.

Financing Cash Flow Information

	Fiscal Year			Six Months Ended	
(In thousands)	2010	2011	2012	July 28, 2012	August 3, 2013
				(unaudited)	(unaudited)
Financing activities:					
Borrowing of short-term debt obligations	$ —	$ 14,900	$ —	$ —	$ —
Payments for short-term debt obligations	—	(14,900)	—	—	—
Borrowings of long-term loan obligations	22,393	79,900	30,000	30,000	5,000
Payments for debt extinguishment	—	—	(15,000)	—	—
Borrowings of revolving credit facilities	185,172	399,621	620,367	221,940	392,627
Payments for revolving credit facilities	(127,576)	(368,995)	(623,806)	(205,404)	(356,809)
Fees paid for amendments to credit facility	(3,644)	—	—	(114)	—
Fees paid for short-term debt obligations	—	(101)	—	—	—
Fees paid for revolving credit facilities	—	(2,147)	(114)	(609)	32
Fees paid for long-term loan obligations	—	(2,675)	(643)	(34)	(60)
Distributions to Kellwood Company	(80,773)	(66,959)	(30,806)	(38,185)	(29,145)
Net cash (used in) provided by financing activities	$ (4,428)	$ 38,644	$ (20,002)	$ 7,594	$ 11,645

Net cash (used in) provided by financing activities. Net cash (used in) provided by financing activities primarily relates to distributions to Kellwood Company, borrowings and repayments of certain Kellwood Company's short-term debt obligations, long-term debt obligations, revolving credit facilities, and debt issuance costs related thereto.

Historically, Kellwood Company provided all cash management functions on our behalf through a centralized treasury function. Substantially all of our cash balances were swept to Kellwood Company on a daily basis, where the cash is managed and invested by Kellwood Company. As a result, all charges from Kellwood Company are transacted through the centralized treasury function and are deemed to have been paid by us to Kellwood Company, in cash, during the period in which the charges are recorded. In addition, all of our cash receipts were advanced to Kellwood upon receipt. We consider all transactions with Kellwood Company to be financing activities, which are presented as one net amount.

Net cash provided by financing activities was $11.6 million in the first six months of fiscal 2013 due to net borrowings on the Wells Fargo Facility of $35.8 million and additional borrowings of $5.0 million on the Sun Term Loan Agreements, offset in part by distributions to Kellwood Company of $29.1 million. Net cash provided by financing activities was $7.6 million in the first six months of fiscal 2012 due to net borrowings on the Wells Fargo Facility of $16.5 million and additional borrowings of $30.0 million on the Sun Term Loan Agreements, offset in part by distributions to Kellwood Company of $38.2 million. Net cash (used in) provided by financing activities changed by $58.6 million from $38.6 million provided by financing activities in fiscal 2011 to $20.0 million used in financing activities in fiscal 2012. The change is primarily due to a decrease in net repayments on our revolving credit facilities of $3.4 million and borrowings on long-term loan obligations of $30.0 million, as well as $15.0 million in payments for debt extinguishment during fiscal 2012. This compares to net borrowings of $30.6 million on our revolving credit facilities and $79.9 million of long-term loan obligations during fiscal 2011. Finally, distributions to Kellwood Company decreased period over period. Net cash from financing activities changed by $43.1 million from $4.4 million used in financing activities in fiscal 2010

to $38.6 million provided by financing activities in fiscal 2011. This increase is primarily due to increased net borrowings of long-term loan obligations of $57.5 million in fiscal 2011 as compared to fiscal 2010, as well as an increase in fees paid for borrowings of $4.9 million period over period. This compares to $80.0 million of borrowings and $3.6 million in related fees in fiscal 2010.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of February 2, 2013, and the effect such obligations will have on our liquidity and cash flows in future periods.

AHC has substantial indebtedness. Vince, LLC is a borrower party to a significant amount of this debt, with borrowings under the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements. These debt instruments and the related interest expense are included in the Vince, LLC financial statements as Vince, LLC is a borrower party thereunder. Vince, LLC will have no obligations under such debt after giving effect to the consummation of this offering and the application of the related proceeds.

We intend to enter into a new revolving credit facility and new term loan facility in connection with the consummation of this offering and expect to incur interest expense on those at market rates prevailing at the time. We intend to borrow approximately $175 million under our new term loan facility at that time. The interest expense of this borrowing, had it been incurred on the first day of fiscal 2012 or the first day of fiscal 2013, would have been $11.4 million or $5.7 million, respectively.

	Future payments due by period(1)				
(In thousands)	Less than 1 Year	1 – 3 Years	3 – 5 Years	After 5 Years	Total
Operating lease obligations	$ 6,613	$ 13,599	$ 12,501	$17,335	$ 50,048
Employment contracts(2)	142	332	—	—	474
Purchase commitments	16	—	—	—	16
Kellwood Company's Wells Fargo Facility(3)(4)	—	79,783	—	—	79,783
Kellwood Company's long-term debt— principal and PIK interest(4)(5)	—	152,675	—	—	152,675
Kellwood Company's long-term debt—cash interest(3)(4)	—	—	—	—	—
Tax Receivable Agreement(6)	—	—	—	—	172,087
Total	$ 6,771	$ 246,389	$ 12,501	$17,335	$455,083

(1) In connection with consummation of this offering, Vince, LLC will enter into the Shared Services Agreement with Kellwood Company, LLC pursuant to which Kellwood will provide support services in various operational areas including, among other things, distribution, information technology and back office support (as described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement"). We have excluded the amounts due under such agreement as from the table herein as we cannot precisely estimate the future payments to be made thereunder and timing thereof. However, we currently expect to pay between $8.0 million to $10.0 million on an annualized basis in the near to intermediate term after consummation of the IPO for services to be provided by Kellwood under the Shared Services Agreement.

(2) We have entered into agreements with certain employees to provide for relocation benefits.

(3) The cash interest commitment excludes cash interest on the Wells Fargo Facility and Cerberus Term Loan as the agreements contain variable interest provisions for which no reliable estimate of future payment amounts can be made. In connection with the consummation of this offering, we intend to enter into a new $50 million revolving credit facility, with interest calculated at either the LIBOR or base rate with applicable margins determined by a primary pricing grid based on excess availability.

(4) Payments under these instruments will not be required in any period after consummation of this offering, as most of the net proceeds from this offering, along with the net borrowings under our new term loan facility, will be used to repay the Kellwood Note Receivable. In turn, Kellwood Company, LLC will use a portion of the proceeds from such repayment to repay, discharge or repurchase a portion of Kellwood's indebtedness (after giving effect to any indebtedness to be forgiven or a capital contribution to be made by Sun Capital or its affiliates) and will refinance certain of its other indebtedness. The remainder of such Kellwood Note Receivable proceeds will be used by Kellwood Company, LLC to (i) pay a restructuring fee equal to 1% of this offering to Sun Capital Management pursuant to the Management Services Agreement, as described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Management Fees," and (ii) pay a debt recovery bonus of up to $6.0 million to our Chief Executive

Officer, as described in "Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements." It is currently estimated that the restructuring fee described in clause (i) above and payable to Sun Capital Management in connection with this offering will total $3.1 million.

(5) The 12.875% Notes, which totaled $143.2 million in aggregate principal amount (including capitalized PIK interest) as of February 2, 2013, are guaranteed by various AHC subsidiaries on a secured basis, including Vince, LLC. This security interest is contractually subordinated to security interests of lenders under the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements. The 12.875% Notes contain certain customary provisions that, among other things, limit the ability of Kellwood Company and its restricted subsidiaries, which include Vince, LLC, to incur additional indebtedness, make certain restricted payments, dispose of assets or redeem or repurchase capital stock or prepay subordinated indebtedness. In the event that Kellwood Company fails to satisfy any of its obligations thereunder, Vince, LLC, as a subsidiary guarantor, shall be jointly and severally liable to satisfy such obligations (along with the other guarantors), until such time as its guarantee is discharged or released, which will occur in connection with the consummation of this offering. All issued and outstanding 12.875% Notes will be redeemed after the consummation of this offering, using a portion of the proceeds from the repayment of the Kellwood Note Receivable.

(6) In connection with the consummation of this offering, Vince Holding Corp. will enter into the Tax Receivable Agreement with the Pre-IPO Stockholders (as described in "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement"). Although Vince, LLC is not the obligor under such agreement, we have included the total amount estimated to be due. We cannot, however, reliably estimate in which future periods these amounts would become due. The amount set forth in this line represents 85% of the value of these net tax assets.

Inflation

While inflation may impact our sales and cost of goods sold, we believe the effects of inflation on our results of operations and financial condition are not significant. We cannot assure you, however, that our results of operations and financial condition will not be materially impacted by inflation in the future.

Quantitative and Qualitative Disclosures About Market Risk

We do not believe that foreign currency risk, commodity price or inflation risks are expected to be material to our business or our consolidated financial position, results of operations or cash flows. All of our foreign sales and purchases are made in U.S. dollars. We will enter into a new $50 million revolving credit facility and a new $175 million term loan facility in connection with the consummation of this offering, with interest calculated at the Eurodollar rate (subject to a 1.00% floor) plus 5.00% or the base rate (subject to a 2.00% floor) plus 3.00%. A 10% increase or decrease to the interest rate applicable to our new term loan facility would increase or decrease our annual interest expense on the $175 million of indebtedness to be outstanding thereunder after the consummation of this offering by $1.1 million. While we are still in preliminary discussions with potential arrangers and lenders with respect to the terms of the new credit facilities, interest thereunder will accrue at a specified floating rate plus a specified margin. We do not anticipate that interest rate changes thereunder will affect the fair market value of such indebtedness but will impact future earnings and cash flows, assuming other factors are held constant, as we do not expect to enter into interest rate hedges with respect to these new credit facilities.

Off-Balance Sheet Arrangements

Vince, LLC did not maintain any off-balance sheet arrangements during fiscal 2010, fiscal 2011, fiscal 2012 or the first six months of fiscal 2013.

Critical Accounting Policies and Estimates

Revenue Recognition . Sales are recognized when goods are shipped in accordance with customer orders for the wholesale and e-commerce businesses, and at the time of sale to consumer for the retail business. The estimated amounts of sales discounts, returns and allowances are accounted for as reductions of sales when the associated sale occurs. These estimated amounts are

adjusted periodically based on changes in facts and circumstances when the changes become known. Accrued discounts, returns and allowances are included as an offset to accounts receivable in the Vince, LLC's audited financial statements included elsewhere in this prospectus.

Accounts Receivable—Reserves for Allowances. Accounts receivable are recorded net of allowances for expected future chargebacks and margin support from wholesale partners. It is the nature of the apparel industry that suppliers like us face significant pressure from wholesale partners in the retail industry to provide allowances to compensate for their margin shortfalls. This pressure often takes the form of customers requiring us to provide price concessions on prior shipments as a prerequisite for obtaining future orders. Pressure for these concessions is largely determined by overall retail sales performance and, more specifically, the performance of our products at retail. To the extent our wholesale partners have more of our goods on hand at the end of the season, there will be greater pressure for us to grant markdown concessions on prior shipments. Our accounts receivable balances are reported net of expected allowances for these matters based on the historical level of concessions required and our estimates of the level of markdowns and allowances that will be required in the coming season in order to collect the receivables. We evaluate the allowance balances on a continual basis and adjust them as necessary to reflect changes in anticipated allowance activity. We also provide an allowance for sales returns based on historical return rates.

Accounts Receivable—Allowance for Doubtful Accounts. We maintain an allowance for doubtful accounts receivable for estimated losses resulting from wholesale partners that are unable to meet their financial obligations. Our estimation of the allowance for doubtful accounts involves consideration of the financial condition of specific customers as well as general estimates of future collectability based on historical experience and expected future trends. The estimation of these factors involves significant judgment. In addition, actual collection experience, and thus bad debt expense, can be significantly impacted by the financial difficulties of as few as one customer.

Inventory Valuation . Inventory values are reduced to net realizable value when there are factors indicating that certain inventories will not be sold on terms sufficient to recover their cost. Our products can be classified into two types: replenishment and non-replenishment. Replenishment items are those basics that are not highly seasonal or dependent on fashion trends. The same products are sold by retailers 12 months a year and styles evolve slowly. Retailers generally replenish their stocks of these items as they are sold. Only a relatively small portion of our business involves replenishment items.

The majority of our products consist of items that are non-replenishment as a result of being tied to a season. For these products, the selling season generally ranges from three to six months. The value of this seasonal merchandise might be sufficient for us to generate a profit over its cost throughout the season, but after its season a few months later the same inventory might be saleable at less than cost. The value may rise again the following year when the season in which the goods sell approaches—or it may not, depending on the level of prior year merchandise on the market and on year-to-year fashion changes.

The majority of out-of-season inventories may be sold to off-price retailers and other customers who serve a customer base that will purchase prior year fashions in addition to liquidation through our Vince outlets. The amount, if any, that these customers will pay for prior year fashions is determined by the desirability of the inventory itself as well as the general level of prior year goods available to these customers. The assessment of inventory value, as a result, is highly subjective and requires an assessment of the seasonality of the inventory, its future desirability, and future price levels in the off-price sector.

Many of our products are purchased for and sold to specific customers' orders. Others are purchased in anticipation of selling them to a specific customer based on historical trends. The loss of

a major customer, whether due to the customer's financial difficulty or other reasons, could have a significant negative impact on the value of the inventory expected to be sold to that customer. This negative impact can also extend to purchase obligations for goods that have not yet been received. These obligations involve product to be received into inventory over the next one to six months.

Deferred Rent and Deferred Lease Incentives. We lease various office spaces, showrooms and retail stores. Many of these operating leases contain predetermined fixed escalations of the minimum rentals during the original term of the lease. For these leases, we recognize the related rental expense on a straight-line basis over the life of the lease and record the difference between the amount charged to operations and amounts paid as deferred rent. Certain of our retail store leases contain provisions for contingent rent, typically a percentage of retail sales once a predetermined threshold has been met. These amounts are expensed as incurred. Additionally, we received lease incentives in certain leases. These allowances have been deferred and are amortized on a straight-line basis over the life of the lease as a reduction of rent expense.

Fair Value Assessments of Goodwill and Other Intangible Assets . Goodwill and other indefinite-lived intangible assets are tested for impairment at least annually and in an interim period if a triggering event occurs. We completed our annual impairment testing on our goodwill and indefinite-lived intangible assets during the fourth quarters of fiscal 2010, fiscal 2011 and fiscal 2012.

Goodwill represents the excess of the cost of acquired businesses over the fair market value of their identifiable net assets. As the acquisition by Kellwood Company of the net assets of Vince occurred prior to the current requirements of ASC Topic 805 *Business Combinations* , the additional purchase consideration paid to the former owners of Vince subsequent to the acquisition date was recorded as an addition to the purchase price, and therefore goodwill, once determined.

In September 2011, the Financial Accounting Standards Board ("FASB") issued an amendment to ASC Topic 350 *Intangibles-Goodwill and Other* . Under this amendment, an entity may elect to perform a qualitative impairment assessment for goodwill. If adverse trends are identified during the qualitative assessment that indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative impairment test is required. "Step one" of this quantitative impairment test requires that the fair value of the reporting unit be estimated and compared to its carrying amount. If the carrying amount exceeds the estimated fair value of the asset, "step two" of the impairment test is performed to calculate the impairment loss. An impairment loss is recognized to the extent the carrying amount of the reporting unit exceeds the implied fair value.

An entity may pass on performing the qualitative assessment for a reporting unit and directly perform "step one" of the assessment. This determination can be made on an asset by asset basis, and an entity may resume performing a qualitative assessment in subsequent periods. The amendment is effective for annual and interim impairment tests for goodwill performed for fiscal years beginning after December 15, 2011. We adopted this amendment during fiscal 2012.

In fiscal 2012, we performed a qualitative assessment on the goodwill and determined that it was more likely than not that the carrying value of the reporting unit was greater than the fair value. In fiscal 2011, we performed "step one" of the impairment test for the goodwill rather than electing early adoption of the guidance noted above due to the additional capitalized contingent purchase price. We estimated the fair value of the reporting unit primarily based on an income approach, which uses discounted cash flow assumptions. The implied fair value of the reporting unit exceeded the book value. As such, we were not required to perform "step two" of the impairment test.

In July 2012, FASB issued Accounting Standards Update No. 2012-02, Intangibles—Goodwill and Other (Topic 350): *Testing Indefinite Lived Assets for Impairment* . Under this amendment, an entity may elect to perform a qualitative impairment assessment for indefinite-lived intangible assets similar to the goodwill impairment testing guidance discussed above.

An entity may pass on performing the qualitative assessment for an indefinite-lived intangible asset and directly perform “step one” of the assessment. This determination can be made on an asset by asset basis, and an entity may resume performing a qualitative assessment in subsequent periods. The amendment is effective for annual and interim impairment tests for indefinite-lived intangible assets performed for fiscal years beginning after September 15, 2012. We early adopted this amendment during fiscal 2012.

In fiscal 2012, we elected to perform a qualitative assessment on indefinite-lived intangible assets and determined that it was more likely than not that the carrying value of the assets exceeded the fair value. In fiscal 2011, we performed “step one” of the impairment test for indefinite-lived intangible assets. We estimated the fair value of the indefinite-lived assets primarily based on a relief from royalty model, which uses revenue projections, royalty rates and discount rates to estimate fair value. The implied fair value of the assets exceeded the book value, as such we were not required to perform “step two” of the impairment test.

Determining the fair value of goodwill and other intangible assets is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates and operating margins, discount rates and future market conditions, among others. It is possible that estimates of future operating results could change adversely and impact the evaluation of the recoverability of the carrying value of goodwill and intangible assets and that the effect of such changes could be material.

Definite-lived intangible assets are comprised of customer relationships and are being amortized on a straight-line basis over their useful lives of 20 years.

Provision for income taxes . We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities at enacted rates. We determine the appropriateness of valuation allowances in accordance with the “more likely than not” recognition criteria. We recognize tax positions in our consolidated balance sheets as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with tax authorities assuming full knowledge of the position and all relevant facts.

Our operating results have historically been included in the U.S. federal and state income tax returns for AHC. Provision for income taxes in the Vince, LLC financial statements have been determined on a stand-alone basis (i.e., on a “separate return” basis). As such, we are required to assess the realization of our net deferred tax assets, the need for a valuation allowance and judgments on the recognition of tax benefits based on our own facts and circumstances and exclude from that assessment any impact of the overall results of AHC. We believe the assumptions underlying the allocation of income taxes are reasonable; however the amounts allocated for income taxes in the Financial Statements are not necessarily indicative of the income taxes that would have been recorded had Vince been a separate, stand-alone entity during the periods presented.

Recent Accounting Pronouncements

In September 2011 and July 2012, the FASB issued amendments to the *Intangibles-Goodwill and Other* topic of ASC. Under these amendments, an entity may elect to perform a qualitative impairment assessment for goodwill and indefinite-lived intangible assets. We adopted the provisions of these new standards during fiscal 2012.

VINCE BUSINESS

Vince is a prominent, high-growth contemporary apparel brand known for its modern, effortless style and everyday luxury essentials. The Vince brand is synonymous with a clean, timeless aesthetic, sophisticated design and superior quality. We believe these attributes have generated strong customer loyalty and allow us to hold a distinctive position among contemporary apparel brands. We also believe that we will achieve continued success by expanding our product assortment and distributing this expanded product assortment through our premier wholesale partners in the U.S. and select international markets, as well as through our growing number of branded retail locations and on our e-commerce platform.

The Vince brand was founded in 2002 with a collection of stylish women's knits and cashmere sweaters that rapidly attracted a loyal customer base drawn to the casual sophistication and luxurious feel of our products. Over the last decade, Vince has generated strong sales momentum and has successfully grown to include a men's collection in 2007, expanded denim, leather and outerwear lines in 2010 and women's footwear, which was launched through a licensing partnership in 2012. Led by an experienced management team, Vince is evolving from a U.S. wholesale-driven women's apparel business to a global, dual-gender, multi-channel lifestyle brand. We believe we have significant and visible growth opportunities that include:

- expanding the brand's appeal with new product offerings;
- increasing wholesale penetration and productivity in premier department stores and specialty stores;
- opening new retail locations and improving productivity in existing Vince stores;
- growing our e-commerce business;
- selectively adding new points of distribution globally; and
- building brand awareness to attract new customers.

We serve our customers through a variety of channels that reinforce the Vince brand image. Our diversified channel strategy allows us to introduce our products to customers through multiple distribution points that are reported in two segments: wholesale and direct-to-consumer. Our wholesale segment is comprised of sales to premier department stores and specialty stores in the U.S. and in select international markets, with U.S. wholesale representing 76% of our fiscal 2012 sales and 70.4% of our sales in the first six months of fiscal 2013. We believe that our success in the U.S. wholesale segment and strong relationships with premier wholesale partners provide opportunities for continued growth. These growth initiatives include creating enhanced product assortments and brand extensions through both in-house development activities and licensing arrangements, as well as by continuing the build-out of Vince branded shop-in-shops in select wholesale partner locations. We also believe international wholesale, which represented 8% of net sales for fiscal 2012 and 10.3% of our net sales for the first six months of fiscal 2013, presents a significant growth opportunity as we strengthen our presence in existing geographies and introduce Vince in new markets globally.

In 2008, we began to broaden our distribution beyond the wholesale channel with the opening of our first retail store. Since then, we have expanded our direct-to-consumer presence, and as of October 5, 2013, we operated 27 stores, which consist of 21 full-price retail stores and six outlet locations. Based on a combination of third-party analyses and internal projections, we believe the U.S. market can currently support at least 100 free-standing Vince store locations. The direct-to-consumer segment also includes our website, *www.vince.com* , which was launched in 2008. The direct-to-consumer segment accounted for 15.5% of fiscal 2012 net sales and 19.3% of net sales in the first six months of fiscal 2013, and we expect sales from this channel to accelerate as we drive productivity in existing stores, open new stores and upgrade and re-launch our website in 2014.

The strength of the Vince brand is exhibited through our growth trajectory:

- Total net sales of $111.5 million, $175.3 million and $240.4 million in fiscal 2010, fiscal 2011 and fiscal 2012, respectively, representing year-over-year growth of 57.2% in fiscal 2011 and 37.1% in fiscal 2012, and total net sales of $90.5 million and $114.7 million in the first six months of fiscal 2012 and fiscal 2013, respectively, representing growth of 26.6% between the first six months of fiscal 2012 and fiscal 2013;
- Comparable store sales growth of 9.3%, 7.6% and 23.1% in fiscal 2010, fiscal 2011 and fiscal 2012, respectively, and of 13.9% and 31.7% in the first six months of fiscal 2012 and fiscal 2013, respectively;
- Adjusted EBITDA of $23.6 million, $44.2 million and $51.5 million in fiscal 2010, fiscal 2011 and fiscal 2012, respectively, representing year-over-year growth of 86.9% in fiscal 2011 and 16.6% in fiscal 2012, and Adjusted EBITDA of $15.3 million and $21.5 million in the first six months of fiscal 2012 and fiscal 2013, respectively, representing growth of 40.9% between the first six months of fiscal 2012 and fiscal 2013. See “Supplemental Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC—Non-GAAP Financial Measures” for the definition of Adjusted EBITDA and a reconciliation from net income to Adjusted EBITDA; and
- Net income of $9.1 million, $16.7 million and $10.3 million in fiscal 2010, fiscal 2011 and fiscal 2012, respectively, and net income of $1.2 million and $2.4 million in the first six months of fiscal 2012 and fiscal 2013, respectively.

Kellwood and Vince are both currently owned by the Pre-IPO Stockholders. After consummation of this offering, we will continue to have an ongoing relationship with Kellwood through the Shared Services Agreement, which will set out various services, such as distribution, information technology and back office support that Kellwood will provide us after this offering. These services will allow us to continue to benefit from Kellwood’s infrastructure, providing us with the necessary capabilities needed to meet the growing operational needs of our business. We have also agreed to pay 85% of the future tax benefits we expect to realize as a result of certain tax attributes related to the non-Vince businesses to the Pre-IPO Stockholders. See “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Tax Receivable Agreement.”

Our Competitive Strengths

Differentiated Brand for Everyday Luxury Essentials. We believe that the Vince brand holds a distinct position in today’s marketplace driven by a premium product assortment that combines sophisticated comfort with contemporary and timeless fashion that can be worn virtually everyday. The Vince brand is distinguished by a refined, modern aesthetic with superior quality and attention to detail and fit. Our assortment features luxurious basics such as cashmere sweaters and silk blouses as well as more fashion-forward offerings including leather jackets, leather and suede leggings and fur-trimmed coats and vests. The premium nature of the Vince brand is reinforced through our highly selective wholesale partnerships with premier department stores and specialty stores and a retail strategy designed to ensure a consistent brand presentation and enhanced customer experience. We believe the enduring fashion and effortless style of the Vince brand, coupled with a pricing strategy that positions us as an affordable luxury, have created strong and proven global appeal.

Exceptional Customer Loyalty and Reach. The quality, consistency and design of our products have attracted a loyal following among style-savvy consumers across a broad age demographic. Based on a 2012 third-party survey that we commissioned among 500 qualified consumers, Vince has high levels of brand affinity and purchase intent. Among women surveyed who are aware of Vince, 41% express that they “love” the brand, and 35% report that they are “highly likely” to purchase the

brand within the next six months, representing the highest levels of affinity and purchase intent compared to 20 other peer brands included in the survey. While our target customer is between the ages of 30 and 50, we have successfully attracted fashion-conscious customers as young as 18 and customers over 55 who appreciate our brand's sophistication and design aesthetic.

Established Network of Premier Wholesale Partners . Vince is a leading brand in premier U.S. department stores, including Nordstrom, Saks Fifth Avenue, Neiman Marcus and Bloomingdale's, as well as in select specialty stores nationwide. Based on industry experience we believe that in the majority of these U.S. department stores, Vince was a top selling brand on the contemporary floor in fiscal 2012 and the first six months of fiscal 2013. Our product offerings and brand also resonate with customers outside the U.S., as demonstrated by the strong growth experienced through premium international stores including Harrods and Harvey Nichols in both these periods and by Lane Crawford in the first six months of fiscal 2013. Our wholesale relationships enable us to gain access to a geographically diverse consumer base while simultaneously increasing awareness of the Vince brand. We are implementing initiatives to further drive wholesale productivity, including product line extensions and the transformation of additional Vince product displays at select department stores into branded shop-in-shops. By utilizing targeted strategies to capture additional dedicated floor space, we believe we can better showcase the Vince lifestyle and offer consumers a more personalized shopping experience while helping to ensure the consistency of the brand image through customized visual elements.

Scalable and Flexible Retail Format. We opened our first retail location in 2008 and have since grown our retail footprint in the U.S. to a total of 27 stores, which consist of 21 full-price retail stores and six outlet locations, as of October 5, 2013. Our stores offer a personalized, service-oriented shopping experience in a boutique setting that reflects the lifestyle and modern aesthetic of the brand. We have a proven and flexible full-price retail format that targets both street and mall locations. These locations are selected based on rigorous financial, geographic and demographic criteria, and can accommodate both dual and single gender assortments. Our three outlet stores allow us to extend our reach to additional consumer groups. The strength of our retail channel is evidenced by the revenue growth across our existing store base, with 9.3%, 7.6% and 23.1% comparable store sales growth in fiscal 2010, fiscal 2011 and fiscal 2012, respectively, and 31.7% comparable store sales growth in the first six months of fiscal 2013. Given the increasing scale of our retail operations, we continue to invest in our infrastructure and appointed a new Senior Vice President, Retail and E-Commerce, in June 2012, to drive growth across our direct-to-consumer segment.

Experienced Management Team. We have assembled a world-class management team with extensive experience across a broad range of disciplines including global brand building, merchandising, marketing, design, operations, retail, international, licensing and finance. Our highly skilled team is led by our CEO, Jill Granoff, who was previously CEO of Kenneth Cole Productions, our President and Chief Creative Officer, Karin Gregersen, who was previously Managing Director of Chloé/Richemont Americas, and our CFO, Lisa Klinger, who was previously CFO of The Fresh Market. Our CEO and CFO bring public company experience and, along with our President, are committed to the expansion of the brand and the profitable growth of the company.

Growth Strategy

Capitalize on New and Existing Product Opportunities. We believe there are significant opportunities to capitalize on our strong customer loyalty and growing customer base by enhancing our current product assortment and introducing new product categories in order to provide additional reasons to shop the Vince brand. We plan to build sales of existing product categories by elevating our men's collection, expanding our denim and outerwear collections, increasing our assortment of women's bottoms and dresses and implementing a replenishment program for core items. Additionally,

we continue to identify new product categories that will allow us to capture incremental share from existing customers and attract new customers. Categories already identified include handbags and leather accessories, which we anticipate launching in 2015, as well as more tailored collections for women and men. We also entered into a licensing agreement for women's footwear, which launched in 2012, and signed a licensing agreement in 2013 for the launch of children's apparel in 2014. We also anticipate launching men's footwear in 2014 through a licensing partner. We will continue to explore additional licensing opportunities for select categories requiring specialized expertise, such as intimates/loungewear, men's footwear and fashion accessories.

Increase Wholesale Penetration. In fiscal 2012 and the first six months of fiscal 2013, we grew our wholesale net sales in the U.S. by 35% compared to fiscal 2011. This revenue growth exceeded our growth of 17% in the number of wholesale doors during the same period, which illustrates our ability to improve productivity within existing locations. We believe we can continue to increase wholesale net sales by enhancing assortments in existing product categories, introducing new product categories and improving our visual presentation, space layout and fixtures. Working with our wholesale partners, we are planning to open 15 to 20 new branded shop-in-shops in fiscal 2013 and believe there is a an attractive opportunity to open additional shop-in-shops in 2014 and beyond. These shop-in-shops underscore the commitment of our wholesale partners to the Vince brand and are expected to generate a sales lift as we can better showcase the Vince lifestyle via customized presentations with branded fixtures and utilize a staff that is trained to offer a more elevated retail shopping experience.

Accelerate Growth of U.S. Direct-to-Consumer Segment. As of October 5, 2013, we operated 27 stores, which consist of 21 full-price retail stores and six outlet locations. Based on a combination of third-party analyses and internal projections, we believe the U.S. market can currently support at least 100 Vince free-standing store locations. We plan to double our current store base over the next three to five years, including opening net six new stores in fiscal 2013. Our new full-price store model ranges from 2,000 to 3,000 gross square feet, and we target a payback period on our new store investments of two to three years. In addition to new store expansion, we also have an opportunity to increase productivity in our existing stores through enhanced merchandising with a focus on a broad lifestyle presentation, personalized customer service strategies, the launch of new product categories, improved inventory management and the expansion of made-for-outlet product. We believe our e-commerce strategy, which is focused on increasing brand awareness, customer traffic and conversion, creates additional opportunities for growth. As a component of this strategy, we intend to upgrade and re-launch our *www.vince.com* website in 2014 to offer a more compelling shopping experience and richer content to allow consumers to more fully engage with the brand on a more frequent basis.

Expand Our International Business. Given increasing worldwide demand for affordable luxury goods, targeted international expansion represents a compelling growth opportunity. Our success in our current international markets demonstrates how our modern, sophisticated style resonates globally. Vince products are currently sold in 43 countries, either directly to premier department and specialty stores, or through distribution relationships with highly-regarded international partners with exclusive rights to certain territories. As of October 5, 2013, we had eight international shop-in-shops. We believe we can increase international sales by supplementing existing distribution partnerships, increasing wholesale penetration and productivity and selectively adding retail locations with current and prospective partners in attractive international markets including Canada, select European countries, Asia and the Middle East.

Build Our Brand Awareness. Vince has a significant opportunity to increase brand awareness and drive incremental sales. Based on a 2012 third-party consumer survey we commissioned, Vince has aided brand awareness of 20% compared to 30% to 50% for other contemporary brands and approximately 75% to 90% for brands like Michael Kors, Diane von Furstenburg and Ralph Lauren. Aided brand awareness is when a respondent indicates recognition of a specific brand from a list of

possible names presented by those conducting the survey instead of indicating recognition of a specific brand without being offered a list of potential responses. Our low awareness level, coupled with the high affinity and purchase intent we have among existing consumers, underscores what we believe is a significant growth opportunity to convert potential new customers to loyal brand enthusiasts. To address this opportunity, we intend to increase our marketing investment across a range of strategic initiatives including cooperative advertising with wholesale partners, print media, digital media, editorial coverage, direct mail, search engine optimization, social media initiatives, targeted product placement, celebrity outreach and in-store events. We also believe our brand awareness will increase as we open new retail stores in prominent, high-visibility locations, increase the number of shop-in-shops at our wholesale partner locations and upgrade and re-launch our *www.vince.com* website.

Our Market Opportunity

We operate in the global personal luxury goods industry. According to the Bain Studies, which defines such market to include design, hospitality, wines & spirits, foods, cars and yachts:

- the global personal luxury goods market grew at a compound annual growth rate of 11% for fiscal 2010 through fiscal 2012 (the periods through which we disclose summary historical financial data in this prospectus);
- the global personal luxury goods market is expected to grow at approximately 4% to 5% in 2013, and at a 5% to 6% compounded annual growth rate over the next few years, reflecting a growing middle class possessing increased purchasing power in select international markets, increased demand for higher-end apparel and leather goods, and growing demand for luxury goods in China and South-East Asia;
- within the global personal luxury goods market, apparel and accessories are the largest categories, accounting for 26% and 27%, respectively, of total spending as of 2012; and
- the global luxury apparel category grew at an annual growth rate of 10%, with estimated sales of approximately $68 billion, in 2012.

According to the Bain Studies, the global women's ready-to-wear category totaled $33 billion in 2011, an 8% increase from 2010, driven by outperformance of strong brands and fashion trends including furs and fur-wear. The global men's ready-to-wear category totaled $32 billion in 2011, a 9% increase from 2010, as more brands, department stores and online players focused on men through dedicated concepts. We believe we are well positioned to continue to benefit from growth in both categories as we enhance our existing product offerings and expand into new categories in both women's and men's apparel.

In addition, according to the Bain studies, the Americas luxury market grew at an annual growth rate of 5%, with estimated sales of approximately $81 billion in 2012. U.S. growth continues to be driven by increased consumer confidence, the growing importance of omni-channel shopping, strong performance of department stores, the main personal luxury distribution channel where we have a strong presence, and increased tourist and destination-based shopping for luxury goods. We believe we are well-positioned to continue to take market share in the U.S. market as we expand our product assortment and grow our store base.

Company History

Vince was founded in Los Angeles in 2002 by Rea Laccone and Christopher LaPolice. In 2006, the Vince business was sold to Kellwood Company, which was later acquired by affiliates of Sun Capital in 2008. Over the last decade, Vince has experienced strong sales momentum and has begun

to evolve from a U.S. wholesale-driven women's apparel business into a global dual-gender, multi-channel lifestyle brand. This is evidenced by our successful expansion into new product categories, the growth of our direct-to-consumer business, and the acceptance and appeal of the Vince brand in many international markets. In order to prepare for the next phase of growth, we carefully planned and orchestrated a management transition and built our retail, wholesale and international teams to enhance our talent and capabilities. Key leadership appointments are outlined below:

- Jill Granoff as CEO, bringing over 25 years of industry and strategic leadership experience, including most recently as CEO of Kenneth Cole Productions. Ms. Granoff previously held senior executive roles at Liz Claiborne, Victoria's Secret and Estée Lauder;
- Lisa Klinger as CFO, bringing 24 years of relevant financial experience, including most recently as the EVP—CFO of The Fresh Market where she helped to lead The Fresh Market through its successful IPO in 2010. Ms. Klinger previously held senior financial management positions at Michaels Stores and Limited Brands; and
- Karin Gregersen as President and Chief Creative Officer, bringing 19 years of industry experience in the designer and contemporary segments, including most recently as Managing Director of Chloé/Richemont Americas. Ms. Gregersen brings creative, merchandising, marketing and new business development expertise that will support Vince's continued evolution into a global lifestyle brand.

Our Brand and Products

Since our inception in 2002, we have offered contemporary apparel with a focus on clean and authentic design and superior quality. We believe that our differentiated design aesthetic and strong attention to detail and fit allow us to maintain premium pricing, and that the combination of quality and value positions Vince as an everyday luxury brand that encourages repeat purchases among our customers.

Over 85% of Vince's net sales were comprised of women's products with particular strength in sweaters and knit tops in fiscal 2012 and the first six months of fiscal 2013. Our women's line includes seasonal collections of luxurious cashmere sweaters and silk blouses, leather and suede leggings and jackets, dresses, denim, tanks and t-shirts and a growing assortment of outerwear. Our men's collection includes t-shirts, woven tops, sweaters, denim, pants, blazers, outerwear and stylish leather jackets.

We have identified additional brand extension opportunities, including elevating and expanding our men's collections, denim offerings, outerwear, women's bottoms and dress product lines and implementing a replenishment program for core items. In addition to apparel, we currently offer women's footwear through a licensing arrangement and are preparing to launch children's apparel in 2014 with another licensing partner. We also anticipate launching men's footwear in 2014 through a licensing partner. We are also evaluating other brand extension opportunities through both in-house development activities and licensing arrangements with third parties.

Business Segments

Wholesale Segment

We began in 2002 as a wholesale business, and we continue to sell our products through premier department stores and select specialty stores in the U.S. and targeted international markets. Wholesale distribution is an important component of our overall strategy as it provides access to customers in a variety of geographic areas. Our three largest wholesale partners, which include

Nordstrom, Saks Fifth Avenue and Neiman Marcus, each accounted for more than 10% of our total revenue for fiscal 2011, 2012 and the first six months of fiscal 2013. We work closely with our wholesale partners to ensure consistent product presentation across all channels. We do not have written agreements with any of these wholesale partners. Prices are set by the company and communicated to accounts during market. As such, purchases from our wholesale partners generally occur on an order-by-order basis. As a result we generally have less certainty into our required levels of inventory and run a greater risk of producing unsalable inventory than if we were creating such products under long term contractual commitments. We believe, however, that operating on a purchase order basis is very common in the apparel industry and that the timeless nature of our fashions helps partially insulate us from this risk. Between fiscal 2010 and 2012, we grew our wholesale business more than 30% annually, with the entire wholesale segment accounting for $203.1 million, or 84.5% of total net sales, in fiscal 2012. We grew our wholesale business more than 18.6% between the first six months of fiscal 2012 and the first six months of 2013, with the entire wholesale channel accounting for $92.6 million, or 80.7% of total net sales, during the first six months of fiscal 2013.

United States. Premier department stores and select specialty stores are a significant distribution channel in the U.S. for Vince. Our top four wholesale partners, based on sales, are Nordstrom, Saks Fifth Avenue, Neiman Marcus and Bloomingdale's. We believe we have significant opportunities to increase our wholesale productivity through enhanced product assortments, brand extensions and the build-out of shop-in-shops in select locations. As of October 5, 2013 we had seven shop-in-shops with our U.S. wholesale partners. We expect to add 15 to 20 new shop-in-shops in fiscal 2013, and we believe there is continued opportunity to open additional shop-in-shops with key wholesale partners in fiscal 2014 and beyond.

International . We believe the Vince brand, with its distinctive designs, sophisticated comfort and superior quality, resonates with customers globally, and, based on sales in recent periods, we believe that international expansion offers a significant growth opportunity. Vince products are currently sold in 43 countries. As of October 5, 2013, we had eight international shop-in-shops. We have established direct wholesale relationships with premier department stores, such as Harrods, Harvey Nichols and Lane Crawford, specialty stores and highly-regarded distribution partners with exclusive rights to certain territories outside the U.S. We do not have written agreements with our international wholesale partners who buy from us on a purchase order basis. We do, however, have multi-year written agreements in place with our distribution partners which outline certain business terms, including but not limited to defining the territories outside of the U.S. in which the distributor has exclusive distribution rights, any minimum product purchase amounts and advertising levels and circumstances under which the relationship may be terminated. We believe we can continue to drive growth in our current markets such as Canada, select European countries, Asia and the Middle East by improving our wholesale penetration and productivity and selectively adding new retail locations. We are also pursuing attractive growth opportunities in new geographies such as the Middle East and select European countries where we plan to supplement and elevate our existing presence by forming strategic alliances with highly regarded distribution partners.

Licensing . We believe the establishment of strong licensing partnerships will be a contributor to future growth. In fiscal 2012, we signed our first licensing agreement for Vince footwear, a segment which we believe offers significant growth potential. Our footwear is sold in our own stores and by our licensee to select wholesale partners, and we earn a royalty based on total net sales through our wholesale partners. We are continuously evaluating new licensing opportunities for categories requiring specialized expertise to accelerate the growth of our brand. We have signed a licensing agreement to launch children's apparel in 2014. We also anticipate launching men's footwear in 2014 through a licensing partner. We are, and will continue to be, integrally involved in the design of all our licensed products and the approval of related marketing, distribution and other branding decisions.

Direct-to-Consumer Segment

Our direct-to-consumer segment is critical to expanding brand recognition and reinforcing the Vince image. It also presents a key near-term growth opportunity in the U.S. The direct-to-consumer segment currently generates sales through full-price retail stores, outlet stores and our e-commerce platform. We opened our first retail store in 2008, and as of October 5, 2013, we operated 27 stores, which consist of 21 full-price retail stores and six outlet locations. Our retail stores, together with our website, collectively accounted for $37.2 million, or 15.5%, of total net sales in fiscal 2012 and accounted for $22.1 million, or 19.3%, of total net sales in the first six months of fiscal 2013. We plan to double our store base over the next three to five years, including opening net six new stores in fiscal 2013. Based on a combination of third-party analyses and internal projections, we believe the U.S. market can currently support at least 100 free-standing Vince store locations. In addition, we have built a successful and growing e-commerce business that allows us to expand our customer base and to market and distribute Vince products more broadly and cost-effectively. We believe our e-commerce channel, including mobile technology, represents a key growth driver over the mid- to long-term.

Full-Price Retail . Our full-price retail stores offer a personalized, service-oriented shopping experience in a boutique setting that reflects the clean, modern aesthetic of the brand. Our new stores are designed by the world-class design firm Marmol Radziner, known for its award-winning retail spaces. Vince boutiques combine sophisticated, elevated design elements such as warm lighting and rich palettes that include reclaimed oak floors, leather, suede and velvet upholstery as well as architectural wood and metal cube fixtures that showcase our product. Our stores carry a wide range of women's, and in some cases men's, merchandise and provide a venue in which to test new products and brand extension initiatives. Vince retail stores are strategically selected to best position the brand and avoid cannibalization with the wholesale segment while also maximizing foot traffic among our targeted demographics. Our full-price retail stores are located on high-end shopping streets and in upscale shopping malls. Our new full-price store model ranges from 2,000 to 3,000 gross square feet, and we target a payback period on our new store investments of two to three years.

Outlet . Our outlet stores provide us with an opportunity to reach additional customer segments and also act as a vehicle to sell excess and seasonal inventory outside of our full-price wholesale and retail channels, while controlling the product pricing, presentation and customer experience in a brand-right manner. We currently operate five outlet locations in premium outlet centers. We believe we have significant opportunity to grow our outlet store business through the combination of new store openings and improved productivity in existing outlet locations by introducing enhanced product assortments, including products specifically designed for the outlet channel.

E-Commerce . We launched our website, *www.vince.com* , in 2008 and achieved 103% sales growth in fiscal 2012 compared to fiscal 2011 and 68.9% sales growth in the first six months of fiscal 2013 compared to the first six months of fiscal 2012. We are preparing to upgrade and re-launch our website in 2014 to enhance the customer experience through improved website functionality and product presentation, a greater focus on head-to-toe styling and the introduction of editorial content to increase customer engagement and visit frequency. Our website serves as an extension of the Vince brand, allowing us to market directly to consumers, and acts as a storefront where consumers can find the entire Vince collection.

Design and Merchandising

Our product design and merchandising efforts are led by our President and Chief Creative Officer, Karin Gregersen, and a team of designers and merchandisers based in Los Angeles. Ms. Gregersen has extensive experience in the designer and contemporary markets and oversees our design and merchandising teams. Led by Ms. Gregersen, our design team is focused on developing an elevated collection of Vince apparel and accessories that build upon the brand's product heritage of

modern, effortless style and everyday luxury essentials. The current design vision is to create a cohesive and compelling lifestyle product assortment with sophisticated head-to-toe looks for multiple wear occasions. Our design efforts are supported by well-established product development and production teams and processes that allow us to bring new products to market quickly. We are looking to further build our merchant capabilities and believe continued collaboration between design and merchandising will ensure we respond to consumer preferences and market trends with new innovative product offerings while maintaining our core fashion foundation.

Marketing, Advertising and Public Relations

We use marketing, advertising and public relations as critical tools to deliver a consistent brand message. Our marketing is focused on showcasing our product and a sophisticated style, as well as building an emotional connection with the customer. The Vince brand image is developed and cultivated by dedicated creative marketing, visual merchandising and public relations teams that, along with the Vince design team and select outside agencies, work closely to ensure consistency of the brand message across various consumer touchpoints.

We engage in a wide range of direct marketing programs that include traditional media (direct mail, print advertising, cooperative advertising with wholesale partners and outdoor advertising), digital media (email, web) and social media (Facebook, Instagram and Pinterest) to drive traffic across channels. We believe our customers will continue to be receptive to our marketing and social media efforts, which, in management's opinion, have presented us with a strong new marketing channel to reach existing and prospective customers. We use Facebook as the main social media hub to generate conversation about the brand through daily lifestyle posts, focusing on product launches, style tips and in-store events. Social media platforms like Instagram allow us to tell our brand story creatively by offering behind-the-scenes access to events, press reviews and the Vince showroom, as well as featuring Vince enthusiasts wearing our products. In addition, the growing number of visits to *www.vince.com* , which totaled 1.7 million in fiscal 2012, representing a 42% increase from fiscal 2011, provides an opportunity to grow our customer base and communicate directly with our customers.

Our public relations team conducts a wide variety of press activities to reinforce the Vince brand image and create excitement around the brand. Vince apparel has appeared in the pages of major fashion magazines such as *Vogue, Harper's Bazaar, Elle, W, GQ, Esquire* and *Vanity Fair* . Well-known trend-setters in entertainment and fashion are also regularly seen wearing the brand.

Sourcing and Manufacturing

Vince does not own or operate any manufacturing facilities. We contract for the purchase of finished goods with manufacturers who are responsible for the entire manufacturing process, including the purchase of piece goods and trim. Although we do not have written contracts, we have long-standing relationships with a diverse base of vendors which we believe to be mutually satisfactory. We work with over 30 manufacturers across five countries, with 70% and 73% of our products produced in China in fiscal 2012 and the first six months of fiscal 2013, respectively. For cost and control purposes, we contract with select third-party vendors in the U.S. to produce a small portion of our merchandise that includes woven bottoms and products manufactured with man-made fibers.

All of our garments are produced according to our specifications, and we require that all of our manufacturers adhere to strict regulatory compliance and standards of conduct. Our factories are monitored annually by our production team to ensure quality control, and they are monitored by independent third-party inspectors we employ for compliance with local manufacturing standards and regulations on an annual basis. Our quality assurance staff in the U.S. and Asia also monitors our manufacturing facilities regularly, providing technical assistance and performing in-line and final audits to ensure the highest possible quality.

Distribution Facilities

Kellwood will continue to provide distribution facilities and services in the U.S. pursuant to the Shared Services Agreement, as described in “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Shared Services Agreement.” These services include distribution, storage and fulfillment. Kellwood will continue to provide these services until such time as we elect to terminate the provision of such services in accordance with the terms of the Shared Services Agreement.

As of October 5, 2013, we operated out of three distribution centers, two located in the U.S. and one in Belgium. The primary warehouse, located in City of Industry, California, includes 75,000 square feet dedicated to fulfilling orders for our wholesale partners and retail locations. An adjacent warehouse spanning 22,000 square feet supports Vince’s e-commerce business and offers additional capacity to support our projected growth over the next several years. Our space in both of the California warehouses utilize state-of-the-art warehouse management systems that are fully customer and vendor compliant and are completely integrated with our ERP and accounting systems.

The warehouse in Belgium is operated by a third-party logistics provider and supports our wholesale orders for customers located in Europe. The warehouse management systems of the Belgium warehouse are integrated with our ERP systems to provide us with near real-time visibility into our international distribution. We believe we have sufficient capacity in our domestic and international distribution facilities to support our continued growth.

Information Systems

Kellwood will continue to provide certain information technology services to us until such time as we elect to terminate provision of such services in accordance with the terms of the Shared Services Agreement. These services include information technology planning and administration, desktop support and help desk, our ERP system, financial applications, warehouse systems, reporting and analysis applications and our retail and e-commerce interfaces.

Our ERP system was developed from a core system that is widely used in the apparel and fashion industry, which we have customized to suit our inventory management and order processing requirements. We have integrated Oracle Financials with our ERP system to meet our financial reporting and accounting requirements. Additionally, we use a suite of third-party hosted retail applications integrated with our ERP system that provide us with merchandising, retail inventory management, point-of-sale systems, customer relationship management and retail accounting. Our retail applications are supported through a “Software as a Service” model, which allows for new implementations to occur quickly. Our ERP and warehouse management systems are also integrated with a hosted, third-party e-commerce platform.

Competition

We face strong competition in each of the product categories and markets where we compete on the basis of style, quality, price and brand recognition. Some of our competitors have achieved significant recognition for their brand names or have substantially greater financial, marketing, distribution and other resources than us. However, we believe that we have established a sustainable advantage and distinct position in the current marketplace, driven by a product assortment that combines classic and fashion-forward styling, and a pricing strategy that offers customers affordable luxury. Our competitors are varied but include Theory, Helmut Lang, Rag & Bone, James Perse, J. Crew, Michael Kors, Diane von Furstenberg and Tory Burch.

Employees

As of October 5, 2013, we had 316 employees, of which 197 were employed in retail stores. None of our employees are currently covered by a collective bargaining agreement, and we believe our employee relations are good.

Intellectual Property

We own the *Vince* trademark for the production, marketing and distribution of our products in the U.S. and internationally. We have registered the trademark domestically and have registrations on file or pending in 16 foreign jurisdictions. We intend to continue to strategically register, both domestically and internationally, trademarks that we use today and those we develop in the future. We license the domain name for our website, *www.vince.com* , pursuant to the License Agreement. Under the License Agreement, we have an exclusive, irrevocable license to use the *www.vince.com* domain name without restriction at a nominal annual cost. While we may terminate the License Agreement at our discretion, the agreement does not provide for termination by the licensor. We also own unregistered copyright rights in our design marks.

Properties

We do not own any real estate. Our 16,283-square-foot principal executive and administrative offices are located at 1441 Broadway, 6th Floor, New York, New York 10018 and are leased under an agreement expiring in December 2014. Our 5,900-square-foot showroom is located at 80 W. 40th Street, New York, New York 10018 and is leased under an agreement expiring in December 2017. Our 17,640 square-foot design studios are located at 5410 Wilshire Boulevard, Los Angeles, California and are leased under an agreement expiring in January 2015. We are currently in the process of evaluating our long-term corporate real estate needs and expect to consolidate our New York offices into one location by the end of fiscal 2014.

As of October 5, 2013, we leased approximately 52,390 gross square feet related to our 27 retail stores. Our leases generally have initial terms of 10 years and cannot be extended or can be extended for one additional 5-year term. Our leases require a fixed annual rent, and most require the payment of additional rent if store sales exceed a negotiated amount. Most of our leases are “net” leases, which require us to pay all of the cost of insurance, taxes, maintenance and utilities. Although we generally cannot cancel these leases at our option, certain of our leases allow us, and in some cases, the lessor, to terminate the lease if we do not achieve a specified gross sales threshold.

The following store list shows the location, opening date, type and size of our retail locations as of October 5, 2013:

Vince Location	State	Opening Date	Type	Gross Square Feet	Selling Square Feet
Robertson (Los Angeles)	CA	April 9, 2008	Street	1,151	938
Melrose (Los Angeles)	CA	September 4, 2008	Street	1,537	1,385
Washington St. (Meatpacking)	NY	February 3, 2009	Street	2,000	1,239
Prince St. (Nolita)	NY	July 25, 2009	Street	1,396	1,108
San Francisco	CA	October 15, 2009	Street	1,895	1,408
Chicago	IL	October 1, 2010	Street	2,590	1,371
Madison Ave.	NY	August 3, 2012	Street	3,503	1,928
Westport	CT	March 28, 2013	Street	1,801	1,344
Greenwich	CT	July 19, 2013	Street	2,463	1,724
Mercer St. (Soho)	NY	August 22, 2013	Street	4,500	3,080
Total Street (10):				**22,836**	**15,525**
Malibu	CA	August 9, 2009	Mall	797	705
Dallas	TX	August 28, 2009	Mall	1,368	1,182
Boca Raton	FL	October 13, 2009	Mall	1,547	1,199
Boston	MA	October 20, 2009	Mall	1,370	1,015
White Plains	NY	November 6, 2009	Mall	1,325	1,045
Atlanta	GA	April 16, 2010	Mall	1,643	1,356
Palo Alto	CA	September 17, 2010	Mall	2,028	1,391
Bellevue Square	WA	November 5, 2010	Mall	1,460	1,113
Manhasset	NY	April 22, 2011	Mall	1,414	1,000
Newport Beach	CA	May 20, 2011	Mall	1,656	1,242
The Grove	CA	November 20 , 2012	Mall	1,862	1,160
Total Mall (11):				**16,470**	**12,408**
Total Full-Price (21):				**39,306**	**27,933**
Orlando	FL	July 17, 2009	Outlet	2,065	1,165
Cabazon	CA	November 11, 2011	Outlet	2,066	1,118
Riverhead	NY	November 30, 2012	Outlet	2,100	1,490
Chicago	IL	August 1, 2013	Outlet	2,611	1,828
Seattle	WA	August 30, 2013	Outlet	2,214	1,550
Las Vegas	NV	October 3, 2013	Outlet	2,028	1,420
Total Outlets (6) :				**13,084**	**8,571**
Total (27):				**52,390**	**36,504**

Seasonality

Our wide-range of merchandise and our strategy of carrying a broad selection but limited quantities of each item reduce our overall seasonality relative to other contemporary brands. Nevertheless, our business is mildly seasonal in nature and sales are generally the highest in the third and fourth fiscal quarters due to the year-end holiday season and lowest in the first and second fiscal quarters. As a result of this seasonality and generally because of variation in consumer spending habits, we experience fluctuations in net sales and EBITDA during the year. See “—Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC—Quarterly Financial Data” for more information.

Legal Proceedings

We are subject to various legal proceedings and claims, which arise in the ordinary course of our business. Although the outcome of these and other claims cannot be predicted with certainty, management does not believe that the ultimate resolution of these matters will have a material adverse effect on our financial condition, cash flows or results of operation.

VINCE MANAGEMENT

Below is a list of names, ages and a brief overview of the business experience of the directors, executive officers and members of senior management of Vince that we anticipate will be serving in these capacities upon consummation of this offering:

Name	Age	Position/Title
Christopher T. Metz	48	Director and Chairman
Mark E. Brody	52	Director
Jason H. Neimark	42	Director
Jerome Griffith	55	Director Nominee
Robert A. Bowman	58	Director Nominee
Jill Granoff	51	Director and Chief Executive Officer
Lisa Klinger	46	Chief Financial Officer and Treasurer
Karin Gregersen	43	President and Chief Creative Officer
Beth Cohn	45	Senior Vice President, Retail and E-Commerce
Rebecca Damavandi	41	Group President, Global Business Development
Jay Dubiner	49	Senior Vice President, General Counsel and Secretary
Deena Gianoncelli	40	Senior Vice President, Human Resources
Michele Sizemore	50	Senior Vice President, Operations
Jill Steinberg	37	Senior Vice President, Wholesale

Directors, Executive Officers and Senior Management

We believe that our board of directors should be composed of individuals with knowledge and experience in many substantive areas that impact our business. The following areas are the most important to us: fashion and consumer goods; retail and wholesale; marketing and merchandising; sales and distribution; international business development; strategic planning and leadership of complex organizations; accounting, finance, and capital structure; legal/regulatory and government affairs; talent management; and board practices of other major corporations. We believe that all of our current board members possess the professional and personal qualifications necessary for board service, and have highlighted in the individual biographies below the specific experience, attributes, and skills that led to the conclusion that each board member should serve as a director.

Christopher T. Metz. Mr. Metz has served as a director since 2008 and will be appointed to serve as the Chairman of our board of directors prior to the consummation of this offering. Mr. Metz has served as Managing Director of Sun Capital since 2005 and has extensive global operating and leadership experience in the consumer and durable goods industries. Prior to joining Sun Capital, Mr. Metz was President at Black & Decker, leading its Hardware and Home Improvement Group from 1999 to 2005. During his 13 years at Black & Decker, Mr. Metz held various other senior leadership positions, including President of Kwikset Corporation, President of Price Pfister faucets, President of Baldwin Hardware, and General Manager of European Professional Power Tools and Accessories, based in Frankfurt, Germany. Mr. Metz also serves on several boards of Sun Capital portfolio companies, including Avion Services Group Holding Corp., Captain D's Holding Corp., Friendly's Ice Cream LLC, Grandy's Holding Corp., Lexington Furniture Industries, Inc., Pemco World Air Services, Inc., Rowe Fine Furniture, Inc., and SK Financial Services Corp. Mr. Metz also served on the board of Amicus Wind Down Corporation, a public company, from 2010 to 2012. Mr. Metz brings to our board extensive public company and international leadership experience.

Mark E. Brody. Mr. Brody has served as a director since 2008. Mr. Brody has served as a Managing Director and Group Chief Financial Officer of Sun Capital since 2006. Prior to joining Sun Capital, Mr. Brody served from 2001 to 2006 as Chief Financial Officer for Flight Options, a leading

provider of fractional jet services. Prior to Flight Options, he served as Chief Financial Officer or Vice President, Finance for manufacturing-related public companies, including Sudbury, Inc., Essef Corporation, Anthony & Sylvan Pools, and Waterlink, Inc. Mr. Brody also serves on several boards of Sun Capital portfolio companies, including Limited Stores Company, LLC, Cello-Foil Products, Inc., Emerald Performance Materials LLC, Exopack Holding Corp., Garden Fresh Restaurant Corp., and TPG Enterprises, Inc. Mr. Brody started his career as an auditor with Ernst & Young. Mr. Brody brings to the board significant experience in finance, accounting and corporate strategy development.

Jason H. Neimark. Mr. Neimark has served as a director since May 2013. Mr. Neimark has served as a Managing Director of Sun Capital since 2001. Mr. Neimark has led more than 65 buyout and capital markets transactions in a broad range of industries on behalf of affiliates of Sun Capital in the U.S. and Europe. From 2000 to 2001, Mr. Neimark was a Principal and President of K&D Distributors, a national direct marketer and specialty distributor of optical products where he led a financial and operational turnaround which concluded in a successful sale. From 1995 to 2000, Mr. Neimark served as a principal of Midwest Mezzanine Funds, a provider of junior capital to middle market businesses. After receiving his CPA designation in 1992, Mr. Neimark worked as a tax consultant and auditor for KPMG Peat Marwick. Mr. Neimark also serves on several boards of Sun Capital portfolio companies, including Gordmans Stores Inc. Mr. Neimark was a director of Accuride Corporation, a public company, from February 2009 to October 2009 and was a director of Loud Technologies, a private company, from May 2005 to July 2008. Mr. Neimark provides strong finance skills to our board of directors and valuable experience gained from previous board service.

Jerome Griffith. Mr. Griffith will be appointed to our board of directors in connection with the consummation of this offering. Mr. Griffith has served as the Chief Executive Officer, President and a member of the board of directors of Tumi Holding, Inc. since April 2009. From 2002 to February 2009, Mr. Griffith was employed at Esprit Holdings Limited, a global fashion brand, where he was promoted to Chief Operating Officer and appointed to the board of directors in 2004, then promoted to President of Esprit North and South America in 2006. From 1999 to 2002, Mr. Griffith worked as an Executive Vice President at Tommy Hilfiger. From 1998 to 1999, Mr. Griffith worked as the President of Retail at the J. Peterman Company, a catalog-based apparel and retail company. From 1989 through 1998, Mr. Griffith worked in various positions at Gap, Inc. Mr. Griffith brings to our board experience as a public company director, experience as a senior executive of a major global consumer products company and a proven track record of innovation and driving international growth and expansion.

Robert A. Bowman. Mr. Bowman will be appointed to our board of directors in connection with the consummation of this offering. Mr. Bowman currently serves as President and Chief Executive Officer of Major League Baseball Advanced Media (“MLB.com”), the Internet and interactive media unit of Major League Baseball. Prior to joining MLB.com in November 2000, Mr. Bowman was President and Chief Executive Officer of Cyberian Outpost, Inc., an online retailer of computers and electronics. Before joined Cyberian Outpost in September 1999, Mr. Bowman held several senior management positions at ITT Corporation, including President, Chief Operating Officer and Chief Financial Officer. Earlier in his career, Mr. Bowman served for eight years as Treasurer of the State of Michigan. Mr. Bowman is currently a director and chairman of the audit committee of Take-Two Interactive Software Inc. Mr. Bowman previously served as a director of Warnaco Group, Inc. from 2004 to 2013, Director of Blockbuster, Inc. from 2003 to 2010 and director of World Wrestling Entertainment, Inc. from 2003 to 2008. Mr. Bowman brings to our board experience as a public company director and extensive financial experience in both the public and private sectors.

Jill Granoff. Ms. Granoff has served as Vince’s Chief Executive Officer and a director since August 2012. Ms. Granoff has also served as AHC’s Chief Executive Officer and a director since May 2012. Previously, Ms. Granoff served as Chief Executive Officer of Kenneth Cole Productions, Inc., a designer and marketer of women’s and men’s apparel, footwear and accessories, from 2008

until 2011. Prior to that, Ms. Granoff served as Executive Vice President of Liz Claiborne Inc. where she had global responsibility for Juicy Couture, Lucky Brand Jeans, Kate Spade and the company's e-commerce and outlet businesses. Prior to joining Liz Claiborne, Ms. Granoff was President and Chief Operating Officer of Victoria Secret Beauty, a division of Limited Brands, where she worked from 1999 to 2006. From 1990 to 1999, Ms. Granoff held various executive positions at The Estée Lauder Companies. Ms. Granoff is a member of the board of directors of Demandware and the Fashion Institute of Technology Foundation. Ms. Granoff brings significant senior leadership, operating and industry experience to our board of directors. Ms. Granoff's position as Vince's Chief Executive Officer also allows her to advise the board of directors on management's perspective over a full range of issues affecting the company.

Lisa Klinger. Ms. Klinger has served as Vince's Chief Financial Officer and Treasurer since December 2012. Ms. Klinger has also served as AHC's Chief Financial Officer since December 2012. Previously, Ms. Klinger served as Executive Vice President and Chief Financial Officer of The Fresh Market, Inc., a specialty retailer, from 2009 until 2012. Prior to that, Ms. Klinger served as interim Chief Financial Officer of Michael's Stores during 2008 and Senior Vice President of Finance and Treasurer from 2005 to 2009. Ms. Klinger previously served as Assistant Treasurer at Limited Brands from 2000 to 2005.

Karin Gregersen. Ms. Gregersen has served as Vince's President since May 2013 and as Vince's President and Chief Creative Officer since October 2013. Previously, Ms. Gregersen worked at Chloé/Richemont for 13 years, where she last served as the Executive Vice President and Managing Director of Chloé/Richemont Americas from 2007 to 2013. Prior to this role, she served as the Sales and Marketing Director for Chloé/Richemont Europe/Middle East from 1999 to 2007. Ms. Gregersen previously served as the Europe Sales Manager for Givenchy from 1997 to 1999.

Beth Cohn. Ms. Cohn has served as Vince's Senior Vice President of Retail and E-Commerce since June 2012. Previously, Ms. Cohn served as Senior Vice President of Retail for Theory and Helmut Lang from 2009 to 2012. Prior to that, Ms. Cohn served as General Manager of Retail and Vice President for Juicy Couture from 2006 to 2009 and General Merchandise Manager, Retail and Senior Vice President for Prada North America from 1997 to 2006.

Rebecca Damavandi. Ms. Damavandi has served as Vince's Group President of Global Business Development since August 2012. Ms. Damavandi has also served as AHC's Group President of Global Business Development since August 2012. Previously, Ms. Damavandi worked as a self-employed global apparel consultant from 2010 to 2012. Prior to that, Ms. Damavandi served as President of Licensing and Global Business Development for Elie Tahari from 2006 to 2010, Vice President of International and Licensing for Earl Jeans/VF Corporation from 2004 to 2006 and Senior Director of Global Product Licensing for Guess?, Inc. from 1999 to 2003, after joining the company in 1996.

Jay Dubiner . Mr. Dubiner has served as Vince's Senior Vice President, General Counsel and Secretary since September 2013. Previously, Mr. Dubiner served as the Executive Vice President, General Counsel and Corporate Secretary of The Warnaco Group, Inc. from 2008 to 2013. Prior to that, Mr. Dubiner served as Of Counsel for Paul, Hastings, Janofsky & Walker, LLP from 2006 until 2008. Previously, he held the position of Executive Vice President, Corporate Development & General Counsel for Martha Stewart Living Omnimedia, Inc. from 2004 until 2006. Prior to this, Mr. Dubiner provided legal and corporate development consulting services to clients primarily in the media industry. From 2000 to 2002, he served as Senior Vice President, Business Development & Strategic Planning for a division of The Universal Music Group. Mr. Dubiner was an associate in the corporate department of the New York law firm of Paul Weiss Rifkind Wharton & Garrison from 1993 to 2000.

Deena Gianoncelli. Ms. Gianoncelli began serving as our Senior Vice President, Human Resources in September 2013. Previously, Ms. Gianoncelli served as Director of Human Resources for Amazon.com from 2012 to 2013. Prior to that, Ms. Gianoncelli served as the Vice President of Human Resources for Hugo Boss Americas from 2010 to 2012. In addition, Ms. Gianoncelli served as Senior Director of Human Resources for Medco Health Solutions from 2005 to 2010.

Michele Sizemore . Ms. Sizemore has served as Vince's Senior Vice President, Operations since May 2013. Previously, Ms. Sizemore worked at Gap, Inc. for 20 years, where she last served as Senior Vice President of Global Sourcing for the Gap brand worldwide from 2011 to 2013. Prior to that, she served as Vice President of Global Sourcing for Banana Republic from 2009 to 2011.

Jill Steinberg. Ms. Steinberg has served as Vince's Senior Vice President, Wholesale since March 2013. Previously, Ms. Steinberg served as Vince's Senior Vice President, Women's Sales from 2012 to 2013. Prior to that, Ms. Steinberg served as Vice President of Sales for Diane von Furstenberg from 2005 to 2012. Previously, Ms. Steinberg served as Senior Account Executive for BCBG from 2003 to 2005 and Senior Account Executive for Theory from 2001 to 2003.

Family Relationships

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

Corporate Governance

Board Composition

Our amended and restated certificate of incorporation, which will be in effect prior to the consummation of this offering, will provide that our board of directors shall consist of such number of directors as determined from time to time by resolution adopted by a majority of the total number of directors then in office. Initially, our board of directors will consist of six members. Until such time as Sun Capital and its affiliates cease to beneficially own 30% or more of the voting power of our then outstanding capital stock entitled to vote generally in the election of directors, Sun Cardinal, an affiliate of Sun Capital, will have the right to designate a majority of our board of directors under our amended and restated certificate of incorporation, provided that, at such time as we are not a "controlled company" under the NYSE corporate governance standards, a majority of our board of directors will be "independent directors," as defined under the rules of the NYSE market, subject to the applicable phase-in requirements. Until such time as Sun Capital and its affiliates cease to beneficially own 30% or more of the voting power of the voting stock then outstanding, Sun Cardinal shall also have the ability to fill any vacancy on our board of directors, whether resulting from an increase to the board size, death, resignation or removal. Thereafter, only our board of directors shall be authorized to fill such vacancies. Additionally, even if Sun Capital and its affiliates cease to beneficially own at least 30% of the voting power of the voting stock then outstanding, directors previously designated by Sun Cardinal shall have the right to serve the remainder of their respective terms, unless they are otherwise removed for cause in accordance with the terms of our amended and restated certificate of incorporation.

Our board of directors will be divided into three classes, with one class being elected at each year's annual meeting of stockholders. Mr. Brody and Mr. Bowman will serve as the Class I directors with an initial term expiring in 2014. Messrs. Neimark, and Metz will serve as Class II directors with an initial term expiring in 2015. Ms. Granoff and Mr. Griffith will serve as Class III directors with an initial term expiring in 2016. Following the expiration of the initial term of a class of directors, each class of directors will serve a three-year term. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the total number of directors.

Controlled Company

Upon consummation of this offering, affiliates of Sun Capital will continue to control a majority of the voting power of our outstanding common stock. As a result, we will be a “controlled company” under the NYSE corporate governance standards. As a controlled company, exemptions under the standards will free us from the obligation to comply with certain corporate governance requirements, including the requirements:

- that a majority of our board of directors consists of “independent directors,” as defined under the rules of the NYSE market;
- that we have a nominating committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities;
- that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- that we conduct annual performance evaluations of the nominating committee and compensation committee.

These exemptions do not modify the independence requirements for our Audit Committee. The rules of the NYSE market permit the composition of our Audit Committee to be phased in as follows: (1) one independent committee member at the time of our initial public offering; (2) a majority of independent committee members within 90 days of our initial public offering; and (3) all independent committee members within one year of our initial public offering.

We intend to comply with the applicable requirements of the Sarbanes-Oxley Act and rules with respect to our Audit Committee by having two independent directors on our Audit Committee at the time of pricing of this offering and appointing the remaining independent director to our Audit Committee within the applicable time frame.

Similarly, once we are no longer a “controlled company,” we must comply with the independent board committee requirements as they relate to our Nominating and Corporate Governance Committee and our Compensation Committee, on the same phase-in schedule as set forth above, with the trigger date being the date we are no longer a “controlled company” as opposed to our initial public offering date. In addition, we will have 12 months from the date we cease to be a “controlled company” to have a majority of independent directors on our board of directors.

Board Committees

Prior to the consummation of this offering, our board of directors will establish an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The directors designated by Sun Cardinal, an affiliate of Sun Capital, are expected to constitute a majority of each committee of our board of directors (other than the Audit Committee) and the chairman of each of the committees (other than the Audit Committee) is expected to be a director serving on such committee who is selected by Sun Cardinal, provided that, at such time as we are not a “controlled company” under the NYSE corporate governance standards, our committee membership will comply with all the applicable requirements of those standards. The composition, duties and responsibilities of these committees are set forth below. In the future, our board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Audit Committee

The Audit Committee will be responsible for, among other matters: (1) appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm; (2) discussing with our independent registered public accounting firm their independence from management; (3) reviewing with our independent registered public accounting firm the scope and results of their audit; (4) approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm; (5) overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC; (6) reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements; (7) establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; and (8) reviewing and approving related person transactions.

Upon consummation of this offering, our Audit Committee will consist of Messrs. Bowman, Griffith and Brody. We believe that Messrs. Bowman and Griffith will qualify as independent directors according to the rules and regulations of the SEC with respect to audit committee membership. We also believe that Mr. Bowman will qualify as an “audit committee financial expert,” as such term is defined in Item 401(h) of Regulation S-K. We expect to add an additional independent director to our Audit Committee within one year of the effective date of the registration statement in order to comply with applicable rules and regulations of our stock exchange. Our board of directors will adopt a new written charter for the Audit Committee, which will be available on our corporate website at *www.vince.com* prior to the consummation of this offering. Our website is not part of this prospectus.

Compensation Committee

The Compensation Committee will be responsible for, among other matters: (1) reviewing key corporate compensation goals, policies, plan and programs; (2) reviewing and approving the compensation of our directors, chief executive officer and other named executive officers; (3) reviewing and approving employment agreements and other similar arrangements between us and our named executive officers; and (4) administering stock plans and other incentive compensation plans (including the Vince 2013 Incentive Plan and the Vince ESPP).

Upon consummation of this offering, our Compensation Committee will consist of Messrs. Metz, Brody and Neimark. Our board of directors will adopt a written charter for the Compensation Committee, which will be available on our corporate website at *www.vince.com* prior to the consummation of this offering. Our website is not part of this prospectus.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee will be responsible for, among other matters: (1) identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors; (2) overseeing the organization of our board of directors so that it can satisfy its duties and responsibilities properly and efficiently; (3) identifying best practices and recommending corporate governance principles; and (4) developing and recommending to our board of directors a set of corporate governance guidelines and principles applicable to us.

Upon consummation of this offering, our Nominating and Corporate Governance Committee will consist of Messrs. Metz, Brody and Neimark. Our board of directors will adopt a written charter for the Nominating and Corporate Governance Committee, which will be available on our corporate website at *www.vince.com* prior to the consummation of this offering. Our website is not part of this prospectus.

Compensation Committee Interlocks and Insider Participation

In fiscal year 2012, we did not have a Compensation Committee. All compensation decisions were made by the board of directors of AHC, which held deliberations during fiscal year 2012 concerning executive officer compensation. As a member of the board of directors of AHC, Ms. Granoff participated in deliberations concerning compensation of executive officers. See “Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements” for a description of the employment agreements of our executive officers.

None of our executive officers serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors.

Code of Business Conduct and Ethics

We will adopt a code of business conduct and ethics applicable to our principal executive, financial and accounting officers and all persons performing similar functions. A copy of that code will be available on our corporate website at *www.vince.com* upon consummation of this offering. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website. Our website is not part of this prospectus.

Risk Oversight

Our board of directors will oversee the risk management activities designed and implemented by our management. The board of directors will execute its oversight responsibility for risk management both directly and through its committees. The full board of directors will also consider specific risk topics, including risks associated with our strategic plan, business operations and capital structure. In addition, the board of directors will receive detailed regular reports from members of our senior management and other associates that include assessments and potential mitigation of the risks and exposures involved with their respective areas of responsibility.

Our board of directors will delegate to the Audit Committee oversight of our risk management process. Our other board committees will also consider and address risk as they perform their respective committee responsibilities. All committees will report to the full board of directors as appropriate, including when a matter rises to the level of a material or enterprise level risk.

Other Committees

Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

VINCE EXECUTIVE COMPENSATION

The following section provides compensation information pursuant to the scaled disclosure rules applicable to “emerging growth companies” under the rules of the SEC and may contain statements regarding future individual and company performance targets and goals. These targets and goals are disclosed in the limited context of the company’s executive compensation program and should not be understood to be statements of management’s expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts. Vince’s Named Executive Officers for fiscal 2012 and the positions they held with us during fiscal 2012 are set forth below:

Jill Granoff, Chief Executive Officer

Lisa Klinger, Chief Financial Officer and Treasurer

Arthur Gordon, Chief Operating Officer

Rea Laccone, former Chief Executive Officer

This executive compensation section contains certain forward-looking statements that are based on our current plans and expectations regarding future compensation plans and arrangements. The actual compensation plans and expectations that we adopt may differ materially from the currently anticipated plans and arrangements as summarized in this discussion.

Neither Mr. Gordon nor Ms. Laccone will be Named Executive Officers for Vince after fiscal 2012.

Overview

We are a privately-held company owned almost exclusively by affiliates of Sun Capital. As a result, we were not subject to any stock exchange listing or SEC rules requiring a majority of our board of directors to be independent or relating to the formation and functioning of board committees, including audit, compensation and nominating and corporate governance committees. As such, all compensation decisions have historically been made by the board of directors of AHC. Furthermore, our executive officers are currently compensated by Kellwood Company for performing services on our behalf. To date, the compensation of the executive officers identified in the “Summary Compensation Table” in this prospectus, who are referred to as Vince’s Named Executive Officers, has consisted of a combination of base salary, bonuses (sign-on, performance based and guaranteed) and long-term incentive compensation in the form of Kellwood Company stock options issued under its 2010 Stock Option Plan (the “2010 Option Plan”). Executive officers and all salaried employees are also eligible to receive health and welfare benefits. Pursuant to employment agreements or an offer letter, the Named Executive Officers were also eligible to receive certain payments and benefits upon termination of employment under certain circumstances, as well as acceleration of vesting of certain outstanding equity awards in connection with a change in control. See “—Employment Agreements” for additional information.

In connection with the consummation of the IPO Restructuring Transactions and this offering, Kellwood Company will assign to Vince Holding Corp. or one of its subsidiaries (after giving effect to the IPO Restructuring Transactions) Kellwood Company’s obligations under those of the Vince executive employment agreements to which Kellwood Company is a party. See “—Employment Agreements” for additional information. Going forward, we intend to grant long-term equity incentives to our executives under the Vince 2013 Incentive Plan, as described below in “—Employee Stock Plans—Vince 2013 Incentive Plan.”

We will also establish a compensation committee that will assume the responsibility, from our board of directors, for making compensation decisions for Vince’s executive officers and directors. We

expect that that our new compensation committee will review compensation elements and amounts for our Named Executive Officers on an annual basis and at the time of a promotion or other change in level of responsibilities, as well as when competitive circumstances or business needs may require. In addition, as we gain experience as a public company, we expect that the specific direction, emphasis and components of our executive compensation program will continue to evolve. Accordingly, the compensation paid to Vince's Named Executive Officers for fiscal 2012 may not necessarily be indicative of how we may compensate Vince's Named Executive Officers following the consummation of this offering.

Executive Compensation Design Overview

Vince's executive compensation programs have historically been designed to provide competitive total compensation opportunities. They were designed to align pay with achievement of our annual and long-term financial and operational goals and recognize individual achievement. In setting pay levels, we reviewed published survey information and other available compensation data that was specific to companies of similar size or positioning in our industry. As currently structured, our executive compensation program is designed to:

- provide aggregate compensation that reflects the market compensation for executives with similar responsibilities in similar companies with appropriate adjustments to reflect the experience, performance and other distinguishing characteristics of specific individuals;
- be commensurate with our short-term and long-term financial performance;
- be aligned with the value for stockholders; and
- provide a competitive compensation opportunity to allow us to attract and retain key executive talent.

We believe that an important criterion for the determination of the aggregate value of our compensation program and the allocation of such value among the various elements of our compensation plans is market data on the amounts, allocations and structures utilized by similarly situated companies for positions of comparable responsibility.

In fiscal 2013, we retained the services of Aon Hewitt ("Aon"), a compensation consultant to prepare a comprehensive analysis of our compensation packages for our executive officers (including our Named Executive Officers), to compare the specific elements of compensation and the aggregate value with a group of peer companies selected by Aon and to assist us in establishing the elements of our compensation program following consummation of this offering, including elements of our compensation for fiscal 2013. We intend to continue to collaborate with Aon, using the results of their benchmarking study, to determine the elements of our go-forward public company compensation program. We anticipate that this program will include grants under the Vince 2013 Incentive Plan and the Vince ESPP, each of which we intend to adopt in connection with this offering and implement after the closing thereof.

Risk Assessment and Compensation Practices

Our management assesses and discusses with the board of directors our compensation policies and practices for our employees as they relate to our overall risk management, and based upon this assessment, we believe that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on us.

Compensation of Named Executive Officers

Base Salaries . In fiscal 2012, our board of directors reviewed and held deliberations concerning the compensation of our executive officers, including our Named Executive Officers. Going forward, our compensation committee will review the base salaries of our executive officers, including the Named Executive Officers, at least annually and make adjustments as it determines to be reasonable and necessary. The current base salaries of the Named Executive Officers are as follows:

Named Executive Officer	Base Salary
Jill Granoff, Chief Executive Officer(1)	$1,000,000
Lisa Klinger, Chief Financial Officer and Treasurer(2)	$ 450,000
Arthur Gordon, Chief Operating Officer(3)	N/A
Rea Laccone, former Chief Executive Officer(4)	N/A

(1) Ms. Granoff assumed the executive functions of Chief Executive Officer from Ms. Laccone in June 2012, and was officially appointed as Chief Executive Officer in August 2012. The board of directors approved a base salary increase for Ms. Granoff from $900,000 to $1,000,000 effective as of February 1, 2013.
(2) Ms. Klinger was hired and began performing the duties of Chief Financial Officer and Treasurer in December 2012.
(3) Mr. Gordon has been employed by Kellwood Company since 1979 and was appointed as Vince's Chief Operating Officer effective September 2, 2009. Mr. Gordon also serves as the Chief Executive Officer of Kellwood Western Region, a division of Kellwood Company. He received an annual base salary of $800,000 during fiscal 2012. In connection with the appointment of Ms. Sizemore as Senior Vice President, Operations for Vince in May 2013, Mr. Gordon ceased serving as our Chief Operating Officer and now solely serves as the Chief Executive Officer of Kellwood Western Region. Mr. Gordon does not have, and will not have, any operational responsibilities relating to Vince following consummation of this offering and will not be one of our Named Executive Officers for fiscal 2013 or beyond.
(4) Ms. Laccone resigned from her position as Chief Executive Officer and became our Chief Creative Officer in June 2012. She received an annual base salary of $1,000,000 during the period from January 28, 2012 through August 23, 2012, at which time her salary was increased to $2,400,000 for the remainder of her tenure with the company. Ms. Laccone relinquished all of her duties for the company when she resigned on January 31, 2013 and will not be one of our Named Executive Officers for fiscal 2013 or beyond.

Sign-On Bonuses . Certain executives received a one-time sign-on bonus when they joined us. For fiscal 2012, no Named Executive Officers received any sign-on bonuses.

Guaranteed Bonus . Certain executives were eligible to receive a guaranteed minimum bonus based on their annual salary and their targeted bonus opportunity. If an executive's award in fiscal 2012 under the Performance Management and Incentive Compensation Program, as described below in "—Cash Bonus Plan," (the "AHC 2012 Bonus Plan"), was lower than their guaranteed minimum bonus as set forth in their employment agreement or offer letter, they received a cash bonus for such year in an amount equal to the difference, so that their total cash bonus award for fiscal 2012 was equal to their guaranteed minimum bonus. For fiscal 2012, Ms. Granoff, Ms. Klinger and Mr. Gordon had guaranteed bonuses of $500,000, $350,000 and $250,000, respectively. Ms. Laccone did not have a guaranteed bonus for fiscal 2012. See "Summary Compensation Table" and "—Cash Bonus Plan" for additional information.

Cash Bonus Plan . The AHC 2012 Bonus Plan was designed to encourage a high level of performance in each year so that the achievement of targeted performance levels is rewarded with a target incentive payout, and performance above such levels is rewarded with higher-level payouts. Each executive officer is assigned a target annual award opportunity based on the achievement of EBITDA performance that is expressed as a percentage of such executive's base salary. Our board of directors has historically approved these targeted award opportunities for each Vince executive officer. Ms. Granoff and Ms. Klinger received additional cash bonus payments for fiscal 2012, as the amount of their guaranteed bonus was greater than the amounts they received based on the EBITDA targets under the AHC 2012 Bonus Plan. For fiscal 2012, the threshold, target and maximum EBITDA targets for AHC were $42.4 million, $47.4 million and $57.4 million, respectively. Actual EBITDA for AHC for fiscal 2012 was $46.9 million. Mr. Gordon did not receive any additional cash bonus payment for fiscal

2012 as the amount he received under the AHC 2012 Bonus Plan was greater than his guaranteed bonus for fiscal 2012. Ms. Laccone was not a participant in the AHC 2012 Bonus Plan.

Our board of directors established EBITDA targets for fiscal 2013 for our Named Executive Officers under the Performance Management and Incentive Compensation Program (the “AHC 2013 Bonus Plan”).

For fiscal 2013, Ms. Granoff’s and Ms. Klinger’s targeted incentive payouts under the AHC 2013 Bonus Plan are based on the following allocations:

- From February 2, 2013 to July 31, 2013, 50% of their targeted incentive payout under the AHC 2013 Bonus Plan is based on the achievement of EBITDA targets for AHC’s non-Vince businesses and 50% of such payment is based on the achievement of Vince EBITDA targets;
- From August 1, 2013 until the date of consummation of this offering, 25% of their targeted incentive payout under the AHC 2013 Bonus Plan is based on the achievement of EBITDA targets for AHC’s non-Vince businesses and 75% of such payment is based on the achievement of Vince EBITDA targets; and
- After the date of consummation of this offering, 100% of such payout will be based on the achievement of Vince EBITDA targets.

AHC believes it is currently on track to achieve the targeted AHC non-Vince and Vince EBITDA performance levels under the AHC 2013 Bonus Plan.

Mr. Gordon’s EBITDA targets under the AHC 2013 Bonus Plan are based on the achievement of AHC non-Vince businesses EBITDA levels and AHC regional EBITDA levels.

Although we are using EBITDA performance as a financial measure for fiscal 2013 and have done so historically, Vince may use other objective financial performance indicators for the cash bonus plan in the future, including but not limited to the price of our common stock, stockholder return, return on equity, return on investment, return on capital, sales productivity, same-store sales growth, economic value added, gross margin, cash flow, earnings per share or market share.

Kellwood Equity Incentives. On June 30, 2010, the board of directors of Kellwood Company, a wholly-owned subsidiary of AHC, approved the 2010 Stock Option Plan. The 2010 Option Plan provides for the grant of options to acquire up to 105,000 shares of non-voting common stock of Kellwood Company. Options granted under the 2010 Option Plan (i) have an exercise price based on the fair market value; (ii) vest over a five year period at a rate of 20% per year, (iii) expire on the earlier of the tenth anniversary of the grant date or upon termination of employment for cause and (iv) generally become exercisable upon termination or a liquidity event, as defined by the 2010 Option Plan.

Ms. Granoff’s grant agreement provides that she may exercise vested options in connection with a sale, certain termination events (including termination by the company without cause, termination by Ms. Granoff with or without good reason and upon her death or disability) and this offering; provided, that Ms. Granoff shall be entitled to exercise only a portion of her vested options in connection with this offering (based upon the amount of cash realized by affiliates of Sun Capital in connection therewith). The grant agreements associated with all other issued and outstanding Kellwood Company options prohibit the exercise of vested options, except in connection with a sale or termination of employment for cause. This offering does not constitute a sale event under such agreements.

Notwithstanding the foregoing, Kellwood Company intends to amend and restate the grant agreements associated with the issued and outstanding Kellwood Company options

(which would include Ms. Granoff's grant agreement) prior to their assumption by Apparel Holding Corp. to eliminate the restrictions on exercisability for vested options following the closing of an initial public offering and to provide for a minimum holding period to apply to any shares received on account of exercising such options.

The fair value of the stock options is determined at the grant date using a probability-weighted expected return method model, which requires us to make several significant assumptions including long-term EBITDA growth rates, future enterprise value, discount rates, and timing and probability of a future liquidity event. This methodology was selected based on the current capital structure and forecasted operational performance.

In addition, 100% of any outstanding and unvested shares granted under the 2010 Option Plan will vest upon a "Sale of the Company." Sale of the Company is defined as (i) any consolidation, merger or other transaction in which Kellwood Company is not the surviving entity or which results in the acquisition of all or substantially all of Kellwood Company's outstanding shares of common stock by a single person or entity or by a group of persons or entities acting in concert; (ii) any sale or transfer of all or substantially all of (A) Kellwood Company's assets (excluding, however, for this purpose any real estate "sale-lease back" transaction) or (B) the subsidiaries which make up Kellwood Company's "women's business;" or (iii) the date that (A) more than fifty percent (50%) of the shares of voting stock of the surviving or acquiring entity is owned and/or controlled (by agreement or otherwise), directly or indirectly, by a single person or entity or by a group of persons or entities acting in concert other than Sun Capital or its affiliates; and (B) Sun Capital or its affiliates no longer controls Kellwood Company's board of directors; provided, however, that the term "sale" shall not include transactions either (x) with affiliates of Kellwood Company or Sun Capital (as determined by the board of directors of Kellwood Company in its good faith sole discretion) or (y) pursuant to which more than fifty percent (50%) of the shares of voting stock of the surviving or acquiring entity is owned and/or controlled (by agreement or otherwise), directly or indirectly, by Sun Capital or its affiliates. Because the IPO Restructuring Transactions all involve transactions with affiliates of Kellwood Company or Sun Capital, they will not constitute a "Sale of the Company" which would result in the vesting of Kellwood Company options held by our named executive officers.

In determining the number of shares underlying each option grant, the Kellwood Company board of directors took into account each executive officer's existing unvested equity grants and made awards that they determined would be sufficient to motivate and retain each executive officer past the expected date of this offering. The stock option grants made to these Named Executive Officers in fiscal 2012 were as follows:

Named Executive Officer	Date of Grant	Number of Shares(1)	Exercise Price(1)(2)
Jill Granoff	May 4, 2012	44,000	$ 150.78
Lisa Klinger	December 10, 2012	7,500	$ 150.78
Arthur Gordon	—	—	—
Rea Laccone	—	—	—

(1) In connection with the consummation of this offering, Apparel Holding Corp. will assume Kellwood Company's remaining obligations under the 2010 Option Plan and all Kellwood Company stock options previously issued to Vince employees under such plan will become options to acquire shares Apparel Holding Corp. common stock. After giving effect to this assumption and the consummation of the IPO Restructuring Transactions and this offering and assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus, (i) the options to acquire 44,000 shares of Kellwood Company stock previously issued to Ms. Granoff will become options to acquire 1,153,291 shares of Apparel Holding Corp. common stock with an exercise price of $5.75 per share and (ii) the options to acquire 7,500 shares of Kellwood Company stock previously issued to Ms. Klinger will become options to acquire 196,584 shares of Apparel Holding Corp. common stock with an exercise price of $5.75 per share.

(2) The grant date fair value of these option grants is reflected in the "Summary Compensation Table" under the "Option Awards" column.

In connection with this offering and assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus, we intend to grant

Ms. Klinger options to acquire 99,812 shares of our common stock, on an as converted basis, under the Vince 2013 Incentive Plan. The options are anticipated to have an exercise price equal to the per-share price of the shares offered in this offering. 71,294 of such options will vest over four years at the rate of 25% each year on each anniversary of the grant date, beginning on the first anniversary of the grant date, so long as Ms. Klinger remains continuously employed with us through each such vesting date. The remaining 28,518 shares will vest over four years, but at the rate of 33 1/3 % each on each anniversary of the grant date beginning on the second anniversary of the grant date, so long as Ms. Klinger remains continuously employed with us through each such vesting date. Notwithstanding the foregoing, in the event that Ms. Klinger is involuntarily terminated by us within the twelve (12) months period following a change in control (as defined in the Vince 2013 Incentive Plan) then any unvested options that are part of this grant and remaining outstanding will become fully vested. Any shares of our common stock that Ms. Klinger receives upon exercise of these options will be subject to certain minimum holding requirements.

Summary Compensation Table

The following table provides information regarding the total compensation for services rendered in all capacities that was earned by each individual who served as our principal executive officer at any time during fiscal 2012 and our two other most highly compensated executive officers who were serving as executive officers during the fiscal year ended February 2, 2013.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)(1)	Non-Equity Incentive Plan Compen-sation ($)(2)	All Other Compen-sation ($)	Total ($)
Jill Granoff							
Chief Executive Officer(3)	2012	$ 661,154(4)	$ 27,363(5)	$2,128,920	$472,637	$ 11,245(6)	$3,301,319
Lisa Klinger							
Chief Financial Officer and Treasurer(3)	2012	$ 60,577(6)	$ 336,861(7)	$ 309,924	$ 13,139	—	$ 720,501
Arthur Gordon							
Chief Operating Officer	2012	$ 800,000	—	—	$308,766(8)	$ 21,074(9)	$1,129,840
	2011	$ 800,000	—	—	$190,109	$ 21,645(9)	$1,011,754
Rea Laccone							
Former Chief Executive Officer	2012	$1,875,385(10)	$5,427,867(11)	—	—	$187,259(12)	$7,490,511
	2011	$ 849,231	$ 240,000	—	—	$ 47,571(12)	$1,136,802

(1) The fair value of stock options granted in fiscal 2012 was determined at the grant date using a Black-Scholes model, which requires us to make several significant assumptions including risk-free interest rate, volatility, expected term, and discount factors for stockholders in a privately-held company. At the grant date, the options granted in fiscal year 2012 had a weighted average fair value of $43.01 per share. As discussed above in "—Compensation of Named Executive Officers—Kellwood Equity Incentives," the options previously issued to Ms. Granoff and Ms. Klinger will become (after giving effect to the IPO Restructuring Transactions (including the related stock split) and the assumption by Apparel Holding Corp. of Kellwood Company's remaining obligations under the 2010 Option Plan) options to acquire 1,153,291 shares and 196,584 shares, respectively, of Apparel Holding Corp. common stock, with an exercise price of $5.75 per share in each case, assuming a public offering price equal to the mid point of the initial public offering range indicated on the cover of this prospectus. Additionally, Apparel Holding Corp. will issue options to acquire 99,812 shares of Apparel Holding Corp. common stock to Ms. Klinger under the Vince 2013 Incentive Plan in connection with the consummation of this offering. Such options will have an exercise price equal to the public offering price set forth on the cover of this prospectus.

(2) Amounts reflect the annual incentive cash bonus earned in the fiscal year shown but paid in the following fiscal year.

(3) Neither Ms. Granoff nor Ms. Klinger was employed by the company in fiscal 2011.

(4) Salary reflects base compensation from hire date of May 4, 2012 through February 2, 2013.

(5) Amount reflects cash bonus payment after giving effect to the $472,637 which was paid upon the achievement of targeted objectives under the AHC 2012 Bonus Plan. The aggregate of such amounts (or $500,000) represents the amount of Ms. Granoff's guaranteed bonus under the terms of her employment agreement.

(6) Salary reflects base compensation from hire date of December 10, 2012 through February 2, 2013.
(7) Amount reflects cash bonus payment after giving effect to the $13,139 which was paid upon the achievement of targeted objectives under the AHC 2012 Bonus Plan. The aggregate of such amounts (or $350,000) represents the amount of Ms. Klinger's guaranteed bonus under the terms of her employment agreement.
(8) Reflects compensation paid under the AHC 2012 Bonus Plan. Because this amount exceeds Mr. Gordon's guaranteed minimum bonus of $250,000, no additional cash bonus payments were made to Mr. Gordon for fiscal 2012.
(9) Amounts reflect the value of their clothing allowance, car allowance and excess life insurance.
(10) Salary reflects base compensation through January 31, 2013, the effective date of Ms. Laccone's resignation.
(11) Amounts reflect a $3,616,438 transition bonus payment and $1,811,429 performance bonus payment paid pursuant to Ms. Laccone's employment agreement. See "—Employment Agreements" for additional information.
(12) For fiscal 2012, amounts reflect $57,346 in clothing allowance, $9,600 in car allowance, $8,124 in excess life insurance payments and $112,188 in unused vacation payout. For fiscal 2011, amounts reflect $31,605 in clothing allowance, $9,600 in car allowance and $6,366 in excess life insurance payments.

Employment Agreements

Jill Granoff, Chief Executive Office r . Kellwood Company entered into an employment agreement with Ms. Granoff on May 4, 2012. Pursuant to the terms of the employment agreement, Ms. Granoff received an annual base salary of $900,000 in fiscal 2012. In addition to base salary, Ms. Granoff was eligible to participate in the AHC 2012 Bonus Plan which provided her with the opportunity to earn a bonus targeted at 75% of her base salary in fiscal 2012. Under her employment agreement, Ms. Granoff was guaranteed an annual cash bonus of $500,000 for fiscal 2012. Effective February 1, 2013, Ms. Granoff received a base salary increase to $1,000,000 and her targeted bonus opportunity increased to 100% of her base salary. Ms. Granoff has no guaranteed bonus for fiscal 2013.

In connection with the consummation of this offering and the repayment of certain Kellwood Company indebtedness, Ms. Granoff will earn a debt recovery bonus under the terms of her amended employment agreement. The amount of the bonus is equal to 4.4% of the related debt recovery, subject to the aggregate maximum bonus cap of $6.0 million; provided, that she remain continuously employed with us through the related payment date. As set forth therein, she is eligible to receive a debt recovery bonus upon any reduction in the debt outstanding under the Cerberus Term Loan, the Sun Term Loan Agreements and the Public Bonds. In connection with Kellwood Company's sale of Royal Robbins in December 2012, Kellwood Company repaid $10.0 million of indebtedness under the Cerberus Term Loan. This repayment triggered a $440,000 debt recovery bonus for Ms. Granoff. Ms. Granoff has agreed to delay the payment of such bonus until the earlier of (i) December 31, 2013, (ii) the consummation of this offering, (iii) the consummation of a sale of all or substantially all of the Vince business to a third-party not affiliated with Kellwood Company or (iv) the termination of Ms. Granoff's employment for any reason. This payment will reduce the amount of debt recovery bonus to which she would otherwise be entitled to receive upon the repayment of the Cerberus Term Loan, the Sun Term Loan Agreements and the Public Bonds in connection with the consummation of this offering on a dollar for dollar basis.

On September 24, 2013, Ms. Granoff and Kellwood Company entered into an amendment to her employment agreement. Pursuant to the terms of the amendment, Kellwood Company has agreed to pay the debt recovery bonus to Ms. Granoff upon the closing of this offering prior to paying the 1% restructuring fee to Sun Capital Management or repaying, refinancing or repurchasing the 7.625% Notes, each as described in "Use of Proceeds" and "Restructuring Transactions." Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of the 7.625% Notes.

In the event Ms. Granoff's employment is terminated without cause or Ms. Granoff terminates her employment for good reason, she would be eligible to receive (i) any unpaid base salary through her termination date, together with a pro-rated portion of the annual bonus for the year in which her termination occurs, (ii) reimbursement for any unreimbursed business expenses incurred through her termination date, (iii) any accrued and unused vacation time, (iv) all other payments, benefits or fringe

benefits to which she is entitled under the terms of any applicable compensation arrangement or benefit, equity or fringe benefit plan or program or grant, (v) her base salary during a period ending on the 18-month anniversary of her termination date, less any salary she receives from other full-time employment after the 12-month anniversary of her termination, (vi) continued participation in our group health plan for 18 months or until she obtains other employment following the first anniversary of her termination and such employment offers comparable group health benefits for which she is eligible, (vii) the pro rata portion of shares subject to Ms. Granoff's option grants which would have otherwise vested on the next scheduled vesting date had her employment continued until such time and (viii) any prior period bonus earned and not yet paid.

Kellwood Company's obligations under Ms. Granoff's employment agreement will be assigned to Vince Holding Corp. or one of its subsidiaries in connection with this offering.

Lisa Klinger, Chief Financial Officer and Treasurer. Effective December 10, 2012, Ms. Klinger entered into an employment agreement with Kellwood Company. Pursuant to the terms of her employment agreement, Ms. Klinger receives an annual base salary of $450,000. Her annual base salary will be increased to a minimum of $500,000 upon the earlier of completing her relocation or 18 months after the commencement of her employment. Under her employment agreement, Ms. Klinger was guaranteed an annual cash bonus of $350,000 for fiscal 2012. Beginning in fiscal 2013, in addition to base salary, Ms. Klinger is eligible to participate in the AHC 2013 Bonus Plan that provides her with the opportunity to earn a bonus targeted at 50% of her base salary.

In the event Ms. Klinger's employment is terminated without cause, she would be eligible to receive (i) her base salary during a period ending on the earlier of the 12 month anniversary of her termination date and the date on which she secures replacement employment (the "salary continuation period") and (ii) continued medical and dental coverage in accordance with the company's medical plans that are then in place until the end of the salary continuation period, or at the company's option, coverage under another medical and/or dental plan.

Kellwood Company's obligations under Ms. Klinger's employment agreement will be assigned to Vince Holding Corp. or one of its subsidiaries in connection with this offering.

Arthur Gordon, Chief Operating Officer . Beginning fiscal 2009, Mr. Gordon received an annual base salary of $800,000. In addition to base salary, Mr. Gordon was eligible to participate in the AHC 2012 Bonus Plan that provided him with the opportunity to earn a bonus targeted at 70% of his base salary. Effective May 1, 2013, Mr. Gordon entered into an amended and restated retirement agreement and related option cancellation agreement with Kellwood Company. Pursuant to the terms of his retirement agreement, Kellwood Company agreed to make the following payments to Mr. Gordon in the event he is terminated without cause or voluntarily resigns or retires after February 1, 2014: (i) any unpaid and earned cash incentive bonus for the prior year; (ii) a lump sum equal to 18 months of his base salary, plus a lump sum equal to the average of his three prior year cash incentive bonuses, each subject to Mr. Gordon's execution of a satisfactory release; and (iii) provided that Mr. Gordon is paying the employee portion of his COBRA premium, the amount in excess of the COBRA premium for a period of 18 months or until he secures other employment. In such event, Kellwood Company may retain his exclusive consulting services, upon the mutual agreement of the parties, for a period beginning on his termination date and ending on the earlier of: (A) the 12-month anniversary of his termination date; (B) his death or disability; and (C) his termination as a consultant for cause. Mr. Gordon will earn a bonus of $130,563 upon the consummation of this offering, which constitutes a "Sale" under the terms of his retirement agreement. Such amount shall be paid upon the earlier of (1) 30 days following the consummation of this offering; (2) the payment of severance amounts to him; and (3) February 1, 2014. Notwithstanding the foregoing, he shall not be entitled to any payments under his retirement agreement if he voluntarily resigns or retires before February 2, 2014, upon his death or disability or if he is terminated for cause. Mr. Gordon agreed to cancel his outstanding Kellwood Company stock options in exchange for his entry into and payments under his retirement agreement. Mr. Gordon does not have, and will not have, any operational responsibilities relating to Vince following consummation of this offering and will not be one of our Named Executive Officers for fiscal 2013 or beyond.

Rea Laccone, former Chief Executive Officer. Effective October 31, 2006, Ms. Laccone entered into an employment agreement with Kellwood Company, a subsidiary of AHC prior to the consummation of this offering. The agreement was amended and restated on August 13, 2010 and further amended on August 23, 2012. Pursuant to the terms of her amended and restated employment agreement, Ms. Laccone received an annual base salary of $800,000 from August 13, 2010 until November 1, 2011. In addition, Ms. Laccone was eligible to participate in the cash bonus plan which provided her with the opportunity to earn a bonus targeted at 40% of her base salary in fiscal 2011. Under the terms of the amended and restated employment agreement, Ms. Laccone's base salary increased to $1,000,000 on November 1, 2011 and she became eligible to receive an annual cash incentive bonus in an amount equal to 3.5% of Vince EBITDA for Kellwood's 2012, 2013 and 2014 fiscal years. Pursuant to the terms of her employment agreement as amended on August 23, 2012, Ms. Laccone received an annual base salary of $2,400,000 from June 26, 2012 through her resignation on January 31, 2013. The terms of the amended employment agreement also provided that Ms. Laccone was eligible to receive an annual cash incentive bonus in an amount equal to 3.5% of Vince EBITDA through June 26, 2012 and 2.4% of Vince EBITDA thereafter. In addition, Ms. Laccone was eligible to receive a transition bonus of up to $6.0 million during the period from June 26, 2012 through June 26, 2013. The amount of her actual transition bonus was $3.6 million, reflecting a prorated amount in accordance with the terms of her agreement as she resigned on January 31, 2013. See "—Summary Compensation Table" for the specific amounts of the performance bonus and transition payments paid to Ms. Laccone in fiscal 2011 and fiscal 2012 in accordance with the terms of her amended employment agreement. Ms. Laccone will not be one of our Named Executive Officers in fiscal 2013 or beyond.

Outstanding Equity Awards at Fiscal 2012 Year-End

The following table sets forth information regarding outstanding equity awards of Kellwood Company held by our Named Executive Officers at the end of fiscal 2012:

	Options Awards(1)				
Name	Vesting Commencement Date(2)	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable(3)	Option Exercise Price ($)(3)	Option Expiration Date(3)
Jill Granoff	May 4, 2012	—	44,000	$ 150.78	May 4, 2022
Lisa Klinger	December 10, 2012	—	7,500	$ 150.78	December 10, 2022
Arthur Gordon(4)	—	—	—	—	—
Rea Laccone	—	—	—	—	—

(1) Each stock option was granted pursuant to the 2010 Option Plan. As discussed above in "—Compensation of Named Executive Officers—Kellwood Equity Incentives," the options previously issued to Ms. Granoff and Ms. Klinger will be exchanged for 1,153,291 and 196,584 options, respectively, to acquire Apparel Holding Corp. common stock, with an exercise price equal to $5.75, assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus. See "Additional Information Related to AHC—AHC Executive Compensation—Employee Stock Plans—2010 Option Plan" for a discussion of the impact of a $1.00 increase or decrease in the assumed initial offering price of $18.00 per share, which is the midpoint of the range set forth on the cover of this prospectus, on the average weighted average exercise price and number of options of all issued and outstanding options previously issued to Vince employees under the 2010 Option Plan.

(2) Ms. Granoff's and Ms. Klinger's options will vest 20% each year on the anniversary of the grant date beginning on the first anniversary of the grant date so long as they remain continuously employed with the company. Notwithstanding the foregoing, unvested options will automatically vest upon the consummation of certain sale and change of control transactions.

(3) As discussed above in "—Compensation of Named Executive Officers—Kellwood Equity Incentives," the options previously issued to Ms. Granoff and Ms. Klinger will become (after giving effect to the IPO Restructuring Transactions (including the related stock split) and the assumption by Apparel Holding Corp. of Kellwood Company's remaining obligations under the 2010 Option Plan) options to acquire 1,153,291 shares and 196,584 shares, respectively, of Apparel Holding Corp. common

stock, with an exercise price of $5.75 per share in each case, assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus. The option expiration date and vesting terms will remain unchanged. Additionally, we will issue options to acquire 99,812 shares of Apparel Holding Corp. common stock to Ms. Klinger under the Vince 2013 Incentive Plan in connection with the consummation of this offering. All such options will have an exercise price equal to the public offering price set forth on the cover of this prospectus.

(4) As described below in "—Employment Agreements," Mr. Gordon agreed to cancel his outstanding Kellwood Company stock options in exchange for payments under his retirement agreement. Such options were effectively surrendered and cancelled on October 4, 2012 in accordance with the terms of the related option cancellation agreement.

Director Compensation

During fiscal 2012, we did not make any compensation payments (including any equity grants) to our directors, for service as directors, as all of our directors were employees of AHC or affiliates Sun Capital, which will continue to be our controlling stockholder after consummation of this offering. Sun Cardinal, an affiliate of Sun Capital, will also have the authority to designate a majority of our directors after consummation of this offering. We did reimburse directors for out-of-pocket expenses they incurred in connection with their service as directors, including those incurred in connection with attending all board and committee meetings.

We will adopt a compensation policy with respect to our directors in contemplation of the consummation of this offering. All members of our board of directors that are not employed by us will be entitled to receive compensation for their services to the board of directors and related committees pursuant to the policy described below.

Following this offering, the annual cash fees paid to our non-employee directors and directors not employed by Sun Capital or its affiliates will be as follows:

Description	Amount
Annual Retainer(1)	$50,000
Retainer for Chair of Committee(1)	$15,000 for chairing our audit committee; $10,000 for chairing our compensation committee; and $5,000 for chairing our nominating and corporate governance committee

(1) Such amounts shall be paid to each of our non-employee directors elected or appointed to our board and, as applicable, for serving as the chair of one of our board committees in connection with the consummation of this offering. Such amounts shall be paid to each non-employee director elected or appointed after the consummation of this offering to our board and, as applicable, to serve as the chair of one of our committees, upon his or her appointment or election, with such amount calculated on a pro rata basis for the first year of service.

All directors will also be entitled to be reimbursed for their reasonable out-of-pocket expenses incurred to attend meetings of our board of directors and related committees.

In addition, following this offering, our non-employee directors will be entitled to receive the following equity awards:

Annual Restricted Stock Grant. On an annual basis, each of our non-employee directors then in office will receive a grant of $75,000 worth of restricted common stock. These shares of restricted common stock will vest over a three-year period from the grant date. Each non-employee director elected or appointed to our board in connection with the consummation of this offering will receive his or her annual grant of $75,000 worth of restricted stock in connection with the closing of this offering. Each non-employee director elected or appointed after the consummation of this offering will receive a pro rata amount of the annual grant for the first year in which he or she serves on our board based on the date such non-employee director is elected or appointed.

Director and Officer Indemnification and Limitation of Liability

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that we will indemnify our directors and officers to the fullest extent permitted by the DGCL. In addition, our amended and restated certificate of incorporation will provide that our directors will not be liable for monetary damages for breach of fiduciary duty, except for liability (i) for any breach of the director's duty of loyalty to us or our stockholders or (ii) for acts or omissions not in good faith or acts or omissions that involve intentional misconduct or a knowing violation of law.

In addition, prior to the consummation of this offering, we will enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under the DGCL.

There is no pending litigation or proceeding naming any of our directors or officers to which indemnification is being sought, and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Employee Stock Plans

2010 Option Plan

The 2010 Option Plan was adopted by the board of directors of Kellwood Company on June 30, 2010. As of October 5, 2013, Kellwood Company had reserved 105,000 shares of its common stock for issuance under the 2010 Option Plan. AHC will not grant any further awards under the 2010 Option Plan to any of Vince's officers or directors after the consummation of this offering. Future awards to Vince's executive officers and directors shall be granted by our board of directors or compensation committee under the Vince 2013 Incentive Plan, as described below.

In connection with the consummation of this offering, Apparel Holding Corp. employees who will continue as employees of the non-Vince businesses will receive shares of Apparel Holding Corp. common stock in exchange for their vested Kellwood Company stock options (previously issued under the 2010 Option Plan). All other stock options previously issued to such employees under the 2010 Option Plan will be cancelled upon the closing of this offering. Apparel Holding Corp. will assume Kellwood Company's remaining obligations under the 2010 Option Plan. After giving effect to such assumption, the stock options previously issued to Vince employees and to Michael Saunders, AHC's former Senior Vice President and Chief Operating Officer, Kellwood, under the 2010 Option Plan will become options to acquire shares of Apparel Holding Corp. common stock (with the number of shares subject to such options and the related exercise price adjusted to give effect to the stock split which will occur as part of the IPO Restructuring Transactions).

Vince 2013 Incentive Plan

In connection with this offering, we intend to adopt the Vince 2013 Incentive Plan. We expect that the Vince 2013 Incentive Plan will provide for grants of stock options, stock appreciation rights, restricted stock, and other stock-based awards. Directors, officers and our employees, as well as others performing consulting or advisory services for us, would be eligible for grants under the Vince 2013 Incentive Plan. The purpose of the Vince 2013 Incentive Plan is to provide incentives that will attract, retain and motivate high performing officers, directors, employees and consultants by providing them with appropriate incentives and rewards either through a proprietary interest in our long-term success or compensation based on their performance in fulfilling their personal responsibilities. Set forth below is a summary of what we expect will be the material terms of the Vince 2013 Incentive Plan. We have included a form of the Vince 2013 Incentive Plan as an exhibit to the registration statement of which this prospectus forms a part reflecting such terms.

Administration . The Vince 2013 Incentive Plan will be administered by our compensation committee. Among the compensation committee's powers will be to determine the form, amount and other terms and conditions of awards; clarify, construe or resolve any ambiguity in any provision of the Vince 2013 Incentive Plan or any award agreement; amend the terms of outstanding awards; and adopt such rules, forms, instruments and guidelines for administering the Vince 2013 Incentive Plan as it deems necessary or proper. The compensation committee will have authority to administer and interpret the Vince 2013 Incentive Plan, to grant discretionary awards under the Vince 2013 Incentive Plan, to determine the persons to whom awards will be granted, to determine the types of awards to be granted, to determine the terms and conditions of each award, to determine the number of shares of common stock to be covered by each award, to make all other determinations in connection with the Vince 2013 Incentive Plan and the awards thereunder as the compensation committee deems necessary or desirable and to delegate authority under the Vince 2013 Incentive Plan to our executive officers.

Available Shares . The aggregate number of shares of common stock which may be issued or used for reference purposes under the Vince 2013 Incentive Plan or with respect to which awards may be granted may not exceed 3,400,000 shares. The number of shares available for issuance under the Vince 2013 Incentive Plan may be subject to adjustment in the event of a reorganization, stock split, merger or similar change in the corporate structure or the outstanding shares of common stock. In the event of any of these occurrences, we may make any adjustments we consider appropriate to, among other things, the number and kind of shares, options or other property available for issuance under the plan or covered by grants previously made under the plan. The shares available for issuance under the plan may be, in whole or in part, either authorized and unissued shares of our common stock or shares of common stock held in or acquired for our treasury. In general, if awards under the Vince 2013 Incentive Plan are for any reason cancelled, or expire or terminate unexercised, the shares covered by such awards may again be available for the grant of awards under the Vince 2013 Incentive Plan.

The maximum number of shares of our common stock with respect to which any stock option, stock appreciation right, shares of restricted stock or other stock-based awards that are subject to the attainment of specified performance goals and intended to satisfy Section 162(m) of the Code and may be granted under the Vince 2013 Incentive Plan during any fiscal year to any eligible individual will be 1,000,000 shares (per type of award); provided, that the total number of shares of our common stock with respect to all awards that may be granted under the Vince 2013 Incentive Plan during any fiscal year will be 1,000,000 shares. There will be no annual limits on the number of shares of our common stock with respect to an award of restricted stock that is not subject to the attainment of specified performance goals to eligible individuals. The maximum number of shares of our common stock subject to any performance award which may be granted under the Vince 2013 Incentive Plan during any fiscal year to any eligible individual will be 1,000,000 shares. The total number of shares of our common stock subject to any award which may be granted under the Vince 2013 Incentive Plan during any fiscal year to any non-employee director will be 100,000 shares. The maximum value of any cash payment made pursuant to an award which may be granted under the Vince 2013 Incentive Plan during any fiscal year to any non-employee director will be $500,000.

Eligibility for Participation . Members of our board of directors, as well as employees of, and consultants to, us or any of our subsidiaries and affiliates will be eligible to receive awards under the Vince 2013 Incentive Plan.

Award Agreement . Awards granted under the Vince 2013 Incentive Plan are evidenced by award agreements, which need not be identical, that provide additional terms, conditions, restrictions and/or limitations covering the grant of the award, including, without limitation, additional terms providing for the acceleration of exercisability or vesting of awards in the event of a change of control or conditions regarding the participant's employment, as determined by the compensation committee.

Stock Options . The compensation committee may grant nonqualified stock options to eligible individuals and incentive stock options only to eligible employees. The compensation committee will determine the number of shares of our common stock subject to each option, the term of each option, which may not exceed ten years, or five years in the case of an incentive stock option granted to a ten percent stockholder, the exercise price, the vesting schedule, if any, and the other material terms of each option. No incentive stock option or nonqualified stock option may have an exercise price less than the fair market value of a share of our common stock at the time of grant or, in the case of an incentive stock option granted to a ten percent stockholder, 110% of such share's fair market value. Options will be exercisable at such time or times and subject to such terms and conditions as determined by the compensation committee at grant and the exercisability of such options may be accelerated by the compensation committee.

Stock Appreciation Rights . The compensation committee may grant stock appreciation rights, which we refer to as SARs, either with a stock option, which may be exercised only at such times and to the extent the related option is exercisable, which we refer to as a Tandem SAR, or independent of a stock option, which we refer to as a Non-Tandem SAR. A SAR is a right to receive a payment in shares of our common stock or cash, as determined by the compensation committee, equal in value to the excess of the fair market value of one share of our common stock on the date of exercise over the exercise price per share established in connection with the grant of the SAR. The term of each SAR may not exceed ten years. The exercise price per share covered by an SAR will be the exercise price per share of the related option in the case of a Tandem SAR and will be the fair market value of our common stock on the date of grant in the case of a Non-Tandem SAR. The compensation committee may also grant limited SARs, either as Tandem SARs or Non-Tandem SARs, which may become exercisable only upon the occurrence of a change in control, as defined in the Vince 2013 Incentive Plan, or such other event as the compensation committee may designate at the time of grant or thereafter.

Restricted Stock . The compensation committee may award shares of restricted stock. Except as otherwise provided by the compensation committee upon the award of restricted stock, the recipient generally has the rights of a stockholder with respect to the shares, including the right to receive dividends, the right to vote the shares of restricted stock and, conditioned upon full vesting of shares of restricted stock, the right to tender such shares, subject to the conditions and restrictions generally applicable to restricted stock or specifically set forth in the recipient's restricted stock agreement. The compensation committee may determine at the time of award that the payment of dividends, if any, will be deferred until the expiration of the applicable restriction period.

Recipients of restricted stock are required to enter into a restricted stock agreement with us that states the restrictions to which the shares are subject, which may include satisfaction of pre-established performance goals, and the criteria or date or dates on which such restrictions will lapse.

If the grant of restricted stock or the lapse of the relevant restrictions is based on the attainment of performance goals, the compensation committee will establish for each recipient the applicable performance goals, formulae or standards and the applicable vesting percentages with reference to the attainment of such goals or satisfaction of such formulae or standards while the outcome of the performance goals are substantially uncertain. Such performance goals may incorporate provisions for disregarding, or adjusting for, changes in accounting methods, corporate transactions, including, without limitation, dispositions and acquisitions, and other similar events or circumstances. Section 162(m) of the Code requires that performance awards be based upon objective performance measures in order to qualify as "performance based compensation" for purposes of Section 162(m). The performance goals for restricted stock intended to qualify as "performance based compensation" will be based on one or more of the objective criteria set forth on an exhibit to the Vince 2013 Incentive Plan and are further discussed in general below.

Other Stock-Based Awards . The compensation committee may, subject to limitations under applicable law, make a grant of such other stock-based awards, including, without limitation, performance units, dividend equivalent units, stock equivalent units, restricted stock and deferred stock units under the Vince 2013 Incentive Plan that are payable in cash or denominated or payable in or valued by shares of our common stock or factors that influence the value of such shares. The compensation committee may determine the terms and conditions of any such other awards, which may include the achievement of certain minimum performance goals for purposes of compliance with Section 162(m) of the Code and/or a minimum vesting period. The performance goals for performance-based other stock-based awards intended to qualify as “performance based compensation” will be based on one or more of the objective criteria set forth on an exhibit to the Vince 2013 Incentive Plan and discussed in general below.

Other Cash-Based Awards . The compensation committee may grant awards payable in cash. Cash-based awards will be in such form, and dependent on such conditions, as the compensation committee will determine, including, without limitation, being subject to the satisfaction of vesting conditions or awarded purely as a bonus and not subject to restrictions or conditions. If a cash-based award is subject to vesting conditions, the compensation committee may accelerate the vesting of such award in its discretion.

Performance Awards . The compensation committee may grant a performance award to a participant payable upon the attainment of specific performance goals. If the performance award is payable in cash, it may be paid upon the attainment of the relevant performance goals either in cash or in shares of restricted stock, based on the then current fair market value of such shares, as determined by the compensation committee. Based on service, performance and/or other factors or criteria, the compensation committee may, at or after grant, accelerate the vesting of all or any part of any performance award.

Performance Goals . The compensation committee may grant awards of restricted stock, performance awards, and other stock-based awards that are intended to qualify as “performance-based compensation” for purposes of Section 162(m) of the Code. These awards may be granted, vest and be paid based on attainment of specified performance goals established by the committee. These performance goals may be based on the attainment of a certain target level of, or a specified increase or decrease in, one or more of the following measures selected by the compensation committee: (1) earnings per share; (2) operating income; (3) gross income; (4) net income, before or after taxes; (5) cash flow; (6) gross profit; (7) gross profit return on investment; (8) gross margin return on investment; (9) gross margin; (10) operating margin; (11) working capital; (12) earnings before interest and taxes; (13) earnings before interest, tax, depreciation and amortization; (14) return on equity; (15) return on assets; (16) return on capital; (17) return on invested capital; (18) net revenues; (19) gross revenues; (20) revenue growth; (21) annual recurring revenues; (22) recurring revenues; (23) license revenues; (24) sales or market share; (25) total stockholder return; (26) economic value added; (27) specified objectives with regard to limiting the level of increase in all or a portion of our bank debt or other long-term or short-term public or private debt or other similar financial obligations, which may be calculated net of cash balances and other offsets and adjustments as may be established by the compensation committee; (28) the fair market value of a share of our common stock; (29) the growth in the value of an investment in our common stock assuming the reinvestment of dividends; or (30) reduction in operating expenses.

To the extent permitted by law, the compensation committee may also exclude the impact of an event or occurrence which the compensation committee determines should be appropriately excluded, such as (1) restructurings, discontinued operations, extraordinary items and other unusual or non-recurring charges; (2) an event either not directly related to our operations or not within the reasonable control of management; or (3) a change in accounting standards required by generally accepted accounting principles.

Performance goals may also be based on an individual participant's performance goals, as determined by the compensation committee.

In addition, all performance goals may be based upon the attainment of specified levels of our performance, or the performance of a subsidiary, division or other operational unit, under one or more of the measures described above relative to the performance of other corporations. The compensation committee may designate additional business criteria on which the performance goals may be based or adjust, modify or amend those criteria.

Change in Control . In connection with a change in control, as defined in the Vince 2013 Incentive Plan, the compensation committee may accelerate vesting of outstanding awards under the Vince 2013 Incentive Plan. In addition, such awards may be, in the discretion of the committee, (1) assumed and continued or substituted in accordance with applicable law; (2) purchased by us for an amount equal to the excess of the price of a share of our common stock paid in a change in control over the exercise price of the awards; or (3) cancelled for no consideration if the price of a share of our common stock paid in a change in control is less than the exercise price of the award. The compensation committee may also provide for accelerated vesting or lapse of restrictions of an award at any time.

Stockholder Rights . Except as otherwise provided in the applicable award agreement, and with respect to an award of restricted stock, a participant has no rights as a stockholder with respect to shares of our common stock covered by any award until the participant becomes the record holder of such shares.

Amendment and Termination. Notwithstanding any other provision of the Vince 2013 Incentive Plan, our board of directors may at any time amend any or all of the provisions of the Vince 2013 Incentive Plan, or suspend or terminate it entirely, retroactively or otherwise, subject to stockholder approval in certain instances; provided, however, that, unless otherwise required by law or specifically provided in the Vince 2013 Incentive Plan, the rights of a participant with respect to awards granted prior to such amendment, suspension or termination may not be adversely affected without the consent of such participant.

Transferability. Awards granted under the Vince 2013 Incentive Plan generally will be nontransferable, other than by will or the laws of descent and distribution, except that the committee may provide for the transferability of nonqualified stock options at the time of grant or thereafter to certain family members.

Recoupment of Awards. The Vince 2013 Incentive Plan will provide that awards granted thereunder are subject to any recoupment policy that we may have in place or any obligation that we may have regarding the clawback of "incentive-based compensation" under the Exchange Act or under any applicable rules and regulations promulgated by the Securities and Exchange Commission.

Effective Date; Term. The Vince 2013 Incentive Plan will be effective when adopted by the board of directors and approved by stockholders. We expect to adopt the Vince 2013 Incentive Plan prior to the consummation of this offering. The Vince 2013 Incentive Plan will expire ten years following its approval by our board of directors. Any award outstanding under the Vince 2013 Incentive Plan at the time of expiration will remain in effect until such award is exercised or has expired in accordance with its terms.

Severance Benefits

Upon certain types of terminations of employment, severance benefits may be payable to our Named Executive Officers. Severance benefits payable to the Named Executive Officers are addressed in their employment agreements. See "—Employment Agreements."

Vince Employee Stock Purchase Plan

Prior to the consummation of this offering, our board of directors intend to adopt the Vince ESPP subject to the approval of our stockholders. If adopted, the Vince ESPP would be effective as of the consummation of this offering, but the first offering period under the Vince ESPP would not commence until specifically authorized by the committee that administers the Vince ESPP. The Vince ESPP would generally be designed to encourage employees to become stockholders and to increase their ownership of our common stock. The maximum number of shares of common stock which may be issued pursuant to the Vince ESPP may not exceed 1,000,000 shares. We anticipate that shares of our common stock issued under the Vince ESPP would be issued at a discount to market no greater than 5% and with an offering period equal to six months; provided, that the maximum number of shares that may be purchased in any offering period may not exceed 500,000 in total or 500,000 per person. The Vince ESPP would also be intended to comply with the requirements of Section 423 of the Code and to assure the participants of the tax advantages provided thereby.

Section 401(k) Plan

We provide the defined contribution Kellwood Retirement Savings Plan, a 401(k) Plan, as well as various group health and welfare programs that are generally available to all Kellwood and Vince employees, including the Named Executive Officers.

Under the plan, eligible employees electing to participate may contribute up to 100% of their pretax income, subject to IRS rules limiting an individual's total contributions and the application of IRS tests designed to ensure that the plan does not discriminate in favor of highly compensated employees.

Effective February 1, 2013, we reinstated the 401(k) for all employees. We will match 50% up to the first 3% of the employee's deferral. We did not make any contributions to any Named Executive Officer's 401(k) account in fiscal 2012.

DESCRIPTION OF CERTAIN INDEBTEDNESS OF VINCE, LLC

Concurrently with the consummation of this offering, we intend to enter into a new senior secured revolving credit facility and a new senior secured term loan credit facility. While we are still negotiating the final forms of these new facilities, the proposed material terms of these facilities are described below.

New Revolving Credit Facility

Vince, LLC plans to enter into a new senior secured revolving credit facility in connection with the consummation of this offering. Bank of America, N.A. ("BofA") will serve as administrative agent for the other lenders party thereto under this new facility. This revolving credit facility is expected to provide for a revolving line of credit of up to $50 million. It is intended that the closing of our revolving credit facility will be conditioned upon consummation of this offering and other customary closing conditions. It is further intended that our revolving credit facility will include borrowing capacity available for letters of credit in an amount to be mutually agreed and for an incremental facility of up to $20 million. Vince, LLC will be the borrower and Vince Holding Corp. and Vince Intermediate Holding, LLC will be guarantors under the new revolving credit facility. Interest is expected to be payable on the loans under the revolving credit facility, at either the LIBOR or the base rate, in each case, with applicable margins subject to a pricing grid to be mutually agreed based on an excess availability calculation. We expect that base rate will mean, for any day, a fluctuating rate per annum equal to the highest of (i) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its prime rate; (ii) the Federal Funds Rate for such day, plus 0.50%; and (iii) the LIBOR Rate for a one month interest period as determined on such day, plus 1.0%. During the continuance of an event of default and at the election of the required lender, interest is expected to accrue at a rate to be mutually agreed in excess of the rate otherwise applicable.

The revolving credit facility will contain a requirement that, at any point when "Excess Availability" is less than the greater of (i) 15% percent of the loan cap or (ii) $7.5 million, and continuing until Excess Availability exceeds the greater of such amounts for 30 consecutive days, during which time, we must maintain a consolidated EBITDA (as defined in such agreement) equal to or greater than $20 million.

The revolving credit facility will contain representations and warranties, other covenants and events of default that are customary for this type of financing, including limitations on the incurrence of additional indebtedness, liens, negative pledges, guarantees, investments, loans, asset sales, mergers, acquisitions, prepayment of other debt, the repurchase of capital stock, transactions with affiliates, and the ability to change the nature of its business or its fiscal year. The revolving credit facility will generally permit dividends in the absence of any event of default (including any event of default arising from the contemplated dividend), so long as (i) after giving pro forma effect to the contemplated dividend, for the following six months Excess Availability will be at least the greater of 20% of the aggregate lending commitments and $7.5 million and (ii) after giving pro forma effect to the contemplated dividend, the "Consolidated Fixed Charge Coverage Ratio" for the 12 months preceding such dividend shall be greater than or equal to 1.1 to 1.0 (provided that the Consolidated Fixed Charge Coverage Ratio may be less than 1.1 to 1.0 if, after giving pro forma effect to the contemplated dividend, Excess Availability for the six fiscal months following the dividend is at least the greater of 35% of the aggregate lending commitments and $10 million).

New Term Loan Facility:

Vince, LLC and Vince Intermediate Holding, LLC also plan to enter into a new senior secured term loan credit facility with the lenders party thereto, BofA, as administrative agent, JPMorgan Chase

Bank and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint lead arrangers, and Cantor Fitzgerald as documentation agent. The new term loan facility will mature on the date that is six years after the closing of the new term loan facility. Under the new term loan facility, Vince, LLC and Vince Intermediate Holding, LLC are contemplated to borrow a $175.0 million term loan in connection with the consummation of this offering (and as described in “Use of Proceeds”). The new term loan facility is expected to provide for an incremental facility of up to the greater of $50 million and an amount that would result in the consolidated net total secured leverage ratio not exceeding 3.00 to 1.00, in addition to certain other rights to refinance or repurchase portions of the term loan. It is intended that the closing of our new term loan facility will be conditioned upon consummation of this offering and other customary closing conditions. The new term loan facility is expected to be subject to quarterly amortization of principal equal to 0.25% of the original aggregate principal amount of the term loan facility, with the balance payable at final maturity. Interest is expected to be payable on loans under the term loan facility at a rate of either (i) the Eurodollar rate (subject to a 1.00% floor) plus 5.00% or (ii) the base rate (subject to a 2.00% floor) plus 3.00%. During the continuance of a payment or bankruptcy event of default, interest is expected to accrue (i) on the overdue principal amount of any loan at a rate of 2% in excess of the rate otherwise applicable to such loan and (ii) on any overdue interest or any other outstanding overdue amount at a rate of 2% in excess of the non-default interest rate then applicable to base rate loans.

The term loan facility will contain a requirement that we maintain a “Consolidated Net Total Leverage Ratio” as of the last day of any period of four fiscal quarters not to exceed 3.75:1.00 for the fiscal quarters ending February 1, 2014 through November 1, 2014, 3.50:1.0 for the fiscal quarters ending January 31, 2015, through October 31, 2015, and 3.25:1.00 for the fiscal quarter ending January 30, 2016 and each fiscal quarter thereafter. In addition, the new term loan facility is expected to contain customary representations and warranties, other covenants, and events of default, including but not limited to, limitations on the incurrence of additional indebtedness, liens, negative pledges, guarantees, investments, loans, asset sales, mergers, acquisitions, prepayment of other debt, the repurchase of capital stock, transactions with affiliates, and the ability to change the nature of its business or its fiscal year, and distributions and dividends. The term loan facility will generally permit dividends to the extent that no default or event of default is continuing or would result from the contemplated dividend and the pro forma Consolidated Net Total Leverage Ratio after giving effect to such contemplated dividend is at least 0.25 lower than the maximum Consolidated Net Total Leverage Ratio for such quarter. All obligations under the term loan facility are expected to be guaranteed by Vince Holding Corp. and any future material domestic restricted subsidiaries of Vince, LLC and secured by a lien on substantially all of the assets of Vince Holding Corp., Vince, LLC and Vince Intermediate Holding, LLC and any future material domestic restricted subsidiaries.

OTHER INFORMATION RELATED TO THIS OFFERING

This section contains additional information related to Apparel Holding Corp., the entity offering shares of common stock in this offering. Investors will be investing in the Vince business, however they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS OF AHC

Shared Services Agreement

In connection with consummation of this offering, Vince, LLC will enter into the Shared Services Agreement with Kellwood Company, LLC pursuant to which Kellwood will provide support services in various operational areas including, among other things, retail e-commerce, finance, distribution, logistics, information technology, accounts payable, credit and collections and payroll and benefits.

The Shared Services Agreement may be modified or supplemented to include new services under terms and conditions to be mutually agreed upon in good faith by the parties. The fees for all services received by Vince, LLC from Kellwood, including any new services mutually agreed upon by the parties, will be at cost. Such costs shall be the full amount of any and all actual and direct out-of-pocket expenses (including base salary and wages but without providing for any margin of profit or allocation of depreciation or amortization expense) incurred by the service provider or its affiliates in connection with the provision of the services.

We may terminate any or all of the services at any time for any reason (with or without cause) upon giving Kellwood the required advance notice for termination for that particular service. Additionally, the provision of the following services, which are services which require a term as a matter of law and services which are based on a third-party agreement with a set term, shall terminate automatically upon the related date specified on the schedules to the Shared Services Agreement: Building Services NY; Tax; and Compensation & Benefits. If no specific notice requirement has been provided, 90 days prior written notice shall be required to be given. Upon the termination of certain services, Kellwood may no longer be in a position to provide certain other related services. Kellwood must notify us within 10 days following our request to terminate any services if they will no longer be able to provide other related services. Assuming we proceed with our request to terminate the original services, such related services shall also be terminated in connection with such termination.

We will be invoiced by Kellwood monthly for these amounts and generally be required to pay within 15 business days of receiving such invoice. The payments will be trued-up and can be disputed once each fiscal quarter.

Tax Receivable Agreement

In connection with the consummation of this offering, Vince Holding Corp. will enter into the Tax Receivable Agreement with the Pre-IPO Stockholders. AHC and its former subsidiaries have generated certain tax benefits (including NOLs and tax credits) prior to the IPO Restructuring Transactions and will generate certain section 197 intangible deductions, or the Pre-IPO Tax Benefits, which would reduce the actual liability for taxes that we might otherwise be required to pay. The Tax Receivable Agreement provides for payments to the Pre-IPO Stockholders in an amount equal to 85% of the aggregate reduction in taxes payable realized by us and our subsidiaries from the utilization of the Pre-IPO Tax Benefits (the “Net Tax Benefit”).

For purposes of the Tax Receivable Agreement, the Net Tax Benefit shall equal (i) with respect to a taxable year, the excess, if any, of (A) our liability for taxes using the same methods, elections, conventions and similar practices used on the relevant company return assuming there were no Pre-IPO Tax Benefits over (B) our actual liability for taxes for such taxable year (the “Realized Tax Benefit”), plus (ii) for each prior taxable year, the excess, if any, of the Realized Tax Benefit reflected on an amended schedule applicable to such prior taxable year over the Realized Tax Benefit reflected on the original tax benefit schedule for such prior taxable year, minus (iii) for each prior taxable year, the excess, if any, of the Realized Tax Benefit reflected on the original tax benefit schedule for such

prior taxable year over the Realized Tax Benefit reflected on the amended schedule for such prior taxable year; provided, however, that to extent any of the adjustments described in clauses (ii) and (iii) were reflected in the calculation of the tax benefit payment for any subsequent taxable year, such adjustments shall not be taken into account in determining the Net Tax Benefit for any subsequent taxable year.

While the Tax Receivable Agreement is designed with the objective of causing our annual cash costs attributable to federal, state and local income taxes (without regard to our continuing 15% interest in the Pre-IPO Tax Benefits) to be the same as that which we would have paid had we not had the Pre-IPO Tax Benefits available to offset our federal, state and local taxable income, there are circumstances in which this may not be the case. In particular, the Tax Receivable Agreement provides that any payments by us thereunder shall not be refundable. In that regard, the payment obligations under the Tax Receivable Agreement differ from a payment of a federal income tax liability in that a tax refund would not be available to us under the Tax Receivable Agreement even if we were to incur a net operating loss for federal income tax purposes in a future tax year. Similarly, the Pre-IPO Stockholders will not reimburse us for any payments previously made if any tax benefits relating to such payments are subsequently disallowed, although the amount of any such tax benefits subsequently disallowed will reduce future payments (if any) otherwise owed to such Pre-IPO Stockholders. In addition, depending on the amount and timing of our future earnings (if any) and on other factors including the effect of any limitations imposed on our ability to use the Pre-IPO Tax Benefits, it is possible that all payments required under the Tax Receivable Agreement could become due within a relatively short period of time following this offering.

If we did not enter into the Tax Receivable Agreement, we would be entitled to realize the full economic benefit of the Pre-IPO Tax Benefits to the extent allowed by federal, state and local law. The Tax Receivable Agreement is designed with the objective of causing our annual cash costs attributable to federal, state and local income taxes (without regard to our continuing 15% interest in the Pre-IPO Tax Benefits) to be the same as we would have paid had we not had the Pre-IPO Tax Benefits available to offset our federal, state and local taxable income. As a result, stockholders purchasing shares in this offering will not be entitled to the economic benefit of the Pre-IPO Tax Benefits that would have been available if the Tax Receivable Agreement were not in effect, except to the extent of our continuing 15% interest in the Pre-IPO Benefits.

Additionally, the payments we make to the Pre-IPO Stockholders under the Tax Receivable Agreement are not expected to give rise to any incidental tax benefits to us, such as deductions or an adjustment to the basis of our assets.

An affiliate of Sun Capital may elect to terminate the Tax Receivable Agreement upon the occurrence of a Change of Control (as defined below). In connection with any such termination, we will be obligated to pay the present value (calculated at a rate per annum equal to LIBOR plus 200 basis points as of such date) of all remaining Net Tax Benefit payments that would be required to be paid to the Pre-IPO Stockholders from such termination date, applying the valuation assumptions set forth in the Tax Receivable Agreement (the “Early Termination Period”). “Change of control,” as defined in the Tax Receivable Agreement shall mean an event or series of events by which (i) Apparel Holding Corp. shall cease directly or indirectly to own 100% of the capital stock of Vince, LLC; (ii) any “person” or “group” (as such terms are used in Section 13(d) and 14(d) of the Exchange Act), other than one or more permitted investors, shall be the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of capital stock having more, directly or indirectly, than 35% of the total voting power of all outstanding capital stock of Apparel Holding Corp. in the election of directors, unless at such time the permitted investors are direct or indirect “beneficial owners” (as so defined) of capital stock of Apparel Holding Corp. having a greater percentage of the total voting power of all outstanding capital stock of Apparel Holding Corp. in the election of directors than that owned by each other

"person" or "group" described above; (iii) for any reason whatsoever, a majority of the board of directors of Apparel Holding Corp. shall not be continuing directors; or (iv) a "Change of Control" (or comparable term) shall occur under (x) any term loan or revolving credit facility of Apparel Holding Corp. or its subsidiaries or (y) any unsecured, senior, senior subordinated or subordinated Indebtedness of Apparel Holding Corp. or its subsidiaries, if, in each case, the outstanding principal amount thereof is in excess of $15,000,000. We may also terminate the Tax Receivable Agreement by paying the Early Termination Payment to the Pre-IPO Stockholders. Additionally, the Tax Receivable Agreement provides that in the event that we breach any material obligations under the Tax Receivable Agreement by operation of law as a result of the rejection of the Tax Receivable Agreement in a case commenced under the Bankruptcy Code, then the Early Termination Payment plus other outstanding amounts under the Tax Receivable Agreement shall become due and payable.

The term of the Tax Receivable Agreement will commence upon consummation of the IPO Restructuring Transactions and will continue until the earlier of (i) the date all such tax benefits have been utilized or expired, (ii) the last day of the tax year including the tenth anniversary of the IPO Restructuring Transactions and (iii) the mutual agreement of the parties thereto, unless earlier terminated in accordance with the terms thereof.

Transfer Agreement

As part of the IPO Restructuring Transactions, Kellwood Company, LLC and Vince Intermediate Holding, LLC will enter into a transfer agreement (the "Transfer Agreement"). Pursuant to the terms of the Transfer Agreement, Kellwood Company, LLC will distribute the Vince, LLC equity interests to Vince Intermediate Holding, LLC in exchange for the Kellwood Note Receivable.

Apparel Holding Corp. will agree to contribute the net proceeds of this offering to Vince Intermediate Holding, LLC immediately following the consummation of this offering. Vince Intermediate Holding, LLC will agree to immediately pay Kellwood Company, LLC the principal amount outstanding under the Kellwood Note Receivable in full satisfaction of its obligations thereunder after the receipt of such proceeds pursuant to the terms of the Transfer Agreement. Additionally, Kellwood Company, LLC will be obligated to use proceeds from the Kellwood Note Receivable, after giving effect to the Additional Sun Capital Contribution, to immediately repay or discharge indebtedness outstanding under the Cerberus Term Loan and the Sun Term Loan Agreements, and to issue an unconditional notice to redeem all of the issued and outstanding 12.875% Notes (after giving effect to the Additional Sun Capital Contribution).

Kellwood Company, LLC will also be obligated to use such proceeds to immediately pay a restructuring fee equal to 1% of the offering and certain related debt repayment and the amount of the new Vince and Kellwood credit facilities to Sun Capital Management and to pay a debt recovery bonus of up to $6.0 million to our Chief Executive Officer. Prior to entry into the Transfer Agreement, Kellwood Company shall have commenced a tender offer for all of the 7.625% Notes at par (including accrued and unpaid interest thereon). The closing of the tender offer will be conditioned, among other things, upon the closing of this offering. Kellwood Company, LLC will be obligated, pursuant to the terms of the Transfer Agreement, to use a portion of the proceeds from the repayment of the Kellwood Note Receivable to purchase all 7.625% Notes validly tendered and not validly withdrawn in the tender offer, in accordance with the terms thereof. In the event the tender offer for the 7.625% Notes is not completed contemporaneously with the consummation of this offering, Kellwood Company, LLC will be required to an escrow an amount necessary to purchase the 7.625% Notes which may be tendered in the tender offer at the closing of the tender offer with the Escrow Agent until the earlier of (i) the closing of the tender offer; and (ii) the three-month anniversary of the closing of this offering. As discussed in "Restructuring Transactions," Kellwood Company, LLC will retain amounts remaining in the escrow account, if any, after consummation of the tender offer. Finally, Kellwood Company, LLC will be obligated to refinance the

Wells Fargo Facility immediately following the consummation of this offering to, among other things, release Vince, LLC as a guarantor or obligor thereunder. See “Use of Proceeds” and the “Restructuring Transactions” for additional information.

In accordance with the terms of the Transfer Agreement, Kellwood Company, LLC will agree to indemnify us for any losses which we may suffer, sustain or become subject to, relating to the Kellwood Company, LLC business or in connection with any contract contributed to us by Kellwood Company which is not by its terms permitted to be assigned. Kellwood Company, LLC will also agree to indemnify us for any losses associated with its failure to satisfy its obligations under the Transfer Agreement with respect to the repayment, repurchase, discharge or refinancing of certain of its indebtedness, as described in the immediately prior paragraph (including with respect to the removal of Vince, LLC as an obligor or guarantor under the refinanced Wells Fargo Facility). Additionally, Vince Intermediate Holding, LLC will agree to indemnify Kellwood Company, LLC against any losses which Kellwood Company, LLC may suffer, sustain or become subject to relating to the Vince business. The parties also agreed, upon the request of either the other party to, without further consideration, execute and deliver, or cause to be executed and delivered, such other instruments of conveyance, transfer, assignment and confirmation, and shall take or cause to be taken, such further or other actions as the other party may deem necessary or desirable to carry out the intent and purpose of the Transfer Agreement and give effect to the transactions contemplated thereby.

Kellwood Note Receivable

Immediately prior to the consummation of this offering, Vince Intermediate Holding, LLC will issue the Kellwood Note Receivable in the aggregate principal amount of $323.5 million to Kellwood Company, LLC (assuming net offering proceeds of $159 million and net borrowings under our new term loan facility of $169.5 million). No interest will accrue under the Kellwood Note Receivable as the Kellwood Note Receivable will be repaid on the date of issuance, immediately after Vince Intermediate Holding, LLC has received the net proceeds from this offering from Apparel Holding Corp. and has incurred borrowings under our new term loan facility.

Debt Recovery Bonus to Our Chief Executive Officer

Jill Granoff, our CEO, will receive a debt recovery bonus in connection with the repayment of certain Kellwood Company indebtedness, calculated as 4.4% of the related debt recovery, capped at $6.0 million (which includes $440,000 in a prior unpaid debt recovery bonus) upon consummation of this offering. See “Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements” for additional information. Kellwood Company, LLC will use proceeds from the repayment of the Kellwood Note Receivable to pay this bonus to Ms. Granoff at the closing of this offering. See “Use of Proceeds” and “Restructuring Transactions.” Kellwood Company has agreed, pursuant to the terms of her amended employment agreement to pay such fee to her prior to paying the restructuring fee to Sun Capital Management or repaying, refinancing or repurchasing the 7.625% Notes. Neither Apparel Holding Corp. nor Vince, LLC is a guarantor or obligor of the 7.625% Notes. See “Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements.”

Earnout Agreement

In connection with the acquisition of the Vince business, Kellwood Company entered into an agreement with CRL Group providing for contingent earnout payments as additional consideration for the purchase of substantially all of the assets and properties of CRL Group (the “Earnout Agreement”). Rea Laccone is a member of the CRL Group. The Earnout Agreement provides for the payment of contingent annual earnout payments to CRL Group for five periods between 2007 and 2011, with the contingent

amounts earned based on the amount of net sales and gross margin in each such period. The Earnout Agreement also provides for a cumulative contingent payment based on the amount of net sales during the Earnout Agreement period. Kellwood Company made payments under the Earnout Agreement of $0.8 million, $58.5 million and $4.5 million for fiscal 2012, fiscal 2011 and fiscal 2010, respectively.

Certain Indebtedness to Sun Capital

Sun Capital Loan Agreement. Apparel Holding Corp. is party to a Loan Authorization Agreement, originally dated February 13, 2008, by and between Apparel Holding Corp, SCSF Kellwood Finance and Sun Kellwood, as successors to Bank of Montreal for a $72.0 million line of credit (the "Sun Capital Loan Agreement"). On July 19, 2012, Apparel Holding Corp., SCSF Finance and Sun Kellwood Finance entered into an Amendment No. 4 of the Sun Capital Loan Agreement pursuant to which the maturity date of our indebtedness was extended to August 6, 2014. On December 28, 2012, Apparel Holding Corp., SCSF Finance and Sun Kellwood Finance entered into an Agreement Regarding Amendment No. 4 forgiving all our unpaid interest accrued under the Sun Capital Loan Agreement prior to July 19, 2012. During fiscal 2012, fiscal 2011 and fiscal 2010, we made no payments (whether with respect to principal or interest thereon) on our indebtedness under the Sun Capital Loan Agreement. From July 19, 2012, interest accrues at a rate equal to the rate per annum announced by the Bank of Montreal, Chicago, Illinois, from time to time as its prime commercial rate, or equivalent, for U.S. dollar loans to borrowers located in the U.S. plus 2%. Effective June 18, 2013, affiliates of Sun Capital contributed all indebtedness outstanding the Sun Capital Loan Agreement to AHC as a capital contribution in the Sun Capital Contribution. See "Restructuring Transactions" for additional information.

Sun Promissory Notes. Apparel Holding Corp. is party to a $225,000,000 Senior Subordinated Promissory Note and a $75,000,000 Senior Subordinated Promissory Note, each in favor of Sun Kellwood Finance and originally dated May 2, 2008 (collectively, the "Sun Promissory Notes"). On July 19, 2012, we entered into an Amendment No. 1 with Sun Kellwood Finance regarding each of our Sun Promissory Notes pursuant to which the maturity date of our indebtedness thereunder was extended to October 15, 2016 and our interest rate thereunder was decreased from 15% per annum to 12% per annum. On December 28, 2012, Apparel Holding Corp. and Sun Kellwood Finance entered into an Agreement Regarding Amendment No. 1 with respect to each Sun Promissory Notes forgiving all our unpaid interest which accrued prior to July 19, 2012. During fiscal 2012, fiscal 2011 and fiscal 2010, we paid no interest on our indebtedness under the Sun Promissory Notes and we paid none of the principal. Affiliates of Sun Capital contributed all indebtedness outstanding under the Sun Promissory Notes, respectively, to AHC as a capital contribution effective June 18, 2013. See "Restructuring Transactions" for additional information.

Capital Contribution. On June 18, 2013, in anticipation of this offering, affiliates of Sun Capital contributed $407.5 million of indebtedness under the Sun Capital Loan Agreement and the Sun Promissory Notes to Apparel Holding Corp. in the Sun Capital Contribution. Affiliates of Sun Capital will contribute certain indebtedness outstanding under the Sun Term Loan Agreements in the Additional Sun Capital Contribution as part of the IPO Restructuring Transactions. See "Restructuring Transactions" for additional information.

Sun Term Loan Agreements. Kellwood Company and certain of its domestic subsidiaries, as borrowers, affiliates of Sun Capital, as lenders, and Sun Kellwood Finance, as collateral agent, are party to the Sun Term Loan Agreements. On September 1, 2012, Vince, LLC was joined to each of the Sun Term Loan Agreements and the related security agreement as a borrower party. As a result, Vince, LLC is jointly and severally liable up to its allocable amount for Kellwood's outstanding indebtedness under the Sun Term Loan Agreements, and substantially all of Vince, LLC's assets are collateral for such indebtedness. Vince, LLC will be released as a borrower party or guarantor thereunder in connection with consummation of the IPO Restructuring Transactions upon repayment of

the Sun Term Loan Agreements. The Term A Loan, Term B Loan, Term C Loan and Term D Loan under the Sun Term Loan Agreements bear interest at a rate of 10% per annum. The Term E Loan, Term F Loan and Term G Loan under the Sun Term Loan Agreements bear interest at a rate of 12% per annum. During fiscal 2012, fiscal 2011 and fiscal 2010, Kellwood Company paid no interest on, and repaid no principal amounts under, the Sun Term Loan Agreements. During fiscal 2012, fiscal 2011 and fiscal 2010, the largest aggregate principal amount outstanding under each Sun Term Loan Agreement was as follows:

Term A Loan:	$17,251,562
Term B Loan:	$27,507,775
Term C Loan:	$17,945,208
Term D Loan:	$11,595,349
Term E Loan:	$ 5,600,546
Term F Loan:	$27,343,843

The Term G Loan was entered into on June 28¸ 2013 and there were no amounts outstanding under that loan in each of fiscal 2012, fiscal 2011 and fiscal 2010. The Sun Term Loan Agreements will terminate on the earlier of (i) January 19, 2017 and (ii) the date on which the Cerberus Term Loan has been paid in full and commitments to lenders thereunder have been terminated, except if the maturity of the Cerberus Term Loan is extended, the termination date of the Sun Term Loan Agreements will be extended to the same date.

The indebtedness outstanding under the Sun Term Loan Agreements will be repaid in connection with this offering (after giving effect to the Additional Sun Capital Contribution and the subsequent contribution of such indebtedness by Apparel Holding Corp. to Kellwood Company, at which time such indebtedness shall be canceled). See “Use of Proceeds” and “Restructuring Transactions.”

For additional information on our indebtedness to affiliates of Sun Capital, see “Additional Information Related to Vince—Supplemental Management’s Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC” and “Information Related to AHC—Management’s Discussion and Analysis of Financial Condition and Results of Operations of AHC.”

Management Fees

In connection with the acquisition of Kellwood Company by affiliates of Sun Capital in 2008, Sun Capital Management, an affiliate of Sun Capital, entered into a Management Services Agreement with Kellwood Company that expires in May 2018, with automatic one-year extensions thereafter. Under this agreement, Sun Capital Management provides Kellwood Company with consulting and advisory services, including services relating to financing alternatives, financial reporting, accounting and management information systems. In exchange, Kellwood Company reimburses Sun Capital Management for reasonable out-of-pocket expenses incurred in connection with providing consulting and advisory services, additional and customary and reasonable fees for management consulting services provided in connection with corporate events, and also pays an annual management fee equal to $2.2 million payable in equal quarterly installments. A portion of the management fees incurred by Kellwood Company were charged to Vince, LLC in the amounts of $0.8 million, $0.4 million and $0.4 million for fiscal 2012, fiscal 2011 and fiscal 2010, respectively.

Upon the consummation of certain corporate events involving Kellwood Company or its direct or indirect subsidiaries (including restructurings and equity offerings), Kellwood Company is required to pay Sun Capital Management a transaction fee in an amount equal to 1% of the aggregate consideration (including assumed debt and long-term liabilities and the value of any refinancing consummated by Kellwood Company, LLC in connection with this offering) paid to or by Kellwood Company and any of its

direct or indirect subsidiaries or stockholders. It is currently estimated that this restructuring fee will total $3.1 million. The obligation to pay such amount to Sun Capital Management will be an obligation of Kellwood Company, LLC after consummation of the IPO Restructuring Transactions; provided that such amount shall be repaid at the closing of this offering with proceeds from the repayment of the Kellwood Note Receivable. See “Use of Proceeds” and “Restructuring Transactions.”

As a subsidiary of Kellwood Company, Vince, LLC guarantees, jointly and severally, Kellwood Company’s payment obligations under the Management Services Agreement, which payment Sun Capital Management may seek from Vince, LLC in the first instance without first proceeding against Kellwood Company. In addition, as a subsidiary of Kellwood Company, Vince, LLC has agreed to indemnify Sun Capital Management and certain affiliates, related persons and any successor by operation of law against any liabilities, including legal fees, whether or not related to the performance by such persons of Sun Capital Management’s obligations under the Management Services Agreement. Vince, LLC will be released as a guarantor of the Management Services Agreement following the completion of the IPO Restructuring Transactions and this offering and the payment of this restructuring fee, at which time the Management Services Agreement will be terminated.

Sun Capital Consulting Agreement

In connection with this offering, we intend to enter into an agreement with Sun Capital Management to (i) reimburse Sun Capital Management or any of its affiliates providing consulting services under the agreement for out-of-pocket expenses incurred in providing consulting services to us and (ii) provide Sun Capital Management with customary indemnification for any such services.

The agreement will commence upon completion of this offering and, unless earlier terminated by us or Sun Capital Management as described below, will terminate on the tenth anniversary of the completion of this offering. Under the consulting agreement, we will have no obligation to pay Sun Capital Management or any of its affiliates any consulting fees other than those which are approved by a majority of our directors that are not affiliated with Sun Capital. To the extent such fees are approved, we will be obligated to pay such fees in addition to reimbursing Sun Capital Management or any of its affiliates that provide us services under the consulting agreement for all reasonable out-of-pocket fees and expenses incurred by such party in connection with the provision of consulting services under the consulting agreement and any related matters. Reimbursement of such expenses shall not be conditioned upon the approval of a majority of our directors that are not affiliated with Sun Capital Management, and shall be payable in addition to any fees that such directors may approve.

Neither Sun Capital Management nor any of its affiliates will be liable to us or our affiliates, securityholders or creditors for (1) any liabilities arising out of, related to, caused by, based upon or in connection with the performance of services under the consulting agreement, unless such liability is proven to have resulted directly and primarily from the willful misconduct or gross negligence of such person or (2) pursuing any outside activities or opportunities that may conflict with our best interests, which outside activities we consent to and approve under the consulting agreement, and which opportunities neither Sun Capital Management nor any of its affiliates will have any duty to inform us of. In no event will the aggregate of any liabilities of Sun Capital Management or any of its affiliates exceed the aggregate of any fees paid under the consulting agreement.

In addition, we are required to indemnify Sun Capital Management, its affiliates and any successor by operation of law against any and all liabilities, whether or not arising out of or related to such party’s performance of services under the consulting agreement, except to the extent proven to result directly and primarily from such person’s willful misconduct or gross negligence. We are also required to defend such parties in any lawsuits which may be brought against such parties and advance expenses in connection therewith. In the case of affiliates of Sun Capital Management that have rights to

indemnification and advancement from affiliates of Sun Capital, we agree to be the indemnitor of first resort, to be liable for the full amounts of payments of indemnification required by any organizational document of such entity or any agreement to which such entity is a party, and that we will not make any claims against any affiliates of Sun Capital Partners for contribution, subrogation, exoneration or reimbursement for which they are liable under any organizational documents or agreement.

Sun Capital Management may, in its sole discretion, elect to terminate the consulting agreement at any time. We may elect to terminate the consulting agreement if SCSF Cardinal, Sun Cardinal or any of their respective affiliates' aggregate ownership of our equity securities falls below 30%.

Indemnification Agreements

Prior to the consummation of this offering, we will enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under the DGCL.

Amended and Restated Certificate of Incorporation

Our amended and restated certificate of incorporation will provide that for so long as affiliates of Sun Capital own 30% or more of our outstanding shares of common stock, Sun Cardinal, a Sun Capital affiliate, will have the right to designate a majority of our board of directors. For so long as Sun Cardinal has the right to designate a majority of our board of directors, the directors designated by Sun Cardinal are expected to constitute a majority of each committee of our board of directors (other than the Audit Committee), and the chairman of each of the committees (other than the Audit Committee) is expected to be a director serving on the committee who is selected by affiliates of Sun Capital, provided that, at such time as we are not a "controlled company" under the NYSE corporate governance standards, our committee membership will comply with all applicable requirements of those standards and a majority of our board of directors will be "independent directors," as defined under the rules of the NYSE, subject to any applicable phase in requirements.

Stockholders' Agreement

In connection with the February 2008 acquisition of Kellwood Company by affiliates of Sun Capital, Apparel Holding Corp. entered into a stockholders' agreement with affiliates of Sun Capital and certain minority stockholders of Apparel Holding Corp. on February 20, 2008. Under the terms of this agreement, these minority stockholders have agreed and any future minority stockholders must agree to vote all of their Apparel Holding Corp. capital stock (including warrants and options to purchase such capital stock and securities convertible or exchangeable for capital stock), to the extent such capital stock has voting rights, in the manner specified by Sun Cardinal in connection with certain fundamental transactions, including this offering and in the IPO Restructuring Transactions, in the election of our directors and any other matter on which stockholders of Delaware corporations generally have a right to vote, and to grant an irrevocable proxy to Sun Cardinal with respect to such securities. This agreement also subjects such minority stockholders to certain transfer restrictions and drag-along rights with respect to their Apparel Holding Corp. capital stock, and grants to them certain tag-along and preemptive rights with respect to issuances of Apparel Holding Corp. capital stock by Apparel Holding Corp. to Sun Capital and its affiliates.

Sun Cardinal has the right, in its sole discretion, to terminate all or any portion of the stockholders' agreement immediately prior to the effectiveness of the registration statement relating to this offering. Sun Cardinal has advised us that it intends to terminate such agreement in its entirety

prior to the consummation of this offering. If such termination right is not exercised, the stockholders' agreement will otherwise terminate automatically on the later of (a) the date on which Sun Cardinal, SCSF Cardinal and their respective affiliates no longer own or control at least 25% of our common stock on a fully-diluted basis and (b) the date on which Sun Cardinal, SCSF Cardinal and their respective affiliates no longer control our board of directors.

Securityholders' Agreement

Apparel Holding Corp. and Kellwood Company entered into a securityholders' agreement with certain minority stockholders of Kellwood Company on June 30, 2010. Under the terms of this agreement, each minority stockholder has agreed to vote all their debt and equity securities of Kellwood Company and, where applicable, of Apparel Holding Corp. in the manner specified by Apparel Holding Corp. in connection with certain transactions (including this offering), in the election of Kellwood Company directors and on any other matter on which the stockholders of Delaware corporations generally have a right to vote or which is submitted to a vote of the Kellwood Company stockholders, and to grant an irrevocable proxy to us with respect to such securities. This agreement also subjects such minority stockholders to certain transfer restrictions and drag-along rights with respect to Kellwood Company capital stock. It grants to them certain tag-along rights with respect to any debt or equity Kellwood Company securities held by Apparel Holding Corp.

Under the securityholders' agreement, Kellwood Company has the option, but not the obligation, to repurchase the debt and equity securities of Kellwood Company and, where applicable, of Apparel Holding Corp., held by minority stockholders immediately prior to the effective time of this offering. The securityholders' agreement will automatically terminate on the later of (a) the date on which we no longer own or control at least 25% of Kellwood Company's common stock on a fully-diluted basis and (b) the date on which we no longer control Kellwood Company's board. As Apparel Holding Corp. will no longer own or control Kellwood Company, LLC after consummation of this offering, the securityholders' agreement will automatically terminate upon the consummation of the IPO Restructuring Transactions, which will occur immediately prior to this offering.

Registration Agreement

Apparel Holding Corp. entered into a registration agreement with Sun Cardinal and SCSF Cardinal and certain other investors in connection with the February 2008 acquisition of Kellwood Company by affiliates of Sun Capital. Pursuant to the terms of this agreement, holders of at least a majority of "Sun Registrable Securities" (which include (i) shares of Apparel Holding Corp. common stock originally issued to Sun Capital and its affiliates; (ii) all shares of common stock or other securities of Apparel Holding Corp. issuable upon the conversion, exercise or exchange of Apparel Holding Corp. common stock in connection with certain reorganization transactions; and (iii) any other shares of common stock or other securities of Apparel Holding Corp. held by persons holding the securities described in clauses (i) and (ii)) are entitled to request that Apparel Holding Corp. register its shares on a registration statement on one or more occasions in the future. Sun Capital and its affiliates and the other investors party to the registration agreement are also eligible to participate in certain registered offerings by Apparel Holding Corp., subject to the restrictions in the registration rights agreement. The Pre-IPO Stockholders have affirmatively waived their piggy back registration rights to participate in this offering in accordance with the terms of the registration agreement, other than with respect to the 1,500,000 shares of our common stock to be sold by the Selling Stockholders in the event the underwriters exercise their option to purchase additional shares. We are obligated, within 30 days of receiving a request for registration, to file with the SEC a registration statement with respect to such registrable securities. In addition, we are obligated to use our best efforts to make short-form registrations on Form S-3 available for the sale of registrable securities after the consummation of this

offering. Apparel Holding Corp. will pay the expenses of the investors party to the registration agreement in connection with their exercise of the rights described in this paragraph, other than underwriting commissions or selling commissions attributable to the registrable securities sold by the holders thereof, as well reimburse the holders of registrable securities included in any registration for the reasonable fees and disbursements of one counsel chosen by the holders of a majority of the registrable securities included in such registration. Our obligation to bear all registration expenses is absolute and does not depend on whether any contemplated offering is completed or whether any registration statement is declared effective. To the extent the underwriters exercise their option to purchase additional shares, we will bear all expenses incurred by the selling stockholders in connection therewith in accordance with the registration agreement excluding the payment of underwriters' fees and commissions.

Employment Agreements

See "Additional Information Related to Vince—Vince Executive Compensation—Employment Agreements" for a description of our employment agreements with certain of our executive officers.

Statement of Policy Regarding Transactions with Related Persons

In connection with this offering, we will adopt a written statement of policy with respect to related party transactions, which is administered by our Nominating and Corporate Governance Committee. Under our related party transaction policy, a "Related Party Transaction" is any transaction, arrangement or relationship between us or any of our subsidiaries and a Related Person not including any transactions involving less than $120,000 when aggregated with all similar transactions, or transactions that have received pre-approval of our Nominating and Corporate Governance Committee. A "Related Person" is any of our executive officers, directors or director nominees, any stockholder beneficially owning in excess of 5% of our stock or securities exchangeable for our stock, any immediate family member of any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons is an executive officer, a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest in such entity.

Pursuant to our related party transaction policy, a Related Party Transaction may only be consummated or may only continue if:

- our Nominating and Corporate Governance Committee approves or ratifies such transaction in accordance with the terms of the policy; or
- the chair of our Nominating and Corporate Governance Committee pre-approves or ratifies such transaction and the amount involved in the transaction is less than $120,000, provided that for the Related Party Transaction to continue it must be approved by our Audit Committee at its next regularly scheduled meeting.

If advance approval of a Related Party Transaction is not feasible, then that Related Party Transaction will be considered and, if our Nominating and Corporate Governance Committee determines it to be appropriate, ratified, at its next regularly scheduled meeting. If we decide to proceed with a Related Party Transaction without advance approval, then the terms of such Related Party Transaction must permit termination by us without further material obligation in the event our ratification is not forthcoming at our next regularly scheduled meeting.

Transactions with Related Persons, though not classified as Related Party Transactions by our related party transaction policy and thus not subject to its review and approval requirements, may still need to be disclosed if required by the applicable securities laws, rules and regulations.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS OF AHC

The following table contains information about the beneficial ownership of our common stock (after giving effect to the IPO Restructuring Transactions) as of October 15, 2013 and as adjusted to give effect to this offering by:

- each person, or group of persons, who beneficially owns more than 5% of our capital stock, including the selling stockholders;
- each of our named executive officers;
- each of our directors as of the consummation of this offering; and
- all directors and executive officers as a group.

For further information regarding material transactions between us and certain of our stockholders, see “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC.”

Beneficial ownership and percentage ownership are determined in accordance with the rules and regulations of the SEC and include voting or investment power with respect to shares of stock. This information does not necessarily indicate beneficial ownership for any other purpose. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to restrictions, options or warrants held by that person that are currently exercisable or exercisable within 60 days of October 15, 2013 are deemed outstanding. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as indicated in the footnotes to the following table or pursuant to applicable community property laws, each stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite such stockholder’s name.

Our calculation of the percentage of beneficial ownership prior to the offering is based on shares of our common stock outstanding on October 15, 2013 (after giving effect to the IPO Restructuring Transactions and the related stock split of 28.5177 for one), or 26,263,585 shares. Our calculation of the percentage of beneficial ownership after the offering is based on 36,263,585 shares of our common stock outstanding immediately after consummation of the offering. The selling stockholders have granted the underwriters an option to purchase an additional 1,500,000 shares of our common stock in the aggregate from them.

Unless otherwise indicated in the footnotes, the address of each of the individuals named below is: c/o Vince Holding Corp., 1441 Broadway, 6th Floor, New York, New York 10018.

	Shares Beneficially Owned Prior to the Offering	Percentage of Shares Beneficially Owned Prior to the Offering	Shares Beneficially Owned After the Offering Assuming No Exercise of the Option to Purchase Additional Shares		Shares Beneficially Owned After the Offering Assuming Full Exercise of the Option to Purchase Additional Shares	
Name of Beneficial Owner	Number	Percentage	Number	Percentage	Number	Percentage
5% Stockholder:						
Sun Capital(1)	26,211,131	99.8%	26,211,131	72.3%	24,711,131	68.1%
Named Executive Officers & Directors:						
Jill Granoff(2)	230,658	*	230,658	*	230,658	*
Lisa Klinger(3)	39,316	*	39,316	*	39,316	*
Arthur Gordon(4)	—	—	—	—	—	—
Michael Saunders(4)(5)	—	—	—	—	—	—
Rea Laccone	—	—	—	—	—	—
Christopher T. Metz(6)	—	—	—	—	—	—
Mark E. Brody(6)	—	—	—	—	—	—
Jason H. Neimark(6)	—	—	—	—	—	—
Jerome Griffith	—	—	—	—	—	—
Robert A. Bowman	—	—	—	—	—	—
All Executive Officers and Directors as a Group (14 Persons):	269,974	1.0	269,974	*	269,974	*

* Less than 1%

(1) Includes 19,654,204 shares held of record by Sun Cardinal, 5,506 shares held of record by H.I.G. Sun Partners, Inc. ("H.I.G.") and 6,551,420 shares held of record by SCSF Cardinal, in each case after giving effect to the IPO Restructuring Transactions. Sun Cardinal is a wholly owned subsidiary of Sun Capital Partners V, L.P. SCSF Cardinal is jointly owned by Sun Capital Securities Offshore Fund, Ltd. ("SCSF Offshore") and Sun Capital Securities Fund, L.P. ("SCSF LP"). Indirectly through their respective revocable trusts, Messrs. Marc J. Leder and Rodger Krouse each control 50% of the shares in Sun Capital Partners V, Ltd. ("Sun Partners V Ltd"), which in turn is the general partner of Sun Capital Advisors V, L.P. ("Sun Advisors V"), which in turn is the general partner of Sun Capital Partners V, L.P. ("Sun Partners V LP"). Pursuant to that certain stockholders agreement (as described under "Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC"), H.I.G. has agreed to vote its shares in connection with the election of directors and certain other matters in the manner specified by Sun Cardinal. Apparel Holding Corp. intends to terminate the stockholders agreement in connection with the consummation of this offering. As a result, Messrs. Leder and Krouse (and/or their respective revocable trusts), Sun Partners V Ltd, Sun Advisors V and Sun Partners V LP may be deemed to have indirect beneficial ownership of the securities owned directly by Sun Cardinal or H.I.G. (prior to the consummation of this offering). Messrs. Leder and Krouse also control, indirectly through their respective irrevocable trusts, 50% of the membership interests in Sun Capital Securities, LLC ("SCSF LLC"), which in turn is the general partner of Sun Capital Securities Advisors, LP ("SCSF Advisors"), which in turn is the general partner of SCSF LP. As a result, Messrs. Leder and Krouse (and their respective revocable trusts), SCSF LLC, SCSF Advisors, SCSF LP and SCSF Offshore may be deemed to have indirect beneficial ownership of the securities directly owned by SCSF Cardinal. Each of Messrs. Leder and Krouse (and their respective revocable trusts), Sun Partners V Ltd, Sun Advisors V, Sun Partners V LP, SCSF LLC, SCSF Advisors, SCSF LP and SCSF Offshore expressly disclaims beneficial ownership of any securities in which they do not have a pecuniary interest.

Does not include Mr. Saunders' options to acquire 262,112 shares of Apparel Holding Corp. after the consummation of this offering but prior to the Expiration Time (as defined in note (5) to the "Outstanding Equity Awards at Fiscal 2012 Year End" table in "Additional Information Related to AHC—AHC Executive Compensation"), assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus, with respect to which affiliates of Sun Capital have an option to purchase such options or the shares of Apparel Holding Corp. issuable upon the exercise of such options within the 30 days of the Expiration Time or seven months of the exercise date, as applicable.

The business address for Messrs. Leder and Krouse, Sun Partners V Ltd, Sun Advisors V, Sun Partners V LP, SCSF LLC, SCSF Advisors, SCSF LP and SCSF Offshore is c/o Sun Capital Partners, Inc., 5200 Town Center Circle, Suite 600, Boca Raton, FL 33486.

(2) Represents vested Kellwood Company options, after giving effect to the IPO Restructuring Transactions (including the related stock split) and Apparel Holding Corp.'s assumption of Kellwood Company's remaining obligations under the 2010 Option Plan. Such options, however, are not currently exercisable in accordance with the terms of Ms. Granoff's grant agreement. Such agreement will be amended and restated prior to the consummation of this offering, to allow for the exercise of all vested options upon the consummation of this offering, subject to certain minimum holding period requirements. The exact number of options shall be calculated by dividing the aggregate spread value of such employee's options (determined as the difference between the exercise price and the public offering price set forth on the cover of this prospectus, multiplied by the aggregate number of vested options held by such employee) by the public offering price. See "Additional Information Related to AHC—AHC Executive Compensation—Employee Stock Plans—2010 Option Plan" for a discussion on the impact of a $1.00 increase or decrease to the assumed initial public offering price of $18.00 per share on the number of vested options to be held by Ms. Granoff.

(3) Represents Kellwood Company options that will vest within 60 days of October 15, 2013, after giving effect to the IPO Restructuring Transactions (including the related stock split) and Apparel Holding Corp.'s assumption of Kellwood Company's remaining obligations under the 2010 Option Plan. Such options, however, are not currently exercisable in accordance with the terms of Ms. Klinger's grant agreement. Such agreement will be amended and restated prior to the consummation of this offering, to allow for the exercise of all vested options upon the consummation of this offering, subject to certain minimum holding period requirements. The exact number of options shall be calculated by dividing the aggregate spread value of such employee's options (determined as the difference between the exercise price and the public offering price set forth on the cover of this prospectus, multiplied by the aggregate number of vested options held by such employee) by the public offering price. See "Additional Information Related to AHC—AHC Executive Compensation—Employee Stock Plans—2010 Option Plan" for a discussion on the impact of a $1.00 increase or decrease to the assumed initial public offering price of $18.00 per share on the number of vested options to be held by Ms. Klinger.

(4) The address for each of Mr. Gordon and Mr. Saunders is: c/o Kellwood Company, 600 Kellwood Pkwy, Chesterfield, MO 63107.

(5) Does not include Mr. Saunders' options to acquire 262,112 shares of Apparel Holding Corp. (assuming a public offering price equal to the midpoint of the initial public offering price range indicated on the cover of this prospectus) after the consummation of this offering but prior to the Expiration Time. At the closing of this offering, affiliates of Sun Capital intend to acquire and exercise such options in accordance with the terms of Mr. Saunders' option extension agreement. See note (5) to the "Outstanding Equity Awards at Fiscal 2012 Year End" table in "Additional Information Related to AHC—AHC Executive Compensation" for additional information.

(6) The address for each of Messrs. Metz, Neimark and Brody is c/o Sun Capital Partners, Inc., 5200 Town Center Circle, Suite 600, Boca Raton, FL 33486.

DESCRIPTION OF CAPITAL STOCK OF AHC

The following is a description of the material terms of our amended and restated certificate of incorporation and amended and restated bylaws as they will be in effect upon consummation of this offering. The following description may not contain all of the information that is important to you. To understand them fully, you should read our amended and restated certificate of incorporation and amended and restated bylaws, copies of which are or will be filed with the SEC as exhibits to the registration statement of which this prospectus is a part.

Authorized Capitalization

Our currently authorized capital stock consists of 1,200,000 shares of voting common stock, par value $0.001 per share, 1,700,000 shares of non-voting common stock and 100,000 shares of preferred stock, par value $0.001 per share. In connection with this offering, we will be amending and restating our certificate of incorporation and pursuant to which we will be converting all of our issued and outstanding non-voting common stock into common stock on a one-for-one basis and consummating a subsequent stock split of our common stock on a 28.5177 for one basis. We will also be increasing our authorized capital stock to consist of 100,000,000 shares of common stock, par value $0.01 per share, and 10,000,000 shares of preferred stock, par value 0.01 per share. On October 15, 2013, there were 920,956 shares of our voting and non-voting common stock outstanding in the aggregate, held of record by four stockholders and no shares of preferred stock outstanding. Following consummation of this offering, there will be 36,263,585 shares of our common stock outstanding.

Common Stock

Voting Rights

Each share of common stock entitles the holder to one vote with respect to each matter presented to our stockholders on which the holders of common stock are entitled to vote. Our common stock will vote as a single class on all matters relating to the election and removal of directors on our board of directors and as provided by law. Holders of our common stock will not have cumulative voting rights. Except in respect of matters relating to the election of directors, or as otherwise provided in our amended and restated certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter. In the case of the election of directors, all matters to be voted on by our stockholders must be approved by a plurality of the shares present in person or by proxy at the meeting and entitled to vote on the election of directors.

Dividend Rights

The holders of our outstanding shares of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. Because we are a holding company, our ability to pay dividends on our common stock is limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions under the terms of the agreements governing our indebtedness. See “Additional Information Related to AHC—Description of Certain Indebtedness of AHC.” See also “Dividend Policy of AHC.”

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of our common stock would be entitled to share ratably in our assets that are legally available

for distribution to stockholders after payment of our debts and other liabilities. If we have any preferred stock outstanding at such time, holders of the preferred stock may be entitled to distribution and/or liquidation preferences. In either such case, we must pay the applicable distribution to the holders of our preferred stock before we may pay distributions to the holders of our common stock.

Other Rights

Our stockholders will have no preemptive, conversion or other rights to subscribe for additional shares. All outstanding shares are, and all shares offered by this prospectus will be, when sold, validly issued, fully paid and nonassessable. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Choice of Forum

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be, to the fullest extent permitted by applicable law, the sole exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

Listing

We intend to apply to have our common stock approved for listing on the NYSE under the symbol “VNCE”.

Preferred Stock

Our amended and restated certificate of incorporation will authorize our board of directors to provide for the issuance of shares of preferred stock in one or more series and to fix the preferences, powers and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including the dividend rate, conversion rights, voting rights, redemption rights and liquidation preference and to fix the number of shares to be included in any such series without any further vote or action by our stockholders. Any preferred stock so issued may rank senior to our common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders and may adversely affect the voting and other rights of the holders of common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including the loss of voting control to others. At present, we have no plans to issue any preferred stock.

Board Composition

Following the consummation of this offering, we will be deemed to be a “controlled company” under the rules of the NYSE because more than 50% of our outstanding voting power will be held by affiliates of Sun Capital. See “Other Information Related to this Offering—Security Ownership of Certain Beneficial Owners of AHC” and “Additional Information Related to Vince—Vince Management —Corporate Governance—Controlled Company.” We intend to rely upon the “controlled company” exception to the NYSE board of directors and committee independence requirements. Pursuant to this exception, we will be exempt from the rules that would otherwise require that our board of directors

consist of a majority of independent directors and that our Compensation Committee and Nominating and Corporate Governance Committee be composed entirely of independent directors. The “controlled company” exception does not modify the independence requirements for the Audit Committee, and we intend to comply with the requirements of the Sarbanes-Oxley Act and the stock exchange rules, which require that our Audit Committee consist exclusively of independent directors within one year of our initial public offering, after the expiration of the initial public offering phase in rule.

Our amended and restated certificate of incorporation will provide that for so long as affiliates of Sun Capital own 30% or more of our outstanding shares of common stock, Sun Cardinal will have the right to designate a majority of our board of directors. For so long as Sun Cardinal has the right to designate a majority of our board of directors, the directors designated by affiliates of Sun Cardinal are expected to constitute a majority of each committee of our board of directors (other than the Audit Committee) and the chairman of each of the committees (other than the Audit Committee) is expected to be a director serving on such committee who is selected by Sun Cardinal. At such time as we are not a “controlled company” under the NYSE corporate governance standards, our committee membership will comply with all applicable requirements of those standards and a majority of our board of directors will be “independent directors,” as defined under the rules of NYSE.

Corporate Opportunity

Messrs. Christopher T. Metz, Mark E. Brody and Jason H. Neimark, who are officers or employees of Sun Capital, currently serve on our board of directors and will continue to serve as directors following consummation of this offering. In addition, Sun Cardinal, an affiliate of Sun Capital, will have the right to designate an additional director upon consummation of this offering, assuming no exercise of the underwriters’ option to purchase additional shares from the selling stockholders and that the board size remains the same (at seven directors). Affiliates of Sun Capital are our ultimate principal equityholders and our majority stockholders (after giving effect to the IPO Restructuring Transactions and the consummation of this offering). Sun Capital and affiliates controlled by them may hold equity interests in entities that directly or indirectly compete with us, and companies in which they currently invest may begin competing with us. As a result of these relationships, when conflicts between the interests of Sun Capital and its affiliates, on the one hand, and of other stockholders, on the other hand, arise, these directors may not be disinterested. Although our directors and officers have a duty of loyalty to us under Delaware law and our amended and restated certificate of incorporation, transactions that we enter into in which a director or officer has a conflict of interest are generally permissible so long as (1) the material facts relating to the director’s or officer’s relationship or interest as to the transaction are disclosed to our board of directors and a majority of our disinterested directors approved the transactions, (2) the material facts relating to the director’s or officer’s relationship or interest are disclosed to our stockholders and a majority of our disinterested stockholders approve the transaction or (3) the transaction is otherwise fair to us.

Our amended and restated certificate of incorporation will provide that the doctrine of “corporate opportunity” will not apply against Sun Capital and its affiliates, or any of our directors who are associates of, or affiliated with, Sun Capital, in a manner that would prohibit them from investing in competing businesses or doing business with our clients or guests. Our amended and restated certificate of incorporation will also provide that any principal, officer, member, manager and/or employee of Sun Capital and its affiliates or any entity that controls, is controlled by or under common control with Sun Capital or any investment funds advised by Sun Capital will not be required to offer any transaction opportunity of which they become aware to us and could take any such opportunity for themselves or offer it to other companies in which they have an investment. See “Risk Factors—Risks Related to this Offering and Our Common Stock—We are a ‘controlled company,’ controlled by investment funds advised by affiliates of Sun Capital, whose interests in our business may be different from yours.”

Antitakeover Effects of Delaware Law and Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws

Our amended and restated certificate of incorporation and our amended and restated bylaws will also contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock will make it possible for our board of directors to issue preferred stock with super voting, special approval, dividend or other rights or preferences on a discriminatory basis that could impede the success of any attempt to acquire us. These and other provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of our company.

Classified board of directors

Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes, with each class serving three-year staggered terms. In addition, (i) prior to the first date on which Sun Capital and its affiliates cease to beneficially own at least 30% of the voting power of our then outstanding capital stock entitled to vote generally in the election of directors, our directors may be removed with or without cause upon the affirmative vote of Sun Capital and its affiliates which beneficially own our outstanding voting stock and (ii) on and after such date, directors may only be removed for cause and only upon the affirmative vote of the majority of our outstanding voting stock, at a meeting of our stockholders called for that purpose. In the event Sun Capital and its affiliates cease to beneficially own at least 30% of the voting power of the voting stock then outstanding, directors previously designated by affiliates of Sun Cardinal would be entitled to serve the remainder of their respective terms, unless they are otherwise removed for cause in accordance with the terms of our amended and restated certificate of incorporation. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of our company.

Requirements for Advance Notification of Stockholder Meetings

Our amended and restated certificate of incorporation will provide that special meetings of the stockholders may be called only upon a resolution approved by a majority of the total number of directors that we would have if there were no vacancies or, prior to the date that Sun Capital and its affiliates cease to beneficially own a majority of the voting power of our then outstanding capital stock entitled to vote generally in the election of directors (the “Trigger Date”) at the request of the holders of a majority of the voting power of our then outstanding shares of voting capital stock.

Requirements for Nominations and Proposals at Stockholder Meetings

Our amended and restated bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. Our amended and restated bylaws will also provide that nominations of persons for election to our board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the notice of meeting (1) by or

at the direction of our board of directors or (2) provided that our board of directors has determined that directors shall be elected at such meeting, by any stockholder who (i) is a stockholder of record both at the time the notice is delivered and on the record date for the determination of stockholders entitled to vote at the special meeting, (ii) is entitled to vote at the meeting and upon such election and (iii) complies with the notice procedures set forth in our amended and restated bylaws. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management, of our company. These provisions will not apply to nominations by Sun Cardinal.

Stockholder Action by Written Consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is 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 of our stock entitled to vote thereon were present and voted, unless our certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will provide that, prior to the Trigger Date, any action required or permitted to be taken by our stockholders may be effected by written consent. From and after the Trigger Date, any action required or permitted to be taken by our stockholders may be effected only at a duly called annual or special meeting of our stockholders.

Business Combinations with Interested Stockholders

We will elect in our amended and restated certificate of incorporation not to be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we will not be subject to any anti-takeover effects of Section 203. However, our amended and restated certificate of incorporation will contain provisions that have the same effect as Section 203, except that they will provide that both Sun Capital and its affiliates and any persons to whom such persons sell their common stock will be deemed to have been approved by our board of directors, and thereby not subject to the restrictions set forth in our amended and restated certificate of incorporation that have the same effect as Section 203.

Requirements for Amendments to our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Prior to the Trigger Date, our amended and restated certificate of incorporation will provide that our bylaws may be adopted, amended, altered or repealed by the vote of a majority of the voting power of our then outstanding voting stock, voting together as a single class. After the Trigger Date, our bylaws may be adopted, amended, altered or repealed by either (i) a vote of a majority of the total number of directors that the company would have if there were no vacancies or (ii) in addition to any other vote otherwise required by law, the affirmative vote of the holders of at least 66 2/3% of the voting power of our then outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class.

Following the Trigger Date, our amended and restated certificate of incorporation will provide that the provisions of our certificate of incorporation relating to the size and composition of our board of directors, limitation on liabilities of directors, stockholder action by written consent, the ability of

stockholders to call special meetings, business combinations with interested persons, amendment of our bylaws or certificate of incorporation and the Court of Chancery as the exclusive forum for certain disputes, may only be amended, altered, changed or repealed by the affirmative vote of the holders of at least 66 2/3% of the voting power of all of our outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class. Prior to the Trigger Date, our amended and restated certificate of incorporation will provide that such provisions may be amended, altered, changed or repealed by the affirmative vote of the holders of a majority of the voting power of our then outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class. Our amended and restated certificate of incorporation will also provide that the provision of our certificate of incorporation that deals with corporate opportunity may only be amended, altered or repealed by a vote of 80% of the voting power of our then outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class. See “—Corporate Opportunity.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be Broadridge Corporate Issuer Solutions, Inc.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no market for our common stock, and a liquid trading market for our common stock may not develop or be sustained after this offering. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our common stock in the public market after the restrictions lapse. This may put downward pressure on the market price of our common stock and our ability to raise capital through a future sale of our securities.

Upon the consummation of this offering, 36,263,585 shares of common stock will be outstanding. The number of shares outstanding after this offering is based on the number of shares outstanding as of October 5, 2013. The 10,000,000 shares sold in this offering and 1,500,000 shares which may be sold by certain stockholders pursuant to Rules 144 and 701 under the Securities Act will be freely tradable without restriction under the Securities Act, unless those shares are purchased by affiliates as that term is defined in Rule 144. Persons who may be deemed to be affiliates generally include individuals or entities that control, are controlled by, or are under common control with, us and may include our directors and officers. The remaining 26,263,585 shares of common stock held by existing stockholders are “restricted securities” within the meaning of Rule 144 under the Securities Act. Restricted shares may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration, such as Rule 701 under the Securities Act, or meet the safe harbor requirements of Rule 144 under the Securities Act, which are summarized below. The remaining shares of common stock held by our existing stockholders upon the consummation of this offering will be available for sale in the public market after the expiration of the lock-up agreements described below and under “Other Information Related to this Offering—Underwriting,” taking into account the provisions of Rules 144 and 701 of the Securities Act.

Sales of Restricted Shares and Shares Held by Our Affiliates

Rule 144

In general, under Rule 144, an affiliate who beneficially owns shares that were purchased from us, or any affiliate, at least six months previously, is entitled to sell, upon the expiration of the lock-up agreement described below and in “Other Information Related to this Offering—Underwriting” and within any three month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of 1% of our then-outstanding shares of common stock, which will equal approximately 362,635 shares immediately after this offering, or the average weekly trading volume of our common stock on NYSE during the four calendar weeks preceding the filing of a notice of the sale with the SEC. Sales under Rule 144 are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Under Rule 144(b)(1), a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least six months (including the holding period of any prior owner other than an affiliate), is entitled to sell its shares without complying with the volume limitation or the manner of sale or notice provisions of Rule 144 beginning 90 days after the date of this prospectus, provided current public information about us is available. A person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least one year (including the holding period of any prior owner other than an affiliate), is entitled to freely sell such shares under Rule 144 without restrictions.

Rule 701

Subject to certain limitations on the aggregate offering price of a transaction and other conditions, Rule 701 may be relied upon with respect to the resale of securities originally purchased from us by our employees, directors, officers, consultants or advisors prior to the date we become subject to the reporting requirements of the Exchange Act. To be eligible for resale under Rule 701, shares must have been issued in connection with written compensatory benefit plans or written contracts relating to the compensation of such persons. In addition, 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 offering. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described below, beginning 90 days after the date of this prospectus, may be sold by persons other than “affiliates,” as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by “affiliates” under Rule 144 without compliance with its one-year minimum holding period requirement.

Sales under Rules 144 and 701

No precise prediction can be made as to the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price of our common stock prevailing from time to time. We are unable to estimate the number of our shares that may be sold in the public market pursuant to Rule 144 or Rule 701 (or pursuant to Form S-8, if applicable) because this will depend on the market price of our common stock, the personal circumstances of the sellers and other factors. Nevertheless, sales of significant amounts of our common stock in the public market could adversely affect the market price of our common stock.

Stock Plan

We intend to file registration statements on Form S-8 under the Securities Act to register (i) all shares of our common stock reserved for issuance under the Vince 2013 Incentive Plan we intend to adopt in connection with this offering, (ii) the vested Kellwood Company options previously issued to employees of the non-Vince businesses under the 2010 Option Plan that will be cancelled in exchange for shares of our common stock and (iii) all shares of our common stock reserved for issuance under the 2010 Option Plan (after giving effect to the exchanges described in clause (ii) and the assumption by Apparel Holding Corp. of Kellwood Company’s remaining obligations under the 2010 Option Plan in connection with the consummation of this offering). We expect to file this registration statement as soon as practicable after this offering and adoption of the 2013 Incentive Plan and Apparel Holding Corp.’s assumption of Kellwood Company’s remaining obligations under the 2010 Option Plan. Accordingly, shares registered under the registration statement on Form S-8 will be available for sale in the open market following its effective date, subject to compliance with the resale provisions of Rule 144 applicable to affiliates. Our 2013 Incentive Plan is described in more detail under “Additional Information Related to Vince—Vince Executive Compensation—Employee Stock Plans—Vince 2013 Incentive Plan.” The 2010 Option Plan is described in more detail under “Additional Information Related to Vince—Vince Executive Compensation—2010 Option Plan.”

Lock-Up Agreements

We and certain holders of substantially all of our common stock outstanding on the date of this prospectus, including the selling stockholders and each of our executive officers and directors, have entered into lock-up agreements with the underwriters providing that we and they will not, directly or indirectly, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or hedge any of our shares of common stock, any options or warrants to purchase shares of our common stock, or any securities convertible into, or exchangeable for or that represent the right to receive shares of our common stock, without the prior written consent of Goldman, Sachs & Co. and Robert W. Baird & Co. Incorporated for a period of 180 days from the date of this prospectus. The lock-up agreements are subject to customary exceptions, including transfers of shares (i) as a bona fide gift of shares, provided that the donee or donees agrees to be bound in writing by the restrictions described above; (ii) to any trust for the benefit of the lock-up party or the immediate family of the lock-up party, provided that the trustee agrees to be bound in writing by the restrictions described above, and provided further that any such transfer shall not involve a disposition for value; and (iii) in the case of Michael Saunders, to either of the selling stockholders or any of their respective affiliates in accordance with the terms of his option extension agreement as described in “Additional Information Related to AHC—AHC Executive Compensation—Employment Agreements.”

Registration Rights

Our Registration Agreement also provides that shares of our common stock held by Sun Cardinal, SCSF Cardinal or any of their affiliates may be registered on demand and also on registration statements relating to our securities, subject to various conditions and limitations. The right to include shares in an underwritten registration is subject to the ability of the underwriters to limit the number of shares included in the offering. By exercising their registration rights and causing a large number of shares to be registered and sold in the public market, these holders could cause the price of our common stock to fall. In addition, any demand to include such shares in our registration statements could have a material adverse effect on our ability to raise needed capital. For more information, see “Other Information Related to this Offering—Certain Relationships and Related Party Transactions of AHC—Registration Agreement.”

MATERIAL U.S. TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

This section summarizes the material U.S. federal income and estate tax considerations relating to the acquisition, ownership and disposition of our common stock by “non-U.S. holders” (defined below) pursuant to this offering. This summary does not provide a complete analysis of all potential U.S. federal income tax and estate tax considerations relating thereto. The information provided below is based upon provisions of the Code, U.S. Treasury regulations promulgated thereunder, rulings and other administrative pronouncements and judicial decisions, all as in effect as of the date hereof. These authorities are subject to different interpretations and may change at any time, possibly retroactively, so as to result in U.S. federal income and estate tax consequences different from those summarized below. We have not sought and do not expect to seek any rulings from the IRS regarding the matters discussed herein. There can be no assurance that the IRS will not take positions concerning the tax consequences of the ownership or disposition of shares of our common stock that differ from those discussed below, in which case, the tax considerations of owning or disposing of our common stock could differ from those described below. We cannot assure you that a change in law will not alter significantly the tax considerations described in this summary. For purposes of this summary, a “non-U.S. holder” is any beneficial owner of our common stock, for U.S. federal income tax purposes, that is an individual, corporation, estate or trust, but is not any of the following:

- an individual who is a citizen or resident of the U.S.;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of the U.S., any state therein or the District of Columbia;
- a trust if it (1) is subject to the primary supervision of a U.S. court and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or
- an estate whose income is subject to U.S. income tax regardless of source.

If you are an individual, you may, in many cases, be deemed to be a resident alien, as opposed to a nonresident alien, by virtue of being present in the U.S. for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. Such an individual is urged to consult his or her own tax advisor regarding his or her status as a resident alien for U.S. federal income tax purposes under these rules and the U.S. federal income tax consequences of the ownership or disposition of our common stock. If a partnership or other pass-through entity is a beneficial owner of our common stock, the tax treatment of a partner in the partnership or an owner of the entity will depend upon the status of the partner or other owner and the activities of the partnership or other entity. Any partner in a partnership or owner of a pass-through entity holding shares of our common stock should consult its own tax advisor. A partnership that is not formed under the laws of the U.S. or a state or the District of Columbia is a non-U.S. holder for purposes of the Additional Withholding Rules described below.

This discussion assumes that a non-U.S. holder will hold our common stock as a capital asset (generally, property held for investment). The summary generally does not address tax considerations that may be relevant to particular investors because of their specific circumstances, or because they are subject to special rules, including, without limitation, if the investor is a former citizen or long-term resident of the U.S., a financial institution, an insurance company, a tax-exempt organization, a trader, broker or dealer in securities or currencies, traders that elect to mark–to–market their securities, a “controlled foreign corporation,” a “passive foreign investment company,” an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes (or a partner in a partnership or a beneficial owner of a pass-through entity that holds our common stock), a person who

acquired shares of our common stock as compensation or otherwise in connection with the performance of services, or a person who has acquired shares of our common stock as part of a straddle, hedge, conversion transaction or other integrated investment. Finally, the summary does not describe the effects of the alternative minimum tax, any applicable non-U.S., state or local laws, considerations under the unearned income Medicare contribution tax, or, except to the extent discussed below, the effects of any applicable gift or estate tax laws.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL U.S. FEDERAL INCOME AND ESTATE TAX CONSEQUENCES FOR NON-U.S. HOLDERS RELATING TO THE OWNERSHIP AND DISPOSITION OF SHARES OF OUR COMMON STOCK. INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME AND ESTATE TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE CONSEQUENCES OF NON-U.S., STATE OR LOCAL LAWS, AND TAX TREATIES.

Dividends

We do not expect to declare or pay any dividends on our common stock in the foreseeable future. If we do pay dividends on shares of our common stock, however, such distributions 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. Distributions in excess of our current and accumulated earnings and profits will constitute a non-taxable return of capital that is applied against and reduces, but not below zero, a non-U.S. holder's adjusted tax basis in shares of our common stock on a share by share basis. Any remaining excess will be treated as gain realized on the sale or other disposition of our common stock. See "—Sale of Common Stock."

Any distribution to the extent treated for U.S. federal income tax purposes as a dividend paid to a non-U.S. holder on our common stock will generally be subject to U.S. withholding tax at a 30% rate. The withholding tax might not apply, however, or might apply at a reduced rate, under the terms of an applicable income tax treaty between the U.S. and the non-U.S. holder's country of residence. You should consult your tax advisors regarding your entitlement to benefits under a relevant income tax treaty. Dividends that are effectively connected with the conduct of a trade or business within the U.S. by a non-U.S. holder (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder) generally will not be subject to such withholding tax, provided certain certification and disclosure requirements are satisfied (including the provision of a properly completed IRS Form W-8 ECI or other applicable form). Instead, unless an applicable income tax treaty provides otherwise, such dividends will generally be subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a U.S. person as defined under the Code. A corporate non-U.S. holder may be subject to an additional "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on its earnings and profits that are effectively connected with its conduct of a U.S. trade or business, unless an applicable income tax treaty provides otherwise.

A non-U.S. holder of shares of our common stock who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to complete IRS Form W-8BEN (or other applicable form) and certify under penalty of perjury that such holder is not a U.S. person as defined under the Code and is eligible for treaty benefits or (b) if shares of our common stock are held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations

or individuals. If you are eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty, you may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS in a timely manner.

If you are a non-U.S. holder (including for this purpose, a partnership) and not an individual, you may be subject to a 30% withholding even if you are eligible to claim the benefits of a tax treaty if you do not comply with certain information reporting rules, described below under "—Additional Withholding Rules."

Sale of Common Stock

Subject to the discussions below of the backup withholding tax and FATCA withholding, non-U.S. holders will generally not be subject to U.S. federal income tax on any gains realized on the sale, exchange or other disposition of our common stock unless:

- the gain (1) is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business and (2) if required by an applicable income tax treaty between the U.S. and the non-U.S. holder's country of residence, is attributable to a permanent establishment (or, in certain cases, a fixed base) maintained by the non-U.S. holder in the U.S. (in which case the special rules described below apply);
- the non-U.S. holder is an individual who is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or other disposition of our common stock, and certain other requirements are met; or
- the rules of the Foreign Investment in Real Property Tax Act ("FIRPTA"), treat the gain as effectively connected with a U.S. trade or business.

In the case of a non-U.S. holder described in the first bullet point above, any gain will be subject to U.S. federal income tax on a net income basis generally in the same manner as if the non-U.S. holder were a U.S. person as defined under the Code (unless an applicable income tax treaty provides otherwise), and a corporate non-U.S. holder may also be subject to the "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) on its earnings and profits that are effectively connected with its conduct of a U.S. trade or business, unless an applicable income tax treaty provides otherwise. Except as otherwise provided by an applicable income tax treaty, an individual non-U.S. holder described in the second bullet point above will be subject to a 30% tax on any gain derived from the sale, which may be offset by certain U.S. source capital losses.

The FIRPTA rules may apply to a sale, exchange or other disposition of our common stock if we are, or were within the shorter of the five-year period preceding the disposition and the non-U.S. holder's holding period, a "U.S. real property holding corporation" ("USRPHC"). In general, we would be a USRPHC if interests in U.S. real estate comprised at least half of our business assets. We do not believe that we are a USRPHC and we do not anticipate becoming one in the future. Even if we become a USRPHC, as long as our common stock is "regularly traded on an established securities market" (as defined in the Code and applicable U.S. Treasury regulations), such common stock will be treated as U.S. real property interests only if beneficially owned by a non-U.S. holder that actually or constructively owned more than 5% of our outstanding common stock at some time within the five-year period preceding the disposition. If we are or become a USRPHC and you actually or constructively owned more than 5% of our common stock at any time during the specified testing period, you will be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates. You should consult your own tax advisor about the consequences that could result if we are, or become, a USRPHC.

Backup Withholding and Information Reporting

We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty or agreement.

A non-U.S. holder will be subject to backup withholding (currently at a rate of 28%) for dividends paid to such holder unless such holder certifies under penalty of perjury that it is not a U.S. person as defined under the Code (and the payor does not have actual knowledge or reason to know that such holder is a U.S. person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition by a non-U.S. holder of shares of our common stock within the U.S. or conducted through certain U.S.-related financial intermediaries unless such non-U.S. holder certifies under penalty of perjury that it is not a U.S. person (as defined under the Code), and the payor does not have actual knowledge or reason to know that the non-U.S. holder is a U.S. person, or such non-U.S. holder otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld from a payment to a holder of common stock under the backup withholding rules can be credited against any U.S. federal income tax liability of the holder and may entitle the holder to a refund, provided that the required information is furnished to the IRS in a timely manner.

Additional Withholding Rules

In addition to withholding described above, under legislation enacted in 2010 and related administrative guidance, known as the “FATCA” legislation, a non-U.S. holder that is an entity (including, for this purpose, a partnership) may be subject to a U.S. withholding tax at a rate of 30% on payments of dividends, if any, that we declare, and on the gross proceeds on the disposition of our common stock, unless the foreign entity has complied with various U.S. information reporting, due diligence and certification requirements that are generally designed to identify U.S. owners or account holders in the foreign entity. Recently finalized Treasury Regulations delay the implementation of withholding under FATCA with respect to dividends until after June 30, 2014, and with respect to payments of gross proceeds until after December 31, 2016.

The withholding under FATCA may be avoided if (i) the foreign entity is a “foreign financial institution” (as defined in this legislation) and such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or (ii) the foreign entity is not a “foreign financial institution” and makes a certification identifying its substantial U.S. owners (as defined for this purpose) or makes a certification that such foreign entity does not have any substantial U.S. owners. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules, or may additionally be required to meet certain other specified requirements. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

Non-U.S. holders should consult their tax advisors regarding the possible implications of this legislation on their investment in our common stock.

U.S. Federal Estate Tax

Shares of our common stock that are owned (or treated as owned) by an individual who is not a citizen or resident of the U.S. (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in such individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate or other tax treaty provides otherwise, and, therefore, may be subject to U.S. federal estate tax.

THE PRECEDING DISCUSSION OF U.S. FEDERAL TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

UNDERWRITING

Goldman, Sachs & Co. and Robert W. Baird & Co. Incorporated are acting as joint book-running managers of the offering, and Goldman, Sachs & Co. and Robert W. Baird & Co. Incorporated are the representatives of the underwriters. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC are joint book-running managers in the offering. We, the selling stockholders and the underwriters have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table from us.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Robert W. Baird & Co. Incorporated	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Barclays Capital Inc.	
J.P. Morgan Securities LLC	
Wells Fargo Securities, LLC	
KeyBanc Capital Markets Inc.	
Stifel, Nicolaus & Company, Incorporated	
William Blair & Company, L.L.C.	
Total	10,000,000

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised. The obligations of the underwriters under the underwriting agreement may be terminated upon the occurrence of certain stated events.

The underwriters have an option to buy up to an additional 1,500,000 shares from the selling stockholders to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 1,500,000 additional shares from the selling stockholders.

Paid by the Company

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Paid by the Selling Stockholders

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

We have agreed to reimburse the underwriters for certain expenses relating to clearing this offering with the Financial Industry Regulatory Authority in an amount up to $20,000.

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and holders of substantially all of our common stock on the date of this prospectus, including the selling stockholders and each of our executive officers and directors, have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date that is 180 days after the date of this prospectus, except with the prior written consent of the representatives. These agreements do not apply to any existing employee benefit plans. The lock-up agreements are subject to customary exceptions, including transfers of shares (i) as a bona fide gift of shares, provided that the donee or donees agrees to be bound in writing by the restrictions described above; (ii) to any trust for the benefit of the lock-up party or the immediate family of the lock-up party, provided that the trustee agrees to be bound in writing by the restrictions described above, and provided further that any such transfer shall not involve a disposition for value; and (iii) in the case of Michael Saunders, to either of the selling stockholders or any of their respective affiliates in accordance with the terms of his option extension agreement as described in "Additional Information Related to AHC—AHC Executive Compensation—Employment Agreements."

Prior to this offering, there has been no public market for the shares. The initial public offering price will be negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses. We offer no assurances that the initial public offering price will correspond to the price at which the shares will trade in the public market subsequent to this offering or that an active trading market for the shares will develop and continue after the offering.

We intend to list the common stock on the NYSE under the symbol "VNCE". In order to meet one of the requirements for listing the common stock on the NYSE, the underwriters have undertaken to sell lots of 100 or more shares to a minimum of 400 beneficial owners.

We and the selling stockholders have agreed to indemnify the underwriters and their controlling persons against certain liabilities, including liabilities under the Securities Act.

In connection with this offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover 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 cover 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 additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters

must cover any such 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 the 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 made by the underwriters in the open market prior to the consummation 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.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $8.4 million.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. In particular, Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, will serve as administrative agent under our new revolving credit facility and new term loan facility, and Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC are joint lead arrangers under our new term loan facility, and Merrill Lynch, Pierce, Fenner & Smith Incorporated is joint lead arranger under our new revolving credit facility.

In the ordinary course of their various business activities, the underwriters and their respective 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, and such investment and securities activities may involve our securities and/or instruments. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time 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 which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer

of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

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 or the SFA, (ii) to a relevant person, 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 by a relevant person which is: (a) a corporation (which is not an accredited investor) 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 (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "Financial Instruments and Exchange Law"), and each underwriter has agreed that it will not offer or sell any shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

This document as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus (the "Shares"), does not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The Shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the Shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Shares with the intention to distribute them to the public. The investors will be individually approached by us from time to time. This document as well as any other material relating to the Shares is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

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 this 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.

VALIDITY OF COMMON STOCK

The validity of the common stock being offered hereby will be passed upon for the company by Kirkland & Ellis LLP, Chicago, Illinois. Certain partners of Kirkland & Ellis LLP are members of a limited partnership that is an investor in one or more investment funds affiliated with Sun Capital. Kirkland & Ellis LLP represents entities affiliated with Sun Capital and its affiliates in connection with legal matters. Certain legal matters will be passed upon for the underwriters by Simpson Thacher & Bartlett LLP, Palo Alto, California.

EXPERTS

The financial statements of Apparel Holding Corp. and Vince, LLC as of February 2, 2013 and January 28, 2012 and for each of the three years in the period ended February 2, 2013 included in this registration statement have been so included in reliance on the reports 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 ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus does not contain all of the information set forth in the registration statement and its exhibits, certain portions of which are omitted as permitted by the rules and regulations of the SEC. For further information pertaining to us and our common stock to be sold in this offering, we refer you to the registration statement, including its exhibits and the financial statements, notes and schedules filed as a part of that registration statement. Statements contained in this prospectus regarding the contents of any contract or other document referred to in those documents are not necessarily complete, and in each instance we refer you to the copy of the contract or other document filed as an exhibit to the registration statement or other document. Each of these statements is qualified in all respects by this reference.

You may read and copy the registration statement and its exhibits and schedules at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You also may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements and other information regarding registrants, such as Vince Holding Corp., that file electronically with the SEC.

Upon consummation of this offering, we will become subject to the reporting and information requirements of the Exchange Act, and as a result will file reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We also maintain a website at *www.vince.com* , at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not part of this prospectus.

INDEX TO THE AUDITED FINANCIAL STATEMENTS FOR AHC

Report of Independent Registered Public Accounting Firm

To the Board of Directors of Apparel Holding Corp.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive loss, stockholders' deficit, and cash flows present fairly, in all material respects, the financial position of Apparel Holding Corp. and its subsidiaries at February 2, 2013 and January 28, 2012, and the results of their operations and their cash flows for each of the three years in the period ended February 2, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. 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 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.

/s/ PricewaterhouseCoopers LLP

St. Louis, Missouri
July 11, 2013, except for the effects of the discontinued operations discussed in Note 4 to the consolidated financial statements, as to which the date is September 24, 2013

APPAREL HOLDING CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data and share amounts)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Net sales	$ 586,574	$ 662,846	$ 707,995	$ 319,445	$ 363,967
Cost of products sold	430,801	490,110	507,905	235,293	256,031
Gross profit	155,773	172,736	200,090	84,152	107,936
Operating expenses:					
Selling, general and administrative expenses	140,567	155,220	177,755	83,526	93,503
Amortization of intangible assets	954	1,941	1,899	950	950
Restructuring, environmental remediation and other charges	9,729	2,651	5,091	2,264	827
Impairment of long-lived assets (excluding goodwill)	438	2,504	2,349	717	—
Impairment of goodwill	—	10,821	—	—	—
Change in fair value of contingent consideration	—	(1,578)	(7,162)	(4,507)	(54)
Total operating expenses	151,688	171,559	179,932	82,950	95,226
Income from operations	4,085	1,177	20,158	1,202	12,710
Interest expense, net	103,074	127,148	122,383	74,151	43,671
Gain on acquisition, net of tax	(939)	—	—	—	—
Gain on debt extinguishment	(15,912)	—	—	—	—
Other expense, net	2,442	1,914	2,723	1,215	1,233
Loss before provision for income taxes	(84,580)	(127,885)	(104,948)	(74,164)	(32,194)
Provision for income taxes	3,507	3,401	708	2,245	2,679
Net loss from continuing operations	(88,087)	(131,286)	(105,656)	(76,409)	(34,873)
Net (loss) income from discontinued operations, net of tax	(16,391)	(16,580)	(2,053)	(4,798)	9,230
Net loss	$(104,478)	$(147,866)	$(107,709)	$ (81,207)	$ (25,643)
Basic and diluted earnings per share					
Net loss from continuing operations	$ (0.10)	$ (0.14)	$ (0.12)	$ (0.08)	$ (0.04)
Net (loss) income from discontinued operations	(0.01)	(0.02)	—	(0.01)	0.01
Net loss	$ (0.11)	$ (0.16)	$ (0.12)	$ (0.09)	$ (0.03)
Weighted average number of common shares outstanding, basic and diluted	919,118	919,118	919,118	919,118	919,118

See accompanying notes to Consolidated Financial Statements.

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APPAREL HOLDING CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Net loss	$(104,478)	$(147,866)	$(107,709)	$ (81,207)	$ (25,643)
Foreign currency translation adjustment	100	(1)	(3)	4	(42)
Comprehensive loss	$(104,378)	$(147,867)	$(107,712)	$ (81,203)	$ (25,685)

See accompanying notes to Consolidated Financial Statements.

APPAREL HOLDING CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 1,839	$ 1,881	$ 2,178
Trade receivables, net	99,155	108,343	115,248
Other receivables	973	961	470
Inventories, net	73,441	74,056	93,858
Prepaid expenses and other current assets	8,060	9,861	17,001
Current assets of discontinued operations	27,786	4,690	136
Total current assets	211,254	199,792	228,891
Property, plant and equipment:			
Land	62	62	62
Building and improvements	18,084	19,132	20,341
Machinery and equipment	8,062	9,778	10,013
Capitalized software	24,010	24,775	24,457
Construction in process	1,740	758	3,579
Total property, plant and equipment	51,958	54,505	58,452
Less accumulated depreciation and amortization	(33,332)	(36,668)	(38,191)
Property, plant and equipment, net	18,626	17,837	20,261
Intangible assets, net	149,386	146,287	145,331
Goodwill	65,876	65,876	65,876
Other assets	11,159	8,636	7,405
Long-term assets of discontinued operations	12,144	3,696	27
Total assets	$ 468,445	$ 442,124	$ 467,791
Liabilities and Stockholders' Deficit			
Current liabilities:			
Short-term borrowings	$ 88,222	$ 79,783	$ 115,601
Accounts payable	74,542	71,257	73,510
Accrued salaries and employee benefits	8,855	20,290	13,886
Other accrued expenses	14,580	14,979	16,535
Current liabilities of discontinued operations	27,204	3,737	1,698
Total current liabilities	213,403	190,046	221,230
Long-term debt	934,354	761,752	386,842
Deferred income taxes and other	60,593	49,175	36,409
Long-term liabilities of discontinued operations	3,116	2,416	2,412
Commitments and contingencies (Note 15)			
Stockholders' deficit:			
Voting Common Stock at $0.001 par value (1,200,000 shares authorized, 918,924.91 issued and outstanding)	1	1	1
Non-voting Common Stock at $0.001 par value (1,700,000 shares authorized, 193.09 issued and outstanding)	—	—	—
Additional paid in capital	97,212	386,680	794,528
Accumulated deficit	(840,171)	(947,880)	(973,523)
Accumulated other comprehensive loss	(63)	(66)	(108)
Total stockholders' deficit	(743,021)	(561,265)	(179,102)
Total liabilities and stockholders' deficit	$ 468,445	$ 442,124	$ 467,791

See accompanying notes to Consolidated Financial Statements.

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APPAREL HOLDING CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Operating activities					
Net loss	$(104,478)	$(147,866)	$(107,709)	$ (81,207)	$ (25,643)
Add (deduct) items not affecting operating cash flows:					
Depreciation	9,256	9,024	6,198	3,355	2,765
Amortization of intangible assets	1,037	2,049	2,192	1,211	950
Amortization of bond discounts and debt issuance costs	6,753	6,395	7,199	3,635	3,470
Deferred income taxes	4,091	2,734	1,410	1,653	(9,699)
Share-based compensation expense	248	65	367	13	321
Capitalized PIK Interest	75,108	92,100	86,460	55,174	23,341
Other charges (gains):					
Restructuring, environmental remediation and other charges	13,304	3,140	5,500	2,485	1,335
Impairment of long-lived assets	24,567	19,463	6,729	717	434
Deferred debt issuance cost write-off	738	1,747	397	—	—
(Gain) loss on disposition of property, plant and equipment	(19)	463	483	164	262
Gain on dispositions of trademarks, net	—	—	(4,226)	(4,228)	(1,298)
(Gain) loss on dispositions of businesses, net	—	—	(7,262)	1,866	—
Gain on dispositions of other assets	—	—	—	—	(292)
Change in fair value of contingent consideration	—	(1,578)	(7,162)	(4,507)	(54)
Gain on acquisition, net of tax	(939)	—	—	—	—
Gain on debt extinguishment	(15,912)	—	—	—	—
Changes in assets and liabilities, net of acquisitions:					
Receivables, net	(5,823)	(20,851)	(3,612)	(7,537)	(4,184)
Inventories, net	(28,540)	(5,863)	2,053	(8,284)	(18,776)
Prepaid expenses and other current assets	(2,752)	(228)	(1,007)	(2,330)	(7,265)
Accounts payable and accrued expenses	(6,027)	12,599	7,791	1,631	(4,215)
Other assets and liabilities	3,243	1,302	(5,711)	2,563	205
Payment of liabilities associated with restructuring and environmental remediation activities	(18,595)	(12,949)	(16,124)	(7,417)	(2,659)
Net cash (used in)/provided by operating activities	(44,740)	(38,254)	(26,034)	(41,043)	(41,002)
Investing activities					
Payments for capital expenditures	(5,327)	(10,275)	(10,138)	(6,084)	(5,489)
Payments for intangible assets	—	(132)	—	—	(60)
Payments for acquisitions, net of cash acquired	(28,719)	(59,154)	(806)	(806)	—
Proceeds from dispositions of property, plant and equipment, net	25	9	1,978	—	—
Proceeds from dispositions of trademarks, net	—	—	4,617	4,619	4,800
Proceeds from dispositions of businesses, net	—	—	22,310	1,749	150
Proceeds from dispositions of other assets	—	—	—	—	608
Deposits to restricted accounts	—	—	(2,466)	(1,966)	—
Deposits released from restricted accounts	—	—	1,966	—	500
Net cash (used in)/provided by investing activities	(34,021)	(69,552)	17,461	(2,488)	509
Financing activities					
Borrowings of short-term debt obligations	—	14,900	—	—	—
Payments for short-term debt obligations	—	(14,900)	—	—	—
Borrowings of long-term loan obligations	22,393	79,900	30,000	30,000	5,000
Payments for debt extinguishment	(9,060)	—	(15,000)	—	—
Borrowings of revolving credit facilities	185,172	399,621	620,367	221,940	392,635
Payments for revolving credit facilities	(127,576)	(368,995)	(623,806)	(205,404)	(356,817)
Fees paid for amendments to credit facility	(3,644)	—	—	—	—
Fees paid for short-term debt obligations	—	(101)	—	—	—
Fees paid for revolving credit facilities	—	(2,147)	(114)	(114)	—
Fees paid for long-term loan obligations	—	(2,675)	(643)	(643)	(28)
Payments to settle contingent consideration recognized at acquisition	—	—	(1,928)	(1,928)	—
Change in bank overdraft	34	(1,144)	(261)	(261)	—
Other	(14)	(8)	—	—	—
Net cash (used in)/provided by financing activities	67,305	104,451	8,615	43,590	40,790
(Decrease) increase in cash and cash equivalents	(11,456)	(3,355)	42	59	297
Cash and cash equivalents, beginning of period	16,650	5,194	1,839	1,839	1,881
Cash and cash equivalents, end of period	$ 5,194	$ 1,839	$ 1,881	$ 1,898	$ 2,178
Supplemental Disclosures of Cash Flow Information					
Cash payments for interest	$ 20,910	$ 23,665	$ 30,454	$ 14,828	$ 14,295
Cash payments for income taxes, net of refunds	336	1,065	910	182	436
Supplemental Disclosures of Non-Cash Investing and Financing Activities					
Capital expenditures in accounts payable	—	451	424	545	807
Accrued purchase consideration for acquisitions	8,137	806	—	—	—
Accrued adjustment to sale proceeds from disposed business	—	—	221	—	—
Equity interest retained in disposed business	—	—	—	424	—
Forgiveness of capitalized and accrued interest on related-party debt	—	—	(289,101)	—	(407,527)
Capital contribution from stockholder	—	—	289,101	—	407,527

See accompanying notes to Consolidated Financial Statements.

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APPAREL HOLDING CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In thousands, except share amounts)

	Common Stock					
	Number of Shares Outstanding	Par Value	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Deficit
Balance as of January 30, 2010	919,118	$ 1	$ 96,899	$ (587,827)	$ (162)	$ (491,089)
Comprehensive loss:						
Net loss	—	—	—	(104,478)	—	(104,478)
Foreign currency translation adjustment	—	—	—	—	100	100
Share-based compensation expense	—	—	248	—	—	248
Balance as of January 29, 2011	919,118	1	97,147	(692,305)	(62)	(595,219)
Comprehensive loss:						
Net loss	—	—	—	(147,866)	—	(147,866)
Foreign currency translation adjustment	—	—	—	—	(1)	(1)
Share-based compensation expense	—	—	65	—	—	65
Balance as of January 28, 2012	919,118	1	97,212	(840,171)	(63)	(743,021)
Comprehensive loss:						
Net loss	—	—	—	(107,709)	—	(107,709)
Foreign currency translation adjustment	—	—	—	—	(3)	(3)
Share-based compensation expense	—	—	367	—	—	367
Capital contribution from stockholder	—	—	289,101	—	—	289,101
Balance as of February 2, 2013	919,118	1	386,680	(947,880)	(66)	(561,265)
Comprehensive loss:						
Net loss (unaudited)	—	—	—	(25,643)	—	(25,643)
Foreign currency translation adjustment (unaudited)	—	—	—	—	(42)	(42)
Share-based compensation expense (unaudited)	—	—	321	—	—	321
Capital contribution from stockholder (unaudited)	—	—	407,527	—	—	407,527
Balance as of August 3, 2013 (unaudited)	919,118	$ 1	$794,528	$ (973,523)	$ (108)	$ (179,102)

See accompanying notes to Consolidated Financial Statements.

APPAREL HOLDING CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data and share amounts)

Note 1. Summary of Significant Accounting Policies

(A) **Description of Business** : Apparel Holding Corp. ("AHC"), together with its wholly—owned subsidiaries, design, merchandise and sell a growing collection of premier fashion brands across a broad range of consumer lifestyles, and recreational apparel and products aimed to improve the consumer outdoor experience. We market branded as well as private label products and market to all channels of distribution with product specific to the particular channel. We market products under many brands, some of which we own, and others that are under licensing agreements. The majority of our products are sourced from contract manufacturers, primarily in the Eastern Hemisphere. Products are manufactured to meet our product specifications and labor standards.

(B) **Basis of Presentation** : The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

The consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated. The amounts and disclosures included in the notes to the consolidated financial statements, unless otherwise indicated, are presented on a continuing operations basis. In the opinion of management, the financial statements contain all adjustments (consisting solely of normal recurring adjustments) and disclosures necessary to make the information presented therein not misleading. As used in this report, unless the context requires otherwise, "our," "us" and "we" refer to AHC and its consolidated subsidiaries.

Under the terms of the agreements governing the Wells Fargo Facility, Cerberus Term Loan, and 12.785% Notes (as defined in Notes 7 and 8 of the Consolidated Financial Statements), Kellwood Company, a wholly-owned subsidiary of AHC and substantially all of its existing and future 100%-owned U.S. subsidiaries are significantly restricted, under certain circumstances, from making dividend payments, loans or advances to AHC. Additionally, our cash is under the control of a third party agent until certain minimum cash thresholds are met for a specified minimum period of time. These restrictions have resulted in the restricted net assets (as defined in Rule 4-08(e)(3) of Regulation S-X) of our subsidiaries exceeding 25% of the consolidated net assets of AHC. The condensed financial statements presented in Schedule I should be read in conjunction with the consolidated financial statements and related notes thereto included in this filing.

(C) **Fiscal Year and Fiscal Quarter** : AHC operates on a fiscal calendar widely used by the retail industry that results in a given fiscal year consisting of a 52 or 53-week period ending on the Saturday closest to January 31 of the following year.

- References to "fiscal year 2010" or "fiscal 2010" refer to the fiscal year ended January 29, 2011;
- References to "fiscal year 2011" or "fiscal 2011" refer to the fiscal year ended January 28, 2012;
- References to "fiscal year 2012" or "fiscal 2012" refer to the fiscal year ended February 2, 2013;
- References to "first six months of fiscal 2012" refer to the six months ended July 28, 2012; and
- References to "first six months of fiscal 2013" refer to the six months ended August 3, 2013.

Fiscal year 2012 consisted of a 53-week period and each of fiscal years 2011 and 2010 consisted of a 52-week period. The first six months of fiscal 2013 and the first six months of fiscal 2012 each consisted of 26 weeks.

(D) **Unaudited Interim Financial Statements** : The accompanying consolidated balance sheet as of August 3, 2013, the consolidated statements of operations and cash flows for the six months ended July 28, 2012 and August 3, 2013 and the consolidated statement of stockholders' deficit for the six months ended August 3, 2013 are unaudited. The unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly our financial position as of August 3, 2013 and our results of operations and cash flows for the six months ended July 28, 2012 and August 3, 2013. The financial data and other financial information disclosed in these notes to the consolidated financial statements related to the interim periods are unaudited. The results of operations for the six months ended August 3, 2013 are not necessarily indicative of the results to be expected for the fiscal year ending February 1, 2014 or for any other future year or interim period.

(E) **Use of Estimates** : The preparation of consolidated financial statements in conformity with GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements which affect revenues and expenses during the period reported. Estimates are adjusted when necessary to reflect actual experience. Significant estimates and assumptions may affect many items in the financial statements. These include restructuring and environmental remediation reserves, accounts receivable allowances, valuations of goodwill and other identified intangible assets, valuation of contingent consideration, income tax liabilities and assets and related valuation allowances, inventory obsolescence, asset impairments, valuation of share-based compensation, and other contingencies. Actual results may differ from those estimates and assumptions.

(F) **Financial Condition and Liquidity** : We have substantial indebtedness after giving effect to our February 2008 acquisition of Kellwood Company by affiliates of Sun Capital Partners, Inc. (the "Acquisition"). Since the Acquisition, we have incurred additional debt in order to fund negative cash flows, principally due to significant cash outflows resulting from numerous restructuring activities, the significant level of interest expense arising from substantial indebtedness and significant cash outflows related to payments for acquisitions. As of February 2, 2013, total debt (including short-term borrowings) was $841,535, a decrease of $181,041 since January 28, 2012. The decrease is primarily related to a debt extinguishment of capitalized and accrued interest related to our Sun Promissory Notes and Sun Capital Loan Agreement as defined and further discussed in Note 8. As of August 3, 2013 (unaudited), total debt was $502,443. Our net losses for fiscal 2010, fiscal 2011, and fiscal 2012 were $104,478, $147,866, and $107,709, respectively, and our net loss for the first six months of fiscal 2013 (unaudited) was $25,643. The retail and apparel industry and economy as a whole have suffered recessionary conditions, a decline in employment levels and declines in consumer confidence since the Acquisition, which have negatively impacted our operating results. As a result, we have been, and continue to be, challenged by our heavily leveraged capital structure, negative cash flows, and significant level of interest expense. We expect that cash on hand, cash flows from operating activities, and available credit under the Wells Fargo Facility (as defined in Note 7) will be adequate to meet our liquidity needs for the next 12 months. As of October 5, 2013 (unaudited), availability under the Wells Fargo Facility was $17,734.

The Credit Agreement and Term Loan Agreement (as defined in Notes 7 and 8) contain certain financial covenants related to the fixed charge coverage ratio and leverage ratio, as those terms are defined in those agreements. On May 3, 2013, the Term Loan Agreement was amended in anticipation of not being in compliance with the fixed charge coverage ratio covenant during the 2013 fiscal year. Kellwood Company

was in compliance with all covenants under its debt agreements for fiscal year 2012 and expects to be in compliance with all covenants, as amended, during fiscal year 2013, as further detailed in Notes 7 and 8.

If Kellwood Company, our wholly-owned subsidiary, experiences an event of default under its Credit Agreement or Term Loan Agreement, including but not limited to a failure to pay cash interest obligations under said agreements or under the indentures, or a failure to maintain, or a failure to cure a default of, the applicable fixed charge or leverage ratios under such instruments, or other lack of liquidity caused by substantial leverage and the adverse conditions in the retail and apparel market or other factors, such an event would materially and adversely affect our financial condition and our operating results.

We will continue to evaluate potential financing transactions, including refinancing certain tranches of our subsidiaries' indebtedness, issuing incremental debt, obtaining incremental letter of credit facilities and extending maturities of our existing debt, as well as evaluate other potential transactions which may provide us with additional liquidity. In addition, our capital and selling, general and administrative spending, restructuring plans, and growth initiatives contain discretionary elements. The discretionary elements can be deferred or otherwise eliminated in the near term to provide additional flexibility to manage our liquidity requirements. There can be no assurance as to which, if any, of these alternatives we may pursue as the choice of any alternative will depend upon numerous factors such as market conditions, our financial performance and the limitations applicable to such transactions under our existing financing agreements and the consents we may need to obtain under the relevant documents. There also can be no assurance that financing or refinancing will be available to us on acceptable terms or at all.

(G) **Cash and cash equivalents.** All demand deposits and highly liquid short-term deposits with original maturities of three months or less maintained under cash management activities are considered cash equivalents. The effect of foreign currency exchange rate fluctuations on cash and cash equivalents was not significant for fiscal 2010, fiscal 2011, or fiscal 2012.

(H) **Accounts Receivable and Concentration of Credit Risk** : We maintain an allowance for trade accounts receivable estimated to be uncollectible. The activity in this allowance for continuing operations is summarized as follows (in thousands):

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Balance, beginning of year	$ 1,376	$ 926	$ 1,004
(Reversals) provisions for bad debt expense	(473)	464	779
Bad debts recovered (written off)	23	(386)	(922)
Balance, end of year	$ 926	$ 1,004	$ 861

The provision for bad debts is included in selling, general and administrative expense. Substantially all of our trade receivables are derived from sales to retailers and are recorded at the invoiced amount and do not bear interest. We perform ongoing credit evaluations of our customers' financial condition and require collateral as deemed necessary. Account balances are charged off against the allowance when we believe the receivable will not be collected.

Trade accounts receivable are recorded net of allowances for expected future chargebacks from customers. It is the nature of the apparel and recreational products industry that suppliers like us face significant pressure from customers in the retail industry to provide allowances to compensate for customer margin shortfalls. This pressure often takes the form of customers requiring us to provide price concessions on prior shipments as a prerequisite for obtaining future orders. Pressure for these

concessions is largely determined by overall retail sales performance and, more specifically, the performance of our products at retail. To the extent our customers have more of our goods on hand at the end of the season, there will be greater pressure for us to grant markdown concessions on prior shipments. Our trade accounts receivable balances are reported net of expected allowances for these matters based on the historical level of concessions required and our estimates of the level of markdowns and allowances that will be required in the coming season in order to collect the receivables. We evaluate the allowance balances on a continual basis and adjust them as necessary to reflect changes in anticipated allowance activity. We also provide an allowance for sales returns based on historical return rates, which is addressed further in our discussion of revenue recognition below.

In fiscal 2012, no customer accounted for more than 10% of net sales. In fiscal 2011, sales to one customer accounted for more than 10% of our consolidated net sales of continuing operations. These sales represented 14% of fiscal 2011 net sales. In fiscal 2010, sales to two customers accounted for more than 10% of our consolidated net sales from continuing operations. These sales represented 15% and 12% of fiscal 2010 net sales, respectively. For fiscal 2010 and fiscal 2011, we generated sales from these two major customers within our Vince, Juniors, and Moderate segments.

No individual customer represented more than 10% of trade accounts receivable in fiscal 2012, however in fiscal 2011 accounts receivable from one customer accounted for more than 10% of gross accounts receivable in continuing operations. These receivables represented 13% of fiscal 2011 gross accounts receivable in continuing operations.

(I) **Inventories and Cost of Products Sold** : Inventories are stated at the lower of cost or market. Cost is determined on the first-in, first-out basis. The cost of inventory includes manufacturing or purchase cost as well as sourcing, pre-production, transportation, duty, overhead costs, and other processing costs associated with acquiring, importing and preparing inventory for sale. Inventory costs are included in cost of products sold at the time of their sale. In addition to inventory costs, other costs included in cost of products sold are royalties for licensed brand names and distribution costs. Product development costs are expensed in selling, general and administrative expense when incurred. Inventory values are reduced to net realizable value when there are factors indicating that certain inventories will not be sold on terms sufficient to recover their cost. Inventories of continuing operations consist of the following (in thousands):

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Finished goods	$ 70,442	$ 71,588	$ 92,107
Work in process	1,096	1,085	663
Raw materials	1,903	1,383	1,088
Total inventories	$ 73,441	$ 74,056	$ 93,858
Net of reserves of:	$ 7,889	$ 6,722	$ 8,029

(J) **Property, Plant and Equipment** : Property, plant and equipment are stated at cost. Depreciation is computed generally on the straight-line method over estimated useful lives of 15 years for buildings and of 3 to 10 years for machinery and equipment. Leasehold improvements are amortized principally on the straight-line basis over the shorter of their estimated useful lives or the remaining lease term, excluding renewal terms. Capitalized software is amortized on the straight-line basis over the estimated economic useful life of the software, generally 3 to 5 years. Depreciation expense related to continuing operations was $9,068, $8,373 and $5,129 for fiscal 2010, fiscal 2011, and fiscal 2012, respectively.

(K) **Impairment of Long-lived Assets** : We review long-lived assets with a finite life for existence of facts and circumstances which indicate that the asset useful life is shorter than previously estimated or the carrying amount may not be recoverable from future operations based on undiscounted expected future cash flows. Impairment losses are then recognized in operating results to the extent discounted expected future cash flows are less than the carrying value of the asset. See Note 3 to the Consolidated Financial Statements for discussion of impairment of long-lived assets related to certain restructuring activities.

(L) **Goodwill and Other Intangible Assets:** Goodwill and other indefinite-lived intangible assets are tested for impairment at least annually and in an interim period if it appears more likely than not that the carrying amount of an asset exceeds its fair value. We completed our annual impairment testing on our goodwill and indefinite-lived intangible assets during the fourth quarter of fiscal 2012.

Goodwill represents the excess of the cost of acquired businesses over the fair market value of the identifiable net assets. As the acquisition by Kellwood Company of the net assets of Vince occurred prior to the current requirements of ASC Topic 805 *Business Combinations* , the additional purchase consideration paid to the former owners of Vince subsequent to the acquisition date was recorded as an addition to the purchase price, and therefore goodwill, once determined. Indefinite-lived intangible assets are primarily company-owned trademarks.

In September 2011, the Financial Accounting Standards Board (“FASB”) issued an amendment to the *Intangibles-Goodwill and Other* topic of Accounting Standards Codification (“ASC”). Under this amendment, an entity may elect to perform a qualitative impairment assessment for goodwill. If adverse qualitative trends are identified during the qualitative assessment that indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative impairment test is required. “Step one” of this quantitative impairment test requires that the fair value of the reporting unit be estimated and compared to its carrying amount. If the carrying amount exceeds the estimated fair value, “step two” of the impairment test is performed to calculate the impairment loss. An impairment loss is recognized to the extent the carrying amount of the reporting unit exceeds the implied fair value.

An entity may pass on performing the qualitative assessment for a reporting unit and directly perform “step one” of the assessment. This determination can be made on an asset by asset basis, and an entity may resume performing a qualitative assessment in subsequent periods. This amendment is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We early adopted this amendment during fiscal year 2011 for goodwill related to our reporting units, with the exception of Vince, as there was significant related purchase consideration capitalized in fiscal 2011. We performed a qualitative assessment on the Vince reporting unit during fiscal 2012.

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, Intangibles—Goodwill and Other (Topic 350): *Testing Indefinite Lived Assets for Impairment* . Under this amendment, an entity may elect to perform a qualitative impairment assessment for indefinite-lived intangible assets similar to the goodwill impairment testing guidance discussed above.

This amendment is effective for annual and interim impairment tests for indefinite-lived intangible assets performed for fiscal years beginning after September 15, 2012. We early adopted this amendment during fiscal 2012 and performed a quantitative assessment of impairment in fiscal 2012 for trademarks associated with certain brands.

For trademarks that we directly proceeded to “step one” during fiscal 2012, and for impairment tests performed in prior years, we primarily use the relief from royalty method to calculate the fair value of the intangible assets, which uses revenue projections, royalty rates and discount rates in the calculation.

Determining the fair value of goodwill and other intangible assets is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates and operating margins, discount rates and future market conditions, among others. It is possible that estimates of future operating results could change adversely and impact the evaluation of the recoverability of the carrying value of goodwill and intangible assets and that the effect of such changes could be material.

Definite-lived intangible assets are primarily compromised of customer relationships. These are amortized on a straight-line basis over their useful lives of 10 to 20 years.

See Note 3 and Note 5 to the Consolidated Financial Statements for more information on the details surrounding the goodwill and intangible assets as well as any impairment charges.

(M) **Deferred Financing Costs** : Deferred financing costs, such as underwriting, financial advisory, professional fees, and other similar fees are capitalized and recognized in interest expense over the contractual life of the related debt instrument using the straight-line method, as this method results in recognition of interest expense that is materially consistent with that of the effective interest method.

(N) **Deferred Rent and Deferred Lease Incentives:** Certain of our operating leases contain predetermined fixed escalations of the minimum rentals during the original term of the lease. For these leases, we recognize the related rental expense on a straight-line basis over the life of the lease and record the difference between the amount charged to operations and amounts paid as deferred rent. Certain of our retail store leases contain provisions for contingent rent, typically a percentage of retail sales once a predetermined threshold has been met. These amounts are expensed as incurred. Additionally, we received lease incentives in certain leases. These allowances have been deferred and are amortized on a straight-line basis over the life of the lease as a reduction of rent expense.

(O) **Environmental Remediation Reserves and Expenses** : We recognized, and will continue to recognize, an environmental liability when it is probable, the liability exists, and the amount is reasonably estimable. We estimated the duration and extent of our remediation obligations based upon internal analyses of clean-up costs, ongoing monitoring costs, estimated legal fees, communications with regulatory agencies, and changes in environmental law. If we were to determine that our estimates of the duration or extent of our environmental obligations were no longer accurate, we would adjust our environmental liabilities accordingly in the period that such determination is made. Estimated future expenditures for environmental remediation are discounted to their present value. See Note 15 for additional information.

(P) **Foreign Currency Translation** : The financial statements of foreign subsidiaries are translated into United States dollars. Where the functional currency of a foreign subsidiary is its local currency, income statement items are translated at the average exchange rate for the period and balance sheet accounts are translated using period-end exchange rates. Gains and losses resulting from translation are reported as a separate component of other comprehensive loss within stockholders' deficit and the Consolidated Statements of Comprehensive Loss.

Where the local currency of a foreign subsidiary is not its functional currency, financial statements are translated at either current or historical exchange rates as appropriate. These adjustments, together with gains and losses on foreign currency transactions, are recognized in the income statement as incurred.

(Q) **Revenue Recognition** : Sales are recognized when goods are shipped in accordance with customer orders for our wholesale business and ecommerce business, and at the time of register receipt for our retail business. The estimated amounts of sales discounts, returns and allowances are

accounted for as reductions of sales when the associated sale occurs. These estimated amounts are adjusted periodically based on changes in facts and circumstances when the changes become known to us. Accrued discounts, returns and allowances are included as an offset to accounts receivable in the balance sheet for our wholesale businesses. The activity in the accrued discounts, returns, and allowances account is summarized as follows (in thousands).

	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Balance, beginning of year	$ 25,767	$ 20,309	$ 21,709
Provision	74,211	79,780	94,524
Utilization	(79,669)	(78,380)	(92,073)
Balance, end of year	$ 20,309	$ 21,709	$ 24,160

For our wholesale businesses, amounts billed to customers for shipping and handling costs are recorded as a reduction to our cost of products sold. These costs are not significant. Our stated terms are FOB shipping point. There is no stated obligation to customers after shipment, other than specifically set forth allowances or discounts that are accrued at the time of sale. The rights of inspection or acceptance contained in certain sales agreements are limited to whether the goods received by our customers are in conformance with the order specifications.

(R) **License Agreements** : We have exclusive license agreements to market apparel and recreational products under trademarks owned by other parties. These agreements contain provisions for minimum guaranteed royalty and advertising payments based on anticipated sales. In any year, if we do not anticipate meeting the minimum sales amounts to satisfy the guaranteed minimum royalty and advertising amounts, the guaranteed minimum royalty and advertising amounts are accrued. In fiscal 2010, fiscal 2011, and fiscal 2012, sales of licensed products were approximately $70,373, $58,030, and $62,485, respectively. See Note 15 to the Consolidated Financial Statements for additional discussion regarding license agreement commitments.

(S) **Marketing and Advertising** : We provide cooperative advertising allowances to certain of our customers. These allowances are accounted for as reductions in sales as discussed in “Revenue Recognition” above. Advertising expense includes contractually set forth amounts paid to licensors that are specifically identified as advertising payments and advertising we conduct for products we sell. Production expense related to company-directed advertising is deferred until the first time at which the advertisement runs. Communication expense related to company-directed advertising is expensed as incurred. Marketing and advertising expense recorded within selling, general and administrative expenses was $4,821, $7,164, and $9,630, for fiscal 2010, fiscal 2011, and fiscal 2012, respectively. There were not significant amounts of deferred production expenses associated with company-directed advertising at January 28, 2012 and February 2, 2013.

(T) **Income Taxes** : We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities at enacted rates. We determine the appropriateness of valuation allowances in accordance with the “more likely than not” recognition criteria. We recognize tax positions in the Consolidated Balance Sheets as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with tax authorities assuming full knowledge of the position and all relevant facts. Accrued interest and penalties related to unrecognized tax benefits are included in income taxes in the Consolidated Statements of Operations.

(U) **Earnings Per Share** : We calculate basic earnings per share in accordance with ASC Topic 260, *Earnings Per Share.* This requires the income per share for common stock to be calculated

assuming 100% of our earnings are distributed as dividends to common stock, even though we do not anticipate distributing 100% of our earnings as dividends.

Basic earnings per share applicable to common shareholders is computed by dividing earnings applicable to common shareholders by the weighted-average number of common shares. Since there are no dilutive securities for all periods presented, basic EPS and diluted EPS are the same.

(V) **New Accounting Standards:**

Presentation of comprehensive income

In June 2011, the FASB issued an accounting standards update regarding the presentation of comprehensive income in financial statements. The provisions of this standard provide an option to present the components of net income and other comprehensive income either as one continuous statement of comprehensive income or as two separate but consecutive statements. The provisions of this new disclosure standard were effective January 1, 2012. We have provided a separate Consolidated Statement of Other Comprehensive Loss during the current year.

In February 2013, the FASB issued another accounting standards update that requires an entity to present the effects of significant reclassifications out of each component of accumulated other comprehensive income on the respective line items of the entity's statement of operations. This presentation can be made either on the face of the statement of operations or within a note to the financial statements. The amendments do not change the current requirements for reporting net income or other comprehensive income in financial statements. This requirement will only impact the presentation of our financial statements to the extent we have instances of these transactions in the future.

Testing Goodwill for Impairment

In September 2011 and July 2012, the FASB issued amendments to the *Intangibles-Goodwill and Other* topic of ASC. Under these amendments, an entity may elect to perform a qualitative impairment assessment for goodwill and indefinite-lived intangible assets. We adopted the provisions of these new standards, as discussed above.

Fair Value Measurements

In May 2011, the FASB issued an accounting standards update that resulted in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP. The new guidance did not extend the use of fair value accounting, but provided guidance on how it should be applied where its use is already required or permitted by other standards within GAAP. This update was effective for interim and annual periods beginning after December 15, 2011. The adoption of this guidance in fiscal 2011 did not have a material impact on our consolidated financial position, results of operations, or cash flows.

Note 2. Business Combinations

Zobha

On July 26, 2011, Kellwood Company, our wholly-owned subsidiary, acquired 100% of the issued and outstanding equity interests of Zobha, LLC and 100% of the issued and outstanding shares of Zobha Limited (together, "Zobha"). Zobha designs and sells women's athletic apparel, primarily focused on the yoga market, which combines superior performance fabric with a high-fashion inspired design aesthetic.

The total consideration transferred was $1,845, including estimated contingent consideration of $945 that was expected be paid to the seller based on an estimated applicable percentage and the fair

market value of Zobha at the trigger date of the contingent payment, as defined in the Contingent Payment Agreement. The applicable percentage was originally established at 49% and could increase or decrease based on our subsequent capital contributions to the business and future capital contributions by the seller. The contingent payment could have been triggered by us or the seller at any time after January 1, 2016.

The estimated contingent consideration was revised during the fourth quarter of fiscal 2012 based on the most recent forecasted results of operations of Zobha, Zobha contributions to date, and assumed future contributions to Zobha. This resulted in a gain of $531 that was recorded within change in fair value of contingent consideration in the Consolidated Statement of Operations. As of February 2, 2013, we estimated the range of total undiscounted contingent consideration to be between $0 and $215, and we recorded the estimated discounted value of $54 within deferred income taxes and other on the Consolidated Balance Sheet. The amount was subsequently written off during the second quarter of fiscal 2013 when we divested the Zobha business (See Note 4 to our Consolidated Financial Statements) as the estimated discounted value of the contingent consideration was $0 at that time. The contingent consideration was estimated based on a weighted probability EBITDA forecast, the terms of the purchase agreement, assumed capital contributions to Zobha and a trigger date of January 1, 2016. This is considered to be a Level 3 fair value measure as it is measured utilizing significant unobservable inputs.

The Zobha acquisition was accounted for as a business combination, and accordingly, the assets and liabilities of the acquired entities were recorded at their estimated fair value. The following table summarizes the fair value of the assets acquired and the liabilities assumed (in thousands).

	Zobha July 26, 2011
ASSETS	
Cash	$ 211
Trade receivables	25
Inventory	1,008
Other current assets	59
Furniture and equipment	23
Intangible assets:	
Trademark	475
Customer relationships	103
Goodwill	225
Other assets	27
Total assets acquired	$ 2,156
LIABILITIES	
Accounts payable	250
Other accrued expenses	61
Total liabilities assumed	$ 311

Goodwill consisted of expected growth synergies through expansion of distribution channels and cost synergies resulting from economies of scale and supply chain process improvements. Intangible assets consisted of customer relationships with an estimated average life of 10 years and a trademark with an indefinite life. The goodwill and intangible assets were impaired during fiscal 2011 primarily due to delays in expected growth and cost synergies as further described in Note 3 to the Consolidated Financial Statements. We incurred $586 of acquisition expenses related to the Zobha acquisition and these amounts were recorded in selling, general and administrative expenses in the Consolidated

Statement of Operations. Zobha was divested during the second quarter of fiscal 2013 as further described in Note 4 to the Consolidated Financial Statements.

Rebecca Taylor

On January 4, 2011, Kellwood Company acquired (a) 100% of the capital stock of Meow Inc.; (b) 100% of the capital stock, share capital, interests, units and equivalent interests of each of RT Licensing, Inc., Beth's Boutique LLC, and MeowHK Limited; and (c) the related intellectual property (together "Rebecca Taylor"). The purchase agreement includes a provision for contingent consideration that will be paid to the sellers if Rebecca Taylor meets certain EBITDA performance targets. If the performance targets are met, annual payments will be due approximately 120 days following the end of our 2011 through 2015 fiscal years (the "Earn-Out Amounts") with an additional payment approximately 120 days following the end of our 2015 fiscal year based on the cumulative EBITDA results of Rebecca Taylor from 2011 through 2015 fiscal years (the "Earn-Up Amount"). The maximum contingent consideration is not limited; however the Earn-Up Amount is limited to $10,000. At the time of the acquisition, we recorded $9,356 within deferred income taxes and other on the Consolidated Balance Sheet for the fair value of our expected consideration payment.

The estimated contingent consideration was revised during the second and fourth quarters of fiscal 2012 based on the most recent forecasted results of operations of Rebecca Taylor and 2012 financial results. This resulted in a total gain of $6,631 that was recorded in change in fair value of contingent consideration in the Consolidated Statement of Operations. We have estimated the range of total undiscounted contingent consideration payments to be between $7,500 and $9,000.

As of February 2, 2013, we have recorded $4,209 for the fair value of our contingent consideration in deferred income taxes and other on the Consolidated Balance Sheet. The fair value of our total obligation was estimated based on a weighted probability EBITDA forecast and the terms of the purchase agreement, using a discount factor of 22.8%. This is considered to be a Level 3 fair value measure as it is measured utilizing significant unobservable inputs. As of August 3, 2013 (unaudited), we have recorded contingent consideration of $1,413 in other accrued expenses and $3,252 in deferred income taxes and other on the Consolidated Balance Sheet. The Earn-Out Amount for fiscal year 2011 was $1,928 and was paid in May 2012. There was no Earn-Out Amount earned in fiscal year 2012.

On a quarterly basis, management reviews internal EBITDA forecasts and other relevant factors for Rebecca Taylor to assess the appropriateness of the recorded contingent consideration. No adjustments to the estimated fair value of this liability were deemed necessary for the first six months of fiscal 2013.

Goodwill largely consists of expected growth synergies through expansion of distribution channels and cost synergies resulting from economies of scale and supply chain process improvements. Intangible assets consist of customer relationships with an estimated average life of 10 years and a trademark with an indefinite life.

Adam

On August 25, 2010, Kellwood Company acquired certain assets of Adampluseve, Inc. ("Adam") for the consideration of one dollar and forgiveness of a receivable due to Kellwood Company of $133, and the assumption of certain liabilities. The receivable was a result of inventory payments made by Kellwood Company on the behalf of Adam immediately prior to the acquisition. Adam is a full contemporary sportswear collection for men and women available at its retail stores, online, and luxury retailers under the ADAM ® brand. The acquisition supported our growth strategy of contemporary brands.

The fair value of the identifiable assets acquired less liabilities assumed of $1,637 exceeded the fair value of the consideration of $133. Accordingly, the acquisition has been accounted for as a bargain purchase and, as a result, we recognized a gain of $939 (net of deferred tax of $565) associated with the acquisition in the third quarter of fiscal year 2010 as a gain on acquisition, net of tax on our Consolidated Statement of Operations. Intangible assets recognized as a result of the transaction consisted of customer relationships with an estimated average life of 10 years and a trademark with an indefinite life.

We incurred $271 of acquisition expense during fiscal 2010 related to the Adam acquisition and these amounts were recorded in selling, general and administrative expenses in the Consolidated Statement of Operations for the year ended January 29, 2011. Adam was discontinued during the fourth quarter of fiscal 2011 as further described in Note 4 to the Consolidated Financial Statements.

The Rebecca Taylor and Adam acquisitions were accounted for as business combinations, and accordingly, the assets and liabilities of the acquired entities were recorded at the estimated fair value. The following table summarizes the fair value of the assets acquired and liabilities assumed (in thousands).

	Rebecca Taylor January 4, 2011	Adam August 25, 2010
ASSETS		
Cash	$ —	$ 11
Trade receivables	2,003	696
Inventory	1,299	1,066
Other current assets	194	90
Leasehold improvements and equipment	839	412
Intangible assets:		
Trademark	8,509	730
Customer relationships	9,985	207
Goodwill	12,951	—
Other assets	315	106
Total assets acquired	$ 36,095	$ 3,318
LIABILITIES		
Capital lease obligation	$ 5	$ —
Accounts payable	1,029	1,284
Other accrued expenses	1,594	397
Total liabilities assumed	$ 2,628	$ 1,681

The Zobha, Rebecca Taylor and Adam acquisitions were accounted for under the acquisition method of accounting. Accordingly, their results have been included in the Consolidated Financial Statements from the acquisition dates. Unaudited consolidated results of operations on a pro-forma basis, assuming these acquisitions had occurred at the beginning of the year in which they occurred, are not included as the acquisitions were not significant to our consolidated results of operations.

Vince

In connection with our acquisition of certain net assets from CRL Group, LLC in 2006, owner of the Vince ® brand and trademark, additional cash purchase consideration was paid based upon achievement of certain specified financial performance targets for each of the five full years after the acquisition (2007 through 2011), and the cumulative performance from 2007 to 2011. The additional consideration for fiscal 2010 and fiscal 2011 was $8,137 and $51,134, respectively. We paid $50,328

of the fiscal 2011 consideration during the fourth quarter of fiscal 2011 and paid the remaining consideration during the second quarter of fiscal 2012. The fiscal 2010 additional cash consideration was paid during first quarter of fiscal 2011.

Note 3. Impairment, restructuring, environmental remediation and other charges

For fiscal 2010, fiscal 2011, and fiscal 2012 and the six months ended July 28, 2012 and August 3, 2013, the costs related to impairment of long-lived assets and restructuring, environmental remediation and other charges recorded in continuing and discontinued operations were as follows (in thousands):

	Continuing Operations	Discontinued Operations	Total
Fiscal Year 2010	$ 10,167	$ 27,704	$37,871
Fiscal Year 2011	$ 15,976	$ 6,627	$22,603
Fiscal Year 2012	$ 7,440	$ 4,789	$12,229
First Six months Fiscal 2012 (unaudited)	$ 2,981	$ 221	$ 3,202
First Six months Fiscal 2013 (unaudited)	$ 827	$ 942	$ 1,769

For fiscal 2010, fiscal 2011, and fiscal 2012, the costs related to impairment of long-lived assets and restructuring, environmental remediation and other charges were recorded as follows (in thousands):

	Fiscal Year 2010		
	Continuing Operations	Discontinued Operations	Total
Restructuring, environmental remediation and other charges	$ 9,729	$ 3,575	$13,304
Impairment of long-lived assets	438	24,129	24,567
Total pretax cost	$ 10,167	$ 27,704	$37,871
After tax cost	$ 10,167	$ 27,704	$37,871

	Fiscal Year 2011		
	Continuing Operations	Discontinued Operations	Total
Restructuring, environmental remediation and other charges	$ 2,651	$ 489	$ 3,140
Impairment of long-lived assets (excluding goodwill)	2,504	5,913	8,417
Impairment of goodwill	10,821	225	11,046
Total pretax cost	$ 15,976	$ 6,627	$22,603
After tax cost	$ 15,124	$ 6,333	$21,457

	Fiscal Year 2012		
	Continuing Operations	Discontinued Operations	Total
Restructuring, environmental remediation and other charges	$ 5,091	$ 409	$ 5,500
Impairment of long-lived assets	2,349	4,380	6,729
Total pretax cost	$ 7,440	$ 4,789	$12,229
After tax cost	$ 7,440	$ 4,789	$12,229

For the first six months of fiscal 2012 and fiscal 2013, the costs related to impairment of long-lived assets and restructuring, environmental remediation and other charges were recorded as follows (in thousands):

	First Six Months of Fiscal 2012 (unaudited)		
	Continuing Operations	Discontinued Operations	Total
Restructuring, environmental remediation and other charges	$ 2,264	$ 221	$2,485
Impairment of long-lived assets	717	—	717
Total pretax cost	$ 2,981	$ 221	$3,202
After tax cost	$ 2,981	$ 221	$3,202

	First Six Months of Fiscal 2013 (unaudited)		
	Continuing Operations	Discontinued Operations	Total
Restructuring, environmental remediation and other charges	$ 827	$ 508	$1,335
Impairment of long-lived assets	—	434	434
Total pretax cost	$ 827	$ 942	$1,769
After tax cost	$ 827	$ 942	$1,769

The results of operations, impairment of long-lived assets, and restructuring, environmental remediation and other charges for businesses sold and shut down are reported within net (loss) income from discontinued operations, net of tax, on the Consolidated Statements of Operations. The gains and losses on consummated transactions involving the sale of operations are also reported within net (loss) income from discontinued operations, net of tax on the Consolidated Statements of Operations.

We completed our annual impairment testing of goodwill and indefinite-lived intangible assets during the fourth quarter of fiscal 2012. We recorded no goodwill impairment charges in fiscal 2012 or fiscal 2010, but our impairment charges for fiscal 2011 amounted to $10,821 and $225 for continuing and discontinued operations, respectively. Our impairment charges for identifiable intangible assets for continuing operations amounted to $438, $2,504, and $1,200, in fiscal 2010, fiscal 2011, and fiscal 2012, respectively, which represent write downs of our intangible assets to their fair values. See Note 5 to the Consolidated Financial Statements for further discussion. Impairment charges for identifiable assets of discontinued operations amounted to $24,129 and $5,672 for fiscal 2010 and fiscal 2011, respectively. These charges primarily relate to the Phat Licensing trademarks due to declining results at our licensees.

During the fourth quarter of 2012, we determined that our equity investment in the purchaser of BLK DNM was fully impaired due to continued poor operating performance and negative cash flows. This investment was acquired through the sale of our BLK DNM business during the second quarter of fiscal 2012. See Note 4 to the Consolidated Financial Statements for further discussion of this transaction. We also recognized impairment charges of $725 related to our exited facility in Trenton, Tennessee due to a decline in market value, which was recorded during fiscal 2012 at the time the facility was sold to a third party.

Restructuring charges are comprised of expenses associated with our efforts to continuously improve operational and organizational efficiency. These expenses result from numerous individual actions implemented across the company on an ongoing basis. Restructuring charges include costs for moving facilities, exiting businesses, curtailing/downsizing operations because of changing economic conditions, and other costs resulting from asset redeployment decisions.

Impairment, restructuring, environmental remediation and other charges during fiscal 2010 included:

1) charges that related to closing Koret outlet stores and other costs associated with vacant spaces;

2) charges to accrue future lease payments due to early exit of leased spaces;

3) charges related to an environmental liability at a former manufacturing facility;

4) impairment charges of $24,567 primarily related to intangible assets of our discontinued Phat Licensing business; and

5) severance charges and related costs for various restructuring projects to create a more efficient operational and organizational structure in our support operations and apparel businesses.

Impairment, restructuring, environmental remediation and other charges during fiscal 2011 included:

1) charges to accrue future lease payments and other contractual obligations associated with exited businesses, as further described in Note 4 to the Consolidated Financial Statements;

2) charges related to an environmental liability at a former manufacturing facility;

3) costs to maintain closed facilities, partially offset by the recovery of charges through the sublease and other use of vacant spaces;

4) impairment charges of $19,463 related to goodwill, intangible assets and other long-lived assets, of which $2,504 and $10,821 was allocated to the Juniors and Other operating segments, respectively, with the remainder relating to discontinued business; and

5) severance charges and related costs for various restructuring projects to create a more efficient operational and organizational structure in our support operations and apparel businesses.

Impairment, restructuring, environmental remediation and other charges during fiscal 2012 included:

1) charges to accrue future lease payments and other contractual obligations associated with exited businesses, as further described in Note 4 to the Consolidated Financial Statements;

2) charges to record settlement obligations related to escheat liability;

3) charges to adjust our environmental remediation obligations related to a former manufacturing facility;

4) costs to maintain closed facilities, partially offset by the recovery of charges through subleases and other use of vacant spaces;

5) impairment charges of $6,729 related to intangible assets and other long-lived assets, of which $1,200 was allocated to our Juniors Segment, $1,149 was allocated to Corporate expenses for the write-down of an exited facility and our equity investment, and the remainder related to our discontinued Lamb & Flag business; and

6) severance charges and related costs for exited businesses and various restructuring projects to create a more efficient operational and organizational structure in our support operations and apparel businesses.

During the first six months of fiscal 2012, we recognized an impairment charge of $717 related to the decline in market value of our exited facility in Trenton, Tennessee. Other noteworthy restructuring activities in continuing operations for the first six months of fiscal 2012 and fiscal 2013 included various efforts to create a more efficient operational and organizational structure in our support operations and womenswear businesses.

As of August 3, 2013 (unaudited), we expect actions to be taken that will result in additional restructuring charges for continuing operations in fiscal 2013 of less than $500. We expect additional cash outflows related to restructuring activities of continuing operations in fiscal 2013 of approximately $1,200.

The following table presents a rollforward of impairment of long-lived assets and restructuring, environmental remediation and other charges recorded in continuing operations for fiscal 2011, fiscal 2012, and the first six months of fiscal 2013 (in thousands).

	Contractual obligations	Employee severance and termination benefits	Impairment of long-lived assets	Restructuring, Environmental remediation and other charges	Total
Accrual as of January 29, 2011	$ 894	$ 384	$ —	$ 10,349	$ 11,627
Provision	342	1,093	13,325	1,216	15,976
Non-cash utilization	—	—	(13,325)	—	(13,325)
Utilization	(763)	(1,236)	—	(2,007)	(4,006)
Accrual as of January 28, 2012	$ 473	$ 241	$ —	$ 9,558	$ 10,272
Provision	142	1,974	2,349	2,975	7,440
Non-cash utilization	—	—	(2,349)	—	(2,349)
Utilization	(467)	(1,777)	—	(464)	(2,708)
Accrual as of February 2, 2013	$ 148	$ 438	$ —	$ 12,069	$ 12,655
Provision (unaudited)	24	511	—	292	827
Non-cash utilization (unaudited)	—	—	—	—	—
Utilization (unaudited)	(93)	(856)	—	(363)	(1,312)
Accrual as of August 3, 2013 (unaudited)	$ 79	$ 93	$ —	$ 11,998	$ 12,170

The following table presents a rollforward of impairment of long-lived assets and restructuring, environmental remediation and other charges recorded in discontinued operations for fiscal 2011, fiscal 2012, and the first six months of fiscal 2013 (in thousands).

	Contractual obligations	Employee severance and termination benefits	Impairment of long-lived assets	Restructuring, Environmental remediation and other charges	Total
Accrual as of January 29, 2011	$ 22,047	$ 791	$ —	$ 188	$ 23,026
Provision (reversal)	(90)	554	6,138	25	6,627
Non-cash utilization	—	—	(6,138)	—	(6,138)
Utilization	(7,925)	(805)	—	(213)	(8,943)
Accrual as of January 28, 2012	$ 14,032	$ 540	$ —	$ —	$ 14,572
Provision	(599)	551	4,380	457	4,789
Non-cash utilization	—	—	(4,380)	—	(4,380)
Utilization	(12,215)	(1,031)	—	(170)	(13,416)
Accrual as of February 2, 2013	$ 1,218	$ 60	$ —	$ 287	$ 1,565
Provision (unaudited)	230	269	434	9	942
Non-cash utilization (unaudited)	—	—	(434)	—	(434)
Utilization (unaudited)	(1,211)	(100)	—	(36)	(1,347)
Accrual as of August 3, 2013 (unaudited)	$ 237	$ 229	$ —	$ 260	$ 726

Contractual obligations are adverse contractual arrangements under which losses are probable and estimable and where there is no future economic benefit. These include make-whole payments to PVH Corp. ("PVH") as a result of the termination of the Calvin Klein license agreement and minimum lease payments, as well as costs related to vacated leased spaces for the exited Lamb & Flag business (as discussed further in Note 4 to the Consolidated Financial Statements).

In continuing and discontinued operations, contractual obligations and employee severance and termination benefits will largely be settled through the first quarter of fiscal 2015 in accordance with the related agreements.

Note 4. Discontinued Operations

During the second quarter of 2013, we divested our Zobha business in order to focus resources on larger contemporary and Juniors brands. As a result of the divestiture, we realized a total loss of $1,239 within net (loss) income from discontinued operations on the Consolidated Statements of Operations for the six months ended August 3, 2013 (unaudited). The total loss includes charges to adjust inventory values to the lower of cost or market, impairment charges to write down obsolete assets, employee termination costs, and accrued rent commitments and other costs associated with the exit of our leased office and retail spaces. We anticipate future cash outflows related to employee termination and non-cancellable lease payments for Zobha of approximately $560, which are primarily payable through fiscal year 2014.

In fiscal 2004, we acquired Phat Fashions, LLC and Phat Licensing, LLC (together referred to as "Phat Fashions"), a licensor of apparel, athletic shoes and accessories through the Phat Farm and Baby Phat trademarks. In fiscal 2011, we began producing and selling Baby Phat junior's apparel after assuming the license for this portion of the Phat Fashions business (referred to as the "Baby Phat wholesale operations"). Due to diminishing prospects in the urban market, we decided to exit our businesses in this market during fiscal 2012. We sold the Phat Farm trademark to a licensee during the second quarter of fiscal 2012, recognizing a gain on the sale of these assets of $3,673, net of disposal costs. We subsequently sold the Baby Phat trademark to the same party on March 20, 2013. We recognized $447 during the fourth quarter of fiscal 2012 for a nonrefundable deposit received from the buyer, net of disposal costs incurred to date. We recognized the remaining $902 gain on the sale of the asset during the first quarter of fiscal 2013, after the closing of the Baby Phat trademark sale, at which time the Phat Fashions licensing business was reported as discontinued operations. We anticipate net cash outflows in fiscal 2013 related to this business of less than $1,000, primarily consisting of accounts payable and other current liabilities, net of accounts receivable due from licensees.

On December 31, 2012, we sold the equity interests of Royal Robbins, LLC, and certain assets and liabilities of our Royal Robbins Canada operations to an unrelated third party. As a result of the sale, we realized a gain of $9,124 included within net (loss) income from discontinued operations on the Consolidated Statement of Operations for the fiscal year ended February 2, 2013. The gain was recorded net of disposal costs primarily related to broker fees, legal fees, and one-time employee benefit arrangements. As of February 2, 2013, we anticipated future cash outflows of $359 for unpaid seller costs, which were primarily paid through the first quarter of fiscal 2013. Proceeds from the sale were utilized to pay our selling costs and portions of our outstanding debt under the Wells Fargo Facility and Term Loan Facility, as defined and further discussed in Notes 7 and 8 to the Consolidated Financial Statements. Accordingly, our gain on the sale of Royal Robbins was reduced by $397 to write off unamortized debt issuance costs related to the portion of our debt that was required to be repaid upon completion of the sale.

During the second quarter of fiscal 2012, we decided to exit our BLK DNM business. This decision resulted from the determination that our greenfield startup brands are not aligned with our current strategic initiatives, as they require significant cash outlays and only offer long-term payback.

On May 31, 2012, we sold substantially all the assets and liabilities of our BLK DNM operations. As a result of the sale, we recognized a loss of $1,862 included within net (loss) income from discontinued operations on the Consolidated Statement of Operations for the current fiscal year. The loss was recorded net of disposal costs for legal fees and non-cancellable contract obligations, of which $49 remained outstanding as of February 2, 2013 and was paid in the first quarter of fiscal year 2013.

In a continued effort to exit our startup concept brands, the e-commerce site and retail stores of our Lamb & Flag business were closed during the third quarter of fiscal 2012. All runoff operations of the business were substantially complete at that time. Additionally, we exited our Baby Phat wholesale business during the fourth quarter of fiscal 2012 as a result of our decision to exit the urban wear market. As a result of abandoning these operations, we recognized total losses in fiscal year 2012 of $7,638 and $1,992 for Lamb & Flag and Baby Phat, respectively. Costs to exit these businesses include sales allowances provided to customers, inventory adjustments to reduce inventory to the lower of cost or market during the inventory liquidation process, and charges for non-cancellable fabric and trim obligations to our vendors. In connection with the exit of these businesses, we also recorded impairment charges to write-down obsolete assets, charges for employee termination benefits, and contract termination costs to exit our leased spaces and website service agreements. As of February 2, 2013, we expected to have $568 and $461 of future cash outflows related to the Baby Phat wholesale and Lamb & Flag businesses, respectively, to settle our non-cancellable contract obligations. These obligations are primarily payable through fiscal 2013.

The following table summarizes the costs incurred to exit the Zobha, Lamb & Flag and Baby Phat wholesale operations by type (in thousands). All disposal costs related to the sales of our other discontinued businesses are recorded as a reduction (increase) to the gain (loss) recognized on these sales within net (loss) income from discontinued operations on the Consolidated Statement of Operations.

	Fiscal Year		
	2012		2013
	Lamb & Flag	Baby Phat	Zobha (unaudited)
Sales allowances	$ —	$ 1,011	$ —
Inventory adjustment to lower of cost or market	1,528	610	342
Impairment of long-lived assets	4,349	31	434
Contract termination costs	1,290	146	203
Employee termination benefits	361	194	254
Other	110	—	6
Total exit costs	$ 7,638	$ 1,992	$ 1,239

The Lamb & Flag and Baby Phat wholesale exit costs are recorded in the Consolidated Statement of Operations for fiscal year 2012 as illustrated below (in thousands):

	Lamb & Flag	Baby Phat
Net sales	$ —	$ (1,011)
Cost of products sold	1,528	610
Gross profit	(1,528)	(1,621)
Restructuring and other charges	1,761	340
Impairment of long-lived assets	4,349	31
Loss before provision for income taxes	(7,638)	(1,992)
Provision for income taxes	—	—
Net loss	$ (7,638)	$ (1,992)

The Zobha exit costs are recorded in the Consolidated Statement of Operations for the six months ended August 3, 2013 as illustrated below (in thousands):

	Zobha (unaudited)
Net sales	$ —
Cost of products sold	342
Gross profit	(342)
Restructuring and other charges	463
Impairment of long-lived assets	434
Loss before provision for income taxes	(1,239)
Provision for income taxes	—
Net loss	$ (1,239)

During the fourth quarter of fiscal 2011, we abandoned our Adam operations and Koret wholesale operations due to poor operating performance. Costs to exit these operations included sales allowances to customers, inventory liquidation costs, and impairment charges of $614 on related intangible assets.

During the second quarter of fiscal 2008, our Calvin Klein women's better sportswear division and ck Calvin Klein women's bridge sportswear division were discontinued due to our decision to exit the related license agreements. As a result of terminating the license agreements early, we have a contractual obligation to provide make-whole payments to PVH. We have recorded $485 for our final make-whole payment within other accrued expenses of discontinued operations as of February 2, 2013. This payment was settled in the first quarter of fiscal 2013.

Operating results for the discontinued operations, including all charges incurred during the periods presented for impairment of long-lived assets and restructuring and other charges as described in Note 3 to the Consolidated Financial Statements, are as follows (in thousands):

	Fiscal Year Ended			Six Months Ended	
	January 29, 2011	January 28, 2012	February 2, 2013	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Net sales	$ 52,454	$ 63,199	$ 47,163	$ 28,583	$ 1,097
Restructuring and other charges	$ 3,575	$ 489	$ 409	$ 221	$ 508
Impairment of long-lived assets (excluding goodwill)	24,129	5,913	4,380	—	434
Impairment of goodwill	—	225	—	—	—
(Loss) income before provision for income taxes	$ (15,980)	$ (16,721)	$ (2,004)	$ (4,590)	$ (2,683)
Provision for income taxes	411	(141)	49	208	(11,913)
Net (loss) income	$ (16,391)	$ (16,580)	$ (2,053)	$ (4,798)	$ 9,230
Effective tax rate	(2.6%)	0.8%	(2.4%)	(4.5%)	N.M.

The fiscal 2010, fiscal 2011, and fiscal 2012 effective tax rates for discontinued operations differs from the U.S. statutory rate of 35% primarily due to a full valuation allowance on current year deferred tax assets offset in part by state taxes. The rate for the first six months of fiscal 2013 differs from the U.S. statutory rate of 35% primarily due to a release of valuation allowance. The release in valuation

allowance is primarily due to the allocation of the disallowed tax loss on the sale of the Baby Phat trademark to intangible assets with indefinite lives resulting in fewer deferred tax liabilities that cannot be offset against deferred tax assets for valuation allowance purposes. The effective tax rate for discontinued operations for the first six months of fiscal 2012 differs from the U.S. statutory rate of 35% primarily due to an increase in the valuation allowance offset in part by state taxes.

Summarized assets and liabilities of discontinued operations are as follows (in thousands):

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Receivables, net	$ 11,752	$ 2,535	$ 96
Other receivables	—	12	—
Inventories	14,713	1,529	—
Prepaid expenses and other current assets	1,321	614	40
Current assets of discontinued operations	$ 27,786	$ 4,690	$ 136
Property, plant and equipment, net	$ 3,613	$ 167	$ —
Intangible assets, net	8,073	3,450	—
Other assets	458	79	27
Long-term assets of discontinued operations	$ 12,144	$ 3,696	$ 27
Accounts payable	$ 10,938	$ 903	$ 142
Accrued salaries and employee benefits	642	233	44
Other accrued expenses	15,624	2,601	1,512
Current liabilities of discontinued operations	$ 27,204	$ 3,737	$ 1,698
Deferred income taxes and other	$ 3,116	$ 2,416	$ 2,412
Long-term liabilities of discontinued operations	$ 3,116	$ 2,416	$ 2,412

Current assets as of February 2, 2013 primarily consist of the outstanding sale proceeds for Royal Robbins, net receivables from our Baby Phat wholesale operations prior to completion of its shutdown in the fourth quarter of fiscal 2012, net receivables from our Phat Fashions business prior to the sale of our Baby Phat trademark in the first quarter of fiscal 2013 and net receivables and inventory of our Zobha operations. Current liabilities as of February 2, 2013 are primarily related to unpaid disposal costs related to the sale of Royal Robbins, non-cancellable contract termination costs to exit our Lamb & Flag business and Baby Phat wholesale operations, accrued liabilities associated with our Phat Fashions business, and our final make-whole payment of $485 to PVH related to the early termination of our Calvin Klein license agreements. Current liabilities as of August 3, 2013 is primarily related to amounts owed for non-cancellable contract payments for our Zobha business.

Cash flows from discontinued operations are combined with cash flows from continuing operations under Operating Activities, Investing Activities and Financing Activities in the Consolidated Statements of Cash Flows. As of August 3, 2013 (unaudited), we expect to have future net cash outflows related to our discontinued operations of approximately $1,500, which is primarily payable through fiscal 2014.

Note 5. Goodwill and Intangible Assets

Goodwill balances by segment and changes therein subsequent to the January 29, 2011 Consolidated Balance Sheet are as follows (in thousands):

	Vince	ARP	Juniors	Moderate	Other	Total
Balance as of January 29, 2011						
Goodwill	$ 59,554	—	$ 6,395	$ 8,859	$ 13,478	$ 88,286
Accumulated impairment losses	(46,942)	—	(6,395)	(8,859)	(527)	(62,723)
Net goodwill	12,612	—	—	—	12,951	25,563
Additional contingent purchase price	51,134	—	—	—	—	51,134
Impairment loss	—	—	—	—	(10,821)	(10,821)
Balance as of January 28, 2012						
Goodwill	110,688	—	6,395	8,859	13,478	139,420
Accumulated impairment losses	(46,942)	—	(6,395)	(8,859)	(11,348)	(73,544)
Net goodwill	63,746	—	—	—	2,130	65,876
Impairment loss	—	—	—	—	—	—
Balance as of February 2, 2013						
Goodwill	110,688	—	6,395	8,859	13,478	139,420
Accumulated impairment losses	(46,942)	—	(6,395)	(8,859)	(11,348)	(73,544)
Net goodwill	63,746	—	—	—	2,130	65,876
Impairment loss	—	—	—	—	—	—
Balance as of August 3, 2013 (unaudited)						
Goodwill	110,688	—	6,395	8,859	13,478	139,420
Accumulated impairment losses	(46,942)	—	(6,395)	(8,859)	(11,348)	(73,544)
Net goodwill	$ 63,746	$ —	$ —	$ —	$ 2,130	$ 65,876

Identifiable intangible assets of continuing operations are as follows (in thousands):

	Gross Amount	Accumulated Amortization	Net Book Value
Balance as of January 28, 2012:			
Amortizable intangible assets:			
Customer relationships	$ 28,363	$ (4,978)	$ 23,385
Indefinite-lived intangible assets:			
Trademarks	125,935	—	125,935
Domain name	66	—	66
Total intangible assets	$ 154,364	$ (4,978)	$149,386

	Gross Amount	Accumulated Amortization	Net Book Value
Balance as of February 2, 2013:			
Amortizable intangible assets:			
Customer relationships	$ 28,363	$ (6,877)	$ 21,486
Indefinite-lived intangible assets:			
Trademarks	124,735	—	124,735
Domain Name	66	—	66
Total intangible assets	$ 153,164	$ (6,877)	$146,287

	Gross Amount	Accumulated Amortization	Net Book Value
Balance as of August 3, 2013 (unaudited):			
Amortizable intangible assets:			
Customer relationships	$ 28,363	$ (7,827)	$ 20,536
Indefinite-lived intangible assets:			
Trademarks	124,795	—	124,795
Total intangible assets	$ 153,158	$ (7,827)	$145,331

Amortization of identifiable intangible assets for continuing operations was $954, $1,941, and $1,899 for fiscal 2010, fiscal 2011, and fiscal 2012, respectively. Amortization expense for each of the first six months of fiscal 2012 and fiscal 2013 (unaudited) was $950. Amortization expense for each of the fiscal years 2013 to 2017 is expected to be as follows (in thousands):

	Future Amortization
2013	$ 1,899
2014	1,899
2015	1,899
2016	1,899
2017	1,899
Total next 5 years	$ 9,495

Goodwill consists of the additional purchase consideration paid to the previous owners of Vince, as well as goodwill resulting from our acquisition of Rebecca Taylor. We recognized $10,821 of goodwill impairment in fiscal 2011 due to a decrease in the near-term forecasted EBITDA of Rebecca Taylor. This was primarily due to a delay in expected growth and cost synergies. We utilized a combination of income and market approaches to estimate the fair value of the reporting unit and determine the amount of the impairment. This is considered a Level 3 fair value measure as management forecasts are a significant unobservable input utilized in these approaches. No goodwill impairment charges were recognized as a result of our annual impairment test for fiscal year 2012, and no events occurred in the first six months of fiscal 2013 that would trigger an impairment test to be performed.

Identifiable indefinite-lived intangible assets consist of company owned trademarks and one domain name. Our fiscal 2011 and fiscal 2012 indefinite-lived intangible asset impairment tests resulted in $2,504 and $1,200 of impairment charges, respectively, due to declining results at one of our Juniors wholesale businesses. The fair value of this trademark was determined using the relief from royalty method for both fiscal years. The relief from royalty method calculates fair value using a royalty savings method, which measures the value by estimating cost savings. Key assumptions include

revenue projections, royalty rates and discount rates for each trademark being valued. This method utilizes significant unobservable inputs and is therefore considered a Level 3 fair value measure.

During the second quarter of fiscal 2010, we ended our relationship with one of our customers and at the time did not expect any future sales to this customer and therefore recognized an impairment loss of $438.

All impairment charges disclosed above (excluding goodwill) have been recorded in impairment of long-lived assets (excluding goodwill) in the Consolidated Statements of Operations. Definite-lived intangible assets are amortized and tested for impairment if a triggering event occurs during the year. Indefinite-lived intangible assets are not amortized but are tested for impairment annually during the fourth quarter of our fiscal year and in an interim period if a triggering event were to occur during the year. No events occurred in the first six months of fiscal 2013 that would have triggered an impairment test to be performed for our definite-lived and indefinite-lived intangible assets.

It is possible that our estimates of future operating results for certain of our divisions could change adversely and impact the evaluation of the recoverability of the carrying value of intangible assets and that the effect of such changes on our Consolidated Financial Statements could be material. While we believe that the current recorded carrying value of our intangible assets at February 2, 2013 is not impaired, there can be no assurance that a significant non-cash write down or write-off will not be required in the future.

Note 6. Fair Value

ASC Subtopic 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This guidance outlines a valuation framework, creates a fair value hierarchy to increase the consistency and comparability of fair value measurements, and details the disclosures that are required for items measured at fair value. Financial assets and liabilities are to be measured using inputs from three levels of the fair value hierarchy as follows:

Level 1— quoted market prices in active markets for identical assets or liabilities

Level 2— observable market-based inputs (quoted prices for similar assets and liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active) or inputs that are corroborated by observable market data

Level 3— significant unobservable inputs that reflect our assumptions and are not substantially supported by market data

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The following table presents our liabilities measured at fair value on a recurring basis and are categorized using the fair value hierarchy (in thousands). We do not measure any assets at fair value on a recurring basis.

	Fair Value Measurements as of January 28, 2012			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities at fair value:				
Contingent consideration for acquisition—Rebecca Taylor	$ —	$ —	$ 10,881	$10,881
Contingent consideration for acquisition—Zobha	—	—	585	585
Environmental Remediation obligations	—	—	8,747	8,747
Total liabilities at fair value	$ —	$ —	$ 20,213	$20,213

	Fair Value Measurements as of February 2, 2013			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities at fair value:				
Contingent consideration for acquisition—Rebecca Taylor	$ —	$ —	$ 4,209	$ 4,209
Contingent consideration for acquisition—Zobha	—	—	54	54
Environmental Remediation obligations	—	—	9,604	9,604
Total liabilities at fair value	$ —	$ —	$ 13,867	$13,867

	Fair Value Measurements as of August 3, 2013 (unaudited)			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities at fair value:				
Contingent consideration for acquisition—Rebecca Taylor	$ —	$ —	$ 4,665	$ 4,665
Environmental Remediation obligations	—	—	9,702	9,702
Total liabilities at fair value	$ —	$ —	$ 14,367	$14,367

The following table presents changes in Level 3 liabilities for fiscal years 2011 and 2012 (in thousands).

	Rebecca Taylor Contingent Consideration (2)	Zobha Contingent Consideration (2)	Environmental Remediation Obligations (3)	Total
Balance as of January 29, 2011	$ 9,356	$ —	$ 9,054	$18,410
Acquisition of Zobha	—	945	—	945
Payments	—	—	(220)	(220)
Losses (gains) recognized in earnings(1)	1,525	(360)	(87)	1,078
Balance as of January 28, 2012	10,881	585	8,747	20,213
Payments	(1,928)	—	(311)	(2,239)
(Gains) losses recognized in earnings(1)	(4,744)	(531)	1,168	(4,107)
Balance as of February 2, 2013	4,209	54	9,604	13,867
Payments (unaudited)	—	—	(71)	(71)
(Gains) losses recognized in earnings (unaudited)(1)	456	(54)	169	571
Balance as of August 3, 2013 (unaudited)	$ 4,665	$ —	$ 9,702	$14,367

(1) In fiscal years 2011 and 2012, gains of ($1,578) and ($7,162), respectively, were recognized within change in fair value of contingent consideration on our Statement of Operations. We recorded offsetting charges to interest expense of $2,743 and $1,887 in fiscal 2011 and fiscal 2012, respectively, for the accretion of our contingent consideration obligations. We recorded additional interest expense of $456 in the six months ended August 3, 2013 (unaudited) for the accretion of our contingent consideration obligations. We also recorded an additional gain of ($54) within change in fair value of contingent consideration for the six months ended August 3, 2013 (unaudited) due to a decrease in the fair value of our Zobha contingent consideration. All adjustments to our environmental remediation obligations were recognized within restructuring, environmental remediation and other charges on our Consolidated Statement of Operations for fiscal 2011, fiscal 2012 and for the first six months of fiscal 2013.

(2) See Note 2, *Business Combinations,* for additional discussion pertaining to the valuation of our contingent consideration obligations.

(3) See Note 15, *Commitments and Contingencies,* for additional discussion pertaining to the valuation of our environmental remediation obligations.

The recorded amounts of cash, receivables, accounts payable and short-term debt approximate their fair values at January 28, 2012, February 2, 2013, and August 3, 2013 (unaudited) due to the short maturity of these instruments. The estimated fair value of our long-term debt, including both variable-rate and fixed-rate debt, at February 2, 2013 is $737,365, compared to the recorded amount of $761,752. The estimated fair value of our long-term debt, at August 3, 2013 (unaudited) is $398,618, compared to the recorded amount of $386,842. These estimated fair values utilize quoted prices obtained through independent pricing sources for the same or similar types of borrowing arrangements.

Note 7. Short-Term Borrowings

Credit Agreement

On October 19, 2011, Kellwood Company and certain of its domestic subsidiaries, as borrowers (the “Borrowers”), entered into a Credit Agreement (the “Credit Agreement”) with Wells Fargo Bank, National Association, as agent, and lenders from time to time. The Credit Agreement provides the Borrowers with a non-amortizing senior revolving credit facility with aggregate lending commitments of $160,000 (the “Wells Fargo Facility”), reduced to $155,000 by the December 31, 2012 Amendment

described below. The Wells Fargo Facility terminates at the earliest to occur of (a) October 19, 2016, (b) 90 days prior to the scheduled December 31, 2014, maturity date of the 12.875% Notes (as defined below) (including any extension effective on or prior to such 90th day prior to such scheduled maturity date) or (c) 90 days prior to the scheduled maturity date of the Cerberus Term Loan (as defined below) (including any extension effective on or prior to such 90th day prior to such scheduled maturity date). The amount which the Borrowers may borrow from time to time under the Wells Fargo Facility is determined on the basis of a borrowing base formula that is a percentage of Kellwood Company and subsidiaries accounts receivable and inventory that meet eligibility criteria specified in the Credit Agreement, but in no case more than the aggregate lending commitments of the participating lenders. All borrowings under the Wells Fargo Facility bear interest at a rate per annum equal to an applicable margin (ranging from 2.5%-3.0% per annum for LIBOR Revolver Loans (as defined in the Credit Agreement) and 1.25%-1.75% for Base Rate Loans (as defined in the Credit Agreement) based on average availability under the Credit Agreement) plus, at the Borrowers' election, LIBOR or a Base Rate as defined in the Credit Agreement. In addition to paying interest, the Borrowers will pay a periodic commitment fee to the lenders under the Credit Agreement based on the amount of unused availability under the borrowing base formula. The Wells Fargo Facility is secured by a first-priority security interest in substantially all of the assets of the Borrowers, principally consisting of accounts receivable, inventory, and intellectual property. The Credit Agreement contains certain customary representations, warranties, provisions and restrictions. The Credit Agreement requires that the Borrowers maintain a fixed charge coverage ratio of at least 1:1 during any Covenant Testing Period (as defined in the Credit Agreement) which is triggered when excess availability is below 12.5% of the aggregate commitments under the Wells Fargo Facility (the "Covenant Testing Trigger Date"). The fixed charge ratio is defined as the ratio of Consolidated EBITDA (as defined in the Credit Agreement) (with certain addbacks as defined in the Credit Agreement for certain restructuring charges, startup losses in newly developed brands, costs incurred in certain acquisitions, management fees, as well as certain other costs and charges) minus capital expenditures and certain distributions; to fixed charges, defined as consolidated net interest expense paid or payable in cash, scheduled principal payments on debt in cash and certain earnout payments paid in cash up to a certain amount, calculated over the trailing four fiscal quarters. If the covenants are not met, a cash dominion period will go into effect whereby the agent has the ability to direct the disposition of the balances in controlled deposit accounts. The cash dominion period will expire when availability is over 12.5% of the aggregate commitments under the Wells Fargo Facility for a period of 90 consecutive days.

On March 23, 2012, the Credit Agreement was amended to modify the Covenant Testing Period such that it is now triggered when excess availability is below $5,000 and triggered the cash dominion period, as defined in the Credit Agreement. This amendment was entered into in consideration for a guaranty of payment of obligations under the Credit Agreement and a $20,000 letter of credit to the benefit of Wells Fargo Bank, National Association, as agent, issued by an affiliate of Sun Capital Partners, Inc.

On April 20, 2012, the Credit Agreement was amended to extend the modification to the Covenant Testing Period to be in effect until March 21, 2014 unless the guaranty described above is no longer in effect or the full face amount of the letter of credit described above is no longer available to be drawn. The guaranty will be released, the letter of credit returned and the trigger for the Covenant Testing Period will return to the pre-amendment level when availability is above $35,000 for 90 consecutive days and is projected to remain above $25,000 through the remaining term of the Credit Agreement. This amendment also provided for the consent of the Wells Fargo Facility lenders to the additional loans under the Sun Term Loan Agreements (as defined in Note 8).

On December 31, 2012, the Credit Agreement was amended to obtain consent to the sale of the Royal Robbins business, to release Royal Robbins as a Borrower and/or Obligor under the Credit Agreement, and to release the agent's lien on the assets of Royal Robbins. Additionally, the first $10,000 of the net cash proceeds arising from the cash purchase price paid at closing (excluding any

escrow amount) were to be applied to the Cerberus Term Loan (Note 8) and the remaining portion to be remitted to the Wells Fargo Facility. This amendment also resulted in a permanent reduction to availability of $5,000.

At February 2, 2013, the maximum capacity on the Wells Fargo Facility was $110,838 and there were borrowings outstanding and letters of credit outstanding of $79,783 and $13,304, respectively. At August 3, 2013, the maximum capacity on the Wells Fargo Facility was $146,646 and there were borrowings outstanding and letters of credit outstanding of $115,601 and $12,569, respectively. At February 2, 2013 and August 3, 2013 (unaudited) availability under the Wells Fargo Facility was $17,751 and $18,476, respectively. Kellwood Company was in compliance with all provisions as of all periods presented.

BMO Facility

On September 12, 2011 Kellwood Company, as borrower, and certain of its domestic subsidiaries, as guarantors, entered into a Loan Authorization Agreement with BMO Harris Financing, Inc. and Bank of Montreal, as lender, (the “BMO Facility”) for a revolving credit facility up to a maximum credit line of $14,900 (the “BMO Obligations”). The BMO Facility was guaranteed by an affiliate of Sun Capital Partners, Inc. and was subordinated in payment and security interest to the Amended and Restated Credit Facility, the 12.875% Notes, the Term A Obligations, the Term B Obligations, the Term C Obligations and the Term D Obligations (all as defined below). Interest accrued on the BMO Obligations at a rate equal to the greater of (i) the Reference Bank’s Prime Rate plus 2% per annum or (ii) LIBOR plus 4.75% per annum. Such interest was to be paid quarterly either in cash or with PIK Interest, at our option. The BMO Obligations were payable on demand with a 10-day grace period and was used for liquidity, working capital and other general corporate purposes.

On October 19, 2011, Kellwood Company terminated the BMO Facility and the Amended and Restated Credit Facility and entered into certain debt agreements further described above. As a result of the termination, Kellwood Company incurred a $1,747 non-cash charge recorded in interest expense, net, related to the write-off of deferred debt issuance costs of the Amended and Restated Credit Facility.

Note 8. Long-Term Debt

Long-term debt, net of applicable discounts or premiums, consisted of the following at January 28, 2012, February 2, 2013 and August 3, 2013 (in thousands):

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Sun Promissory Notes	$ 520,536	$ 319,926	$ —
Sun Capital Loan Agreement	84,756	71,508	—
Cerberus Term Loan	55,000	45,431	45,660
Term A Obligations	15,604	17,252	18,118
Term B Obligations	24,884	27,507	28,889
Term C Obligations	16,231	17,945	18,846
Term D Obligations	10,488	11,595	12,177
Term E Obligations	—	5,601	5,937
Term F Obligations	—	27,344	28,989
Term G Obligations	—	—	5,059
12.875% 2009 Debentures due December 31, 2014	130,471	139,378	143,962
7.625% 1997 Debentures due October 15, 2017	76,180	78,054	78,991
3.5% 2004 Convertible Debentures due June 15, 2034	204	211	214
Total long-term debt	$ 934,354	$ 761,752	$ 386,842

Sun Promissory Notes

On May 2, 2008, AHC entered into a $225,000 Senior Subordinated Promissory Note and a $75,000 Senior Subordinated Promissory Note with Sun Kellwood Finance, LLC ("Sun Kellwood Finance"), an affiliate of Sun Capital Partners, Inc.. We collectively refer to these notes as our "Sun Promissory Notes". The unpaid principal balance of the notes accrue interest at 15% per annum until the maturity date of October 15, 2011, at which point any unpaid principal balance of the notes shall accrue interest at a rate of 17% per annum until the notes are paid in full. All interest which is not paid in cash on or before the last day of each calendar month are deemed paid in kind and added to the principal balance of the notes unless an election is made otherwise.

On July 19, 2012, AHC amended the Sun Promissory Notes to extend the maturity date to October 15, 2016 and reduce the interest rate to 12% per annum until maturity, at which point any unpaid principal balance of the notes shall accrue interest at a rate of 14% per annum until the notes are paid in full.

On December 28, 2012, Sun Kellwood Finance waived all interest capitalized and accrued under the notes prior to July 19, 2012. As both parties are under the common control of Sun Capital, this transaction resulted in a capital contribution of $270,852 which was recorded as an adjustment to additional paid in capital on our Consolidated Balance Sheet as of February 2, 2013.

On June 18, 2013, Sun Kellwood Finance assigned all title and interest in the Sun Promissory Notes to Sun Cardinal, LLC ("Sun Cardinal"). Immediately following the assignment, Sun Cardinal contributed all outstanding principal and interest due under these notes as of June 18, 2013 to the capital of AHC. As both parties are under common control of Sun Capital, this transaction resulted in a capital contribution of $334,595, which was recorded as an adjustment to AHC's additional paid in capital on the Consolidated Balance Sheet at August 3, 2013 (unaudited).

Sun Capital Loan Agreement

AHC is party to a Loan Authorization Agreement, originally dated February 13, 2008, by and between AHC (as the successor entity to Cardinal Integrated, LLC), SCSF Kellwood Finance, LLC ("SCSF Finance") and Sun Kellwood Finance (as successors to Bank of Montreal) for a $72,000 line of credit, and $69,485 principal balance, which we refer to as the "Sun Capital Loan Agreement". Under the terms of this agreement, as amended from time to time, interest accrues at a rate equal to the rate per annum announced by the Bank of Montreal, Chicago, Illinois, from time to time as its prime commercial rate, or equivalent, for U.S. dollar loans to borrowers located in the U.S. plus 2%. Interest on the loan is due by the last day of each fiscal quarter and is payable either in immediately available funds on each interest payment date or by adding such interest to the unpaid principal balance of the loan on each interest payment date. The original maturity date of the loan was August 6, 2009. On July 19, 2012, the maturity date of the loan was extended to August 6, 2014.

On December 28, 2012, Sun Kellwood Finance and SCSF Finance waived all interest capitalized and accrued under the loan authorization agreement prior to July 19, 2012. As all parties are under the common control of Sun Capital, this transaction resulted in a capital contribution of $18,249, which was recorded as an adjustment to additional paid in capital on our Consolidated Balance Sheet as of February 2, 2013.

On June 18, 2013, Sun Kellwood Finance and SCSF Finance assigned all title and interest in the note under the Sun Capital Loan Agreement. Immediately following the assignment, Sun Cardinal contributed all outstanding principal and interest due under this note as of June 18, 2013 to the capital of AHC. As all parties are under common control of Sun Capital, this transaction resulted in a capital contribution of $72,932, which was recorded as an adjustment to AHC's additional paid in capital on the Consolidated Balance Sheet at August 3, 2013 (unaudited).

Term Loan Agreement

On October 19, 2011, Kellwood Company and certain of its domestic subsidiaries, as borrowers (the “Borrowers”), entered into a Term Loan Agreement (the “Term Loan Agreement”) with Cerberus Business Finance, LLC (the “Agent”), as agent and the lenders from time to time party thereto. The Term Loan Agreement provides the Borrowers with a non-amortizing secured Cerberus Term Loan in an aggregate amount of $55,000 (the “Cerberus Term Loan”). The Cerberus Term Loan terminates at the earliest to occur of (a) October 19, 2015, (b) the date on which the Wells Fargo Facility (as defined above in Note 7 to the Consolidated Financial Statements) has been paid in full and all commitments thereunder have been terminated or (c) 60 days prior to the scheduled December 31, 2014, maturity date of our 12.875% Notes (as defined below) (including any extensions thereof agreed to after October 19, 2011). All borrowings under the Cerberus Term Loan bear interest, from the date of the agreement until the effective date of the amendment described below at a rate per annum equal to an applicable margin (10.25% per annum for LIBOR Rate Loans (as defined in the Term Loan Agreement) and 7.75% for Reference Rate Loans (as defined in the Term Loan Agreement)) plus, at the Borrowers’ election, LIBOR or a Reference Rate as defined in the Term Loan Agreement. The Cerberus Term Loan is secured by a security interest in substantially all of the assets of the Borrowers, principally consisting of accounts receivable, inventory and intellectual property, which security interest is contractually subordinated to security interests of the lenders under the Credit Agreement. The Term Loan Agreement contains certain customary representations, warranties, provisions and restrictions. The Term Loan Agreement requires that the Borrowers maintain a fixed charge coverage ratio as of each fiscal quarter end prior to the effective date of the amendment described below of at least 1:1. The fixed charge ratio is defined as the ratio of Consolidated EBITDA (as defined in the December 31 amendment to the Term Loan Agreement as described below) (with certain addbacks as defined in the amended Term Loan Agreement for certain restructuring charges, startup losses in newly developed brands, costs incurred in certain acquisitions, as well as certain other costs and charges) minus capital expenditures and certain distributions and management fees; to fixed charges, defined as consolidated net interest expense paid or payable in cash, scheduled principal payments on debt in cash and certain earnout payments paid in cash, excluding earnout payments related to the Company’s Vince brand for the 2011 fiscal year, up to a certain amount, calculated over the trailing four fiscal quarters. The Term Loan Agreement also requires that the Borrowers maintain a leverage ratio as defined in the Term Loan Agreement and ranging from 2.85:1-4.25:1 during the life of the Cerberus Term Loan prior to the effective date of the amendment described below. The leverage ratio is defined as the ratio of indebtedness secured by a lien on any collateral (including the debt under the Credit Agreement and Cerberus Term Loan, but excluding the debt under the Sun Term Loan Agreements (as defined below) and the 12.875% Notes (as defined below)), divided by Consolidated EBITDA (as defined in the December 31 amendment to the Cerberus Term Loan described below) for the trailing four fiscal quarters.

On January 26, 2012, Kellwood Company obtained a waiver to the Cerberus Term Loan until the end of the first quarter of fiscal 2012 (the “Waiver Period”), as it anticipated not being in compliance with the fixed charge coverage ratio and the leverage ratio covenants as of January 28, 2012. In conjunction with this waiver, we paid the Agent a $75 waiver fee and an affiliate of Sun Capital Partners, Inc. provided the Agent with a $10,000 letter of credit. The waiver required the parties to the Cerberus Term Loan to work in good faith during the Waiver Period to amend the financial covenants set forth in the Cerberus Term Loan at levels mutually acceptable to all parties.

On April 20, 2012 Kellwood Company entered into Consent and Amendment No. 1 to the Cerberus Term Loan. This amendment provided for the consent of the Cerberus Term Loan lenders to the additional term loans under the Sun Term Loan Agreement (as defined below), the release of the $10,000 letter of credit noted above and the delivery of audited fiscal 2011 financial statements within 97 days of fiscal year-end. This amendment increased the applicable margins for borrowings under the Cerberus Term Loan which will bear interest from and after the effective date of the amendment at a

rate per annum equal to an applicable margin (ranging from 10.75%-11.25% per annum for LIBOR Rate Loans (as defined in the Cerberus Term Loan) and 8.25%-8.75% for Reference Rate Loans (as defined in the Cerberus Term Loan) based on leverage and income tests under the Cerberus Term Loan) plus, at the Borrowers' election, LIBOR or a Reference Rate as defined in the Cerberus Term Loan. The amendment also provided for a portion of such interest equal to 1% per annum to be paid-in-kind and added to the principal amount of such term loans. The amendment also modified the financial covenant levels required to be maintained by the Borrowers beginning with the second quarter of fiscal 2012 for each financial covenant. The Cerberus Term Loan, as amended, requires that the Borrowers maintain a fixed charge coverage ratio as of each fiscal quarter end (beginning with the second quarter of fiscal 2012) ranging from 0.14:1-1.28:1 during the life of the Cerberus Term Loan. The Cerberus Term Loan, as amended, also requires that the Borrowers maintain a leverage ratio as defined in the Cerberus Term Loan and ranging from 2.44:1-7.77:1 during the life of the Cerberus Term Loan (beginning with the second quarter of fiscal 2012). The minimum fixed charge coverage ratios for the second, third and fourth quarters of fiscal 2012 were 0.14:1, 0.41:1 and 0.67:1, respectively. The minimum fixed charge coverage ratios for 2013 are 0.89:1, 1.24:1, 1.28:1, and 1.22:1 for the first through fourth quarters, respectively. Subsequent to 2013, the minimum fixed charge coverage ratio remains at 1.22:1 as of the last day of each fiscal quarter. The maximum leverage ratios for the second, third and fourth quarters of fiscal 2012 were 7.77:1, 5.71:1 and 3.51:1, respectively. The maximum leverage ratios for 2013 are 3.47:1, 358:1, 3.08:1, and 2.44:1 for the first through fourth quarters, respectively. Subsequent to 2013, the maximum leverage ratio remains at 2.44:1 as of the last day of each fiscal quarter. At February 2, 2013 Kellwood Company was in compliance with all provisions of the amended Cerberus Term Loan.

On December 31, 2012, Kellwood Company amended the Cerberus Term Loan to obtain consent to the sale of the Royal Robbins business, to release Royal Robbins, LLC as a Borrower and/or Obligor under the Cerberus Term Loan, and to release the agent's lien on the assets of Royal Robbins. This amendment required the prepayment of the obligations under the Cerberus Term Loan in an amount not less than $10,000 from a portion of the proceeds from the sale of Royal Robbins with the remaining funds to be remitted to the Wells Fargo Facility (as defined in Note 7 to the Consolidated Financial Statements). This amendment also redefined the definition Consolidated EBITDA to allow for certain additional addbacks.

On May 3, 2013, Kellwood Company amended the Cerberus Term Loan in anticipation of not being in compliance with the fixed charge coverage ratio covenant during the 2013 fiscal year. This amendment modified the definition of the fixed charge coverage ratio to allow us to exclude certain types of capital expenditures in the calculation of the minimum fixed charge coverage ratio for the second, third, and fourth quarters of fiscal 2013, not to exceed $7,500 in total. Additionally, this amendment modified the minimum fixed charge coverage ratios for the second, third, and fourth quarters of fiscal 2013 to be 1.10:1, 1.175:1, and 1.25:1, respectively. The minimum fixed charge coverage ratio for all fiscal quarters subsequent to 2013 was modified to be 1.25:1. On June 28, 2013 (unaudited), Cerberus and Kellwood Company entered into a consent to the Cerberus Term Loan with respect to AHC's incurrence of the Term G Loan under the Sun Term Loan B/C/D/E/F/G Agreement. Kellwood Company anticipates that it will be in compliance with all provisions of the amended Cerberus Term Loan during fiscal 2013.

Term A/B/C/D/E/F/G Obligations

On October 19, 2011, Kellwood Company and certain of its domestic subsidiaries, as borrowers (the "Borrowers"), affiliates of Sun Capital Partners, Inc., as lenders, and Sun Kellwood Finance, LLC, as collateral agent, entered into (a) the Amended and Restated Term A Loan Agreement (the "Term A Loan Agreement") and (b) the Third Amended and Restated Term Loan (the "Term B/C/D Loan Agreement", and together with the Term A Loan Agreement, the "Sun Term Loan Agreements").

The Term A Loan Agreement serves to amend and restate in its entirety the Term Loan dated July 23, 2009, as previously amended (the “Prior Term A Agreement”) pursuant to which the lenders made certain Term A loans with an original principal amount of $12,168, the proceeds of which were used by the Borrowers to fund payment of the principal amounts outstanding, plus accrued and unpaid interest on the 7.875% 1999 Debentures due July 15, 2009 that were not tendered as part of the exchange offer for the 12.875% Notes.

The Term B/C/D Loan Agreement serves to amend and restate in its entirety the Second Amended and Restated Term Loan dated as of August 5, 2011 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the “Prior Term B/C/D Agreement”) pursuant to which the lenders made certain (i) Term B loans with an original principal amount of $22,393 issued on January 4, 2011, the proceeds of which were used by the Borrowers solely to finance the acquisition of Rebecca Taylor, (ii) Term C loans with an original principal amount of $14,900 issued on March 18, 2011, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers and (iii) Term D loans with an original principal amount of $10,000 issued on August 5, 2011, the proceeds of which were used to fund all or any part of the purchase price or cost of design, construction, installation or improvement or lease of property (real or personal), plant or equipment (whether through the direct acquisition of such assets or the acquisition of capital stock of any person owning such assets) used in the business of the Borrowers.

The primary reason for entering into the Sun Term Loan Agreements was to conform the major non-economic terms of such agreements, including the representations, warranties and covenants, to those of the Credit Agreement and the Cerberus Term Loan. The Sun Term Loan Agreements were also amended to provide a termination date of the earlier of (i) January 19, 2017 or (ii) the date on which the Cerberus Term Loan has been terminated; provided that, if the Cerberus Term Loan is extended, the stated maturity date set forth in (i) above shall be extended by a period of the same duration. The Sun Term Loan Agreements were amended such that the Sun Term Loan Agreements bear interest at 10% per annum (or 12% per annum in the case of the Term E loans, the Term F loans and the Term G loans described below) that will be added to the principal amounts of the Sun Term Loans. If the availability under the Credit Agreement is not less than $45,000, Kellwood Company may pay interest at a rate of 5% per annum in cash with respect to the Term A, B, C and D Loans and at a rate of 6% per annum in cash with respect to the Term E, F, and G Loans. The Sun Term Loan Agreements are secured by a security interest in substantially all of the assets of the Borrowers, which security interest is contractually subordinated to the security interests of the lenders under the Credit Agreement and the Cerberus Term Loan. The Sun Term Loan Agreements contain certain customary representations, warranties, provisions and restrictions substantially similar to the Credit Agreement and Cerberus Term Loan.

On April 20, 2012, Kellwood Company entered into an amendment and restatement of each of the Sun Term Loan Agreements. The Term B/C/D Loan Agreement was amended and restated in order to (i) provide for new Term E loans with an original principal amount of $5,100, the proceeds of which were used to finance costs and expenses and earnout payments in respect of certain acquisitions consummated by the Borrowers prior to the date of the Term E loans, (ii) provide for new Term F loans with an original principal amount of $24,900, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers, and (iii) to conform to the changes made to the Credit Agreement and the Cerberus Term Loan. The primary reason for entering into the amendment and restatement of the Term A Loan Agreement was to conform to the changes made to the Credit Agreement, the Cerberus Term Loan and the Term B/C/D Loan Agreement. On June 28, 2013 (unaudited), Kellwood Company entered into an amendment and restatement of the Sun Term Loan B/C/D/E/F Agreement in order to (i) provide for new Term G loans with an original principal amount of $5,000, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers and (ii) to conform to the changes made to the Credit Agreement and the Cerberus Term Loan. The Term E loans, the Term F loans and the Term G loans

bear interest at 12% per annum that will be added to the principal amounts of such loans. If the availability under the Credit Agreement is not less than $45,000, Kellwood Company may pay interest at a rate of 6% per annum in cash. No cash interest has been paid on the Sun Term Loan Agreements.

12.875% Notes

Interest on the 12.875% 2009 Debentures due December 31, 2014 (the "12.875% Notes") is paid (a) in cash at a rate of 7.875% per annum payable in January and July; and (b) in the form of PIK interest at a rate of 5% per annum ("PIK Interest") payable either by increasing the principal amount of the outstanding 12.875% Notes, or by issuing additional 12.875% Notes with a principal amount equal to the PIK Interest accrued for the interest period. The 12.875% Notes are guaranteed by various of Kellwood's subsidiaries on a secured basis, which security interest is contractually subordinated to security interests of lenders under the Credit Agreement, the Cerberus Term Loan and the Sun Term Loan Agreements. The 12.875% Notes contain certain customary provisions that, among other things, limit the ability to incur additional indebtedness, make certain restricted payments, dispose of assets or redeem or repurchase capital stock or prepay subordinated indebtedness.

Retirement of 7.625% Notes

On April 15, 2010, Kellwood Company repurchased $29,704 in aggregate principal amount of the 7.625% 1997 Debentures due October 15, 2017 (the "7.625% Notes") from an affiliate of Sun Capital Partners, Inc. for $9,060 in cash. The repurchased 7.625% Notes were then retired. Approximately $86,953 in aggregate principal amount of 7.625% Notes remain outstanding following the repurchase. Interest is payable in April and October. The extinguishment resulted in a gain of $15,912 during fiscal 2010.

Principal amounts of the notes payable and long-term debt outstanding at February 2, 2013 include the following (in thousands):

	Outstanding Principal	Capitalized PIK Interest	Total	Less: Discount	Amount per Consolidated Balance Sheet
Sun Promissory Notes	$ 300,000	$ 19,926	$319,926	$ —	$ 319,926
Sun Capital Loan Agreement	69,485	2,023	71,508	—	71,508
Cerberus Term Loan	45,000	431	45,431	—	45,431
Term A Obligations	12,168	5,084	17,252	—	17,252
Term B Obligations	22,393	5,114	27,507	—	27,507
Term C Obligations	14,900	3,045	17,945	—	17,945
Term D Obligations	10,000	1,595	11,595	—	11,595
Term E Obligations	5,100	501	5,601	—	5,601
Term F Obligations	24,900	2,444	27,344	—	27,344
12.875% 2009 Debentures due December 31, 2014	120,590	22,598	143,188	(3,810)	139,378
7.625% 1997 Debentures due October 15, 2017	86,953	—	86,953	(8,899)	78,054
3.5% 2004 Convertible Debentures due June 15, 2034	200	11	211	—	211
Total long-term debt outstanding	$ 711,689	$ 62,772	$774,461	$(12,709)	$ 761,752

Principal amounts of the notes payable and long-term debt outstanding at August 3, 2013 (unaudited) include the following (in thousands):

	Outstanding Principal	Capitalized PIK Interest	Total	Less: Discount	Amount per Consolidated Balance Sheet
Cerberus Term Loan	$ 45,000	$ 660	$ 45,660	$ —	$ 45,660
Term A Obligations	12,168	5,950	18,118	—	18,118
Term B Obligations	22,393	6,496	28,889	—	28,889
Term C Obligations	14,900	3,946	18,846	—	18,846
Term D Obligations	10,000	2,177	12,177	—	12,177
Term E Obligations	5,100	837	5,937	—	5,937
Term F Obligations	24,900	4,089	28,989	—	28,989
Term G Obligations	5,000	59	5,059	—	5,059
12.875% 2009 Debentures due December 31, 2014	120,590	26,178	146,768	(2,806)	143,962
7.625% 1997 Debentures due October 15, 2017	86,953	—	86,953	(7,962)	78,991
3.5% 2004 Convertible Debentures due June 15, 2034	200	14	214	—	214
Total long-term debt outstanding	$ 347,204	$ 50,406	$397,610	$(10,768)	$ 386,842

Note 9. Leases

We lease substantially all of our office space, distribution facilities, retail stores and certain machinery and equipment under operating leases having remaining terms up to twelve years, excluding renewal terms. Most of our real estate leases contain covenants that require us to pay real estate taxes, insurance, and other executory costs. Certain of these leases require contingent rent payments, kick-out clauses and/or opt-out clauses, based on the operating results of the retail operations utilizing the leased premises. Rent under leases with scheduled rent changes or lease concessions are recorded on a straight-line basis over the lease term. Rent expense under all operating leases of our continuing operations was $15,620, $15,004 and $18,040 for fiscal 2010, fiscal 2011, and fiscal 2012, respectively.

The future minimum lease payments under operating leases at February 2, 2013 were as follows (in thousands):

	Operating
2013	$ 16,376
2014	15,667
2015	12,349
2016	10,866
2017	8,956
Thereafter	30,081
Total minimum lease payments	$ 94,295

Future minimum lease payments are not reduced for expected sublease rental income of approximately $275.

Note 10. Retirement Benefits

We sponsor or contribute to various defined contribution retirement benefit and savings plans covering substantially all employees. Total retirement benefits expense was $620, $258, and $168, for fiscal 2010, fiscal 2011, and fiscal 2012, respectively.

Note 11. Share-Based Compensation

Apparel Holding Corp.

AHC does not have convertible equity or convertible debt securities, any of which could result in share-based compensation expense.

Kellwood Company

Kellwood Company has convertible equity securities that result in recognition of share-based compensation expense. On June 30, 2010, the Board of Directors approved the 2010 Stock Option Plan of Kellwood Company (the “Plan”). The Plan provides for the grant of options to acquire up to 100,000 shares of non-voting common stock (“Stock”) of Kellwood Company. The shares used may be newly issued shares or treasury shares. As of February 2, 2013, 24,500 shares from the Plan remain available for grants.

Kellwood Company granted options to purchase a total of 58,500 and 10,000 shares of Stock to key executives of Kellwood Company during the fiscal years ended February 2, 2013 and January 28, 2012, respectively. The options granted (i) vest in five equal installments on the first, second, third, fourth, and fifth anniversary of the grant date, subject to the employee’s continued employment, (ii) expire on the earlier of the tenth anniversary of the grant date or upon termination of employment by the company for cause, and (iii) become exercisable upon termination or a liquidity event, as defined by the Plan.

The fair value of stock options granted in fiscal 2012 was determined at the grant date using a Black-Scholes model, which requires us to make several significant assumptions including risk-free interest rate, volatility, expected term, and discount factors for shareholders in a privately-held company. The estimated term of 6.5 years for these options was developed using a simplified method permitted by SEC Staff Accounting Bulletin Topic 14: *Share-Based Payment* , available for companies with “plain-vanilla” options and have limited historical exercise data. Our selected volatility rate of 55.0% was estimated using both: (i) volatility reported by companies comparable to Kellwood Company with publicly-traded stock, and (ii) calculated volatility of companies comparable to Kellwood Company with publicly-traded stock using historical stock prices. We applied a cumulative discount factor to the price per share of 36.25% to adjust for the lack of marketability of the shares, as well as the impact of the shares representing a minority interest in a privately-held company. Our estimates were developed using market data for companies comparable to Kellwood Company and empirical studies regarding the impact on the value of private-company shares resulting from transfer restrictions. Finally, the risk-free rate of 0.85% is based upon the U.S. Treasury five year yield curve. At the grant date, the options granted in fiscal year 2012 had a weighted average fair value of $43.01 per share.

The fair value of stock options granted in fiscal 2011 was determined at the grant date using a probability-weighted expected return method model, which requires us to make several significant assumptions including long-term EBITDA growth rates, future enterprise value, discount rates, and timing and probability of a future liquidity event. This methodology was selected based on our capital structure and forecasted operational performance at the time of the valuation. At the grant date, the options granted in fiscal year 2011 had a weighted average fair value of $0.46 per share. Prior to 2012, our estimates of future enterprise value for Kellwood Company as compared to the value of Kellwood Company’s debt obligations precluded us from using a closed-form model (including a Black-Scholes formula) to estimate the fair value of our stock options. Due to more favorable operating results in the current year, which are expected to continue into future periods, we believe that the Black-Scholes formula provides a more refined estimate of the value of our stock options, in consideration of our current capital structure and estimates of future operating performance. A change in option-pricing model is not considered a change in accounting principle.

A summary of stock option activity is as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding at January 29, 2011	81,000	$ 1.00	
Granted	10,000	$ 1.00	
Exercised	—		
Forfeited or expired	(55,000)	$ 1.00	
Outstanding at January 28, 2012	36,000	$ 1.00	8.7
Vested or expected to vest at January 28, 2012	36,000	$ 1.00	8.7
Exercisable at January 28, 2012	—	—	
Outstanding at January 28, 2012	36,000	$ 1.00	
Granted	58,500	$ 137.98	
Exercised	—		
Forfeited or expired	(19,000)	$ 1.00	
Outstanding at February 2, 2013	75,500	$ 107.14	7.0
Vested or expected to vest at February 2, 2013	75,500	$ 107.14	7.0
Exercisable at February 2, 2013	—	—	

We recognized $65 and $367 of compensation expense in selling, general, and administrative expense in the Consolidated Statement of Operations for fiscal years ended January 28, 2012 and February 2, 2013, respectively. At February 2, 2013, there was $2,011 of unrecognized compensation costs that will be recognized over a remaining weighted average period of 3.3 years.

Note 12. Stockholders' Equity

We currently have authorized for issuance 1,200,000 shares of our Voting Common Stock, par value of $0.001 per share. As of January 28, 2012 and February 2, 2013 we had 918,924.91 shares issued and outstanding. We currently have authorized for issuance 1,700,000 shares of our Non-Voting Common Stock, par value of $0.001 per share. As of January 28, 2012 and February 2, 2013 we had 193.09 shares issued and outstanding. All voting common shares issued and outstanding are held by affiliates of Sun Capital. All non-voting common shares issued and outstanding are owned by H.I.G. Sun Partners, Inc.

Both classes of common shares have identical terms and liquidation preferences, except for voting rights. Accordingly, they are treated as substantially identical for purposes of computing earnings per share.

We have not paid dividends, and our current ability to pay such dividends is restricted by the terms of our debt agreements. Our future dividend policy will be determined on a yearly basis and will depend on earnings, financial condition, capital requirements, and certain other factors. We do not expect to declare dividends with respect to our common stock in the foreseeable future.

Note 13. Earnings Per Share

The numerator for both basic and diluted earnings (loss) per share is Net loss. The denominator for basic and diluted earnings (loss) per share is the weighted-average number of common shares outstanding during the period. There are no dilutive equity securities issued or outstanding.

The following is a reconciliation of basic shares to diluted shares:

	January 29, 2011	January 28, 2012	February 2, 2013
Weighted-average shares—basic	919,118	919,118	919,118
Effect of dilutive equity securities—none	—	—	—
Weighted-average shares—diluted	919,118	919,118	919,118

For fiscal 2010, fiscal 2011, and fiscal 2012, there were no potential common shares excluded from diluted earnings per share.

There are no differences in the dividend and liquidation preferences or participation rights of the Voting Common Stock and Non-Voting Common Stock shares.

Note 14. Income Taxes

The provision (benefit) for income taxes for continuing operations consists of the following (in thousands):

	2010	2011	2012
Current:			
Domestic:			
Federal	$ (1,045)	$ 100	$ (1,568)
State	754	7	927
Foreign	318	247	394
Total current	27	354	(247)
Deferred:			
Domestic:			
Federal	2,094	2,120	1,228
State	1,191	670	(275)
Foreign	195	257	2
Total deferred	3,480	3,047	955
Total provision for income taxes	$ 3,507	$ 3,401	$ 708

The sources of (loss) income before provision for income taxes are (in thousands):

	2010	2011	2012
United States	$(85,780)	$(129,208)	$(105,824)
Foreign	1,200	1,323	876
Total	$(84,580)	$(127,885)	$(104,948)

Current income taxes are the amounts payable under the respective tax laws and regulations on each year's earnings and on foreign earnings remitted during the year. A reconciliation of the federal statutory income tax rate to the effective tax rate (including impairment of long-lived assets and restructuring, environmental remediation and other charges) is as follows:

	2010	2011	2012
Statutory rate	(35.0%)	(35.0%)	(35.0%)
State taxes, net of federal benefit	(0.9%)	(1.7%)	(1.4%)
Foreign tax rate differential	0.3%	0.7%	(0.3%)
Tax reserve adjustment	(0.5%)	(0.2)%	(0.8%)
Nondeductible interest	28.1%	22.3%	22.9%
Valuation allowances	12.3%	16.5%	15.2%
Other	(0.2%)	0.1%	0.1%
Total	4.1%	2.7%	0.7%

Deferred income tax assets and liabilities for continuing operations consisted of the following (in thousands):

	January 28, 2012	February 2, 2013
Deferred tax assets:		
Depreciation and amortization	$ 26,416	$ 29,948
Employee related costs	2,803	5,781
Allowance for asset valuations	2,212	2,718
Accrued expenses	5,278	6,110
Net operating losses	54,831	67,419
Other	5,800	5,171
Total deferred tax assets	97,340	117,147
Less: Valuation allowances	(81,502)	(105,616)
Net deferred tax assets	15,838	11,531
Deferred tax liabilities:		
Depreciation and amortization	(13,133)	(13,901)
Long-term debt	(14,861)	(10,534)
Other	(50)	(270)
Total deferred tax liabilities	(28,044)	(24,705)
Net deferred tax liabilities	$ (12,206)	$ (13,174)
Included in:		
Prepaid expenses and other current assets	$ 170	$ 114
Other assets	93	146
Deferred income taxes and other	(12,469)	(13,434)
Net deferred income tax liabilities	$ (12,206)	$ (13,174)

As of February 2, 2013, various federal, state and foreign net operating losses were available for carryforward to offset future taxable income. Substantially all of these net operating losses will expire between 2029 and 2033. A full valuation allowance was placed on the U.S. net deferred tax assets during fiscal 2009 due to the fact that there was not sufficient positive evidence to outweigh the existing negative evidence that we would be able to utilize these net operating loss carryforwards, primarily our historical pretax losses. In addition, a deemed change of ownership occurred under Section 382 of the U.S. tax code resulting in $112,258 of net operating losses, as well as certain built in losses, to be subject to an annual limitation of $0. Since the realization of these benefits is remote, the associated deferred tax assets have been written down to zero. The total valuation allowance on deferred tax assets for continuing operations increased by $27,550 and $24,114 in the years ended January 28, 2012 and February 2, 2013, respectively.

Federal income taxes are provided on earnings of foreign subsidiaries except to the extent such earnings are currently expected to be permanently reinvested abroad. We do not currently consider any undistributed foreign earnings to be permanently reinvested abroad as of February 2, 2013.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, is as follows (in thousands):

	2010	2011	2012
Beginning balance	$14,836	$16,296	$11,057
Increases for tax positions in current year	2,113	1,098	2,199
Increases for tax positions in prior years	1,174	159	52
Decreases for tax positions in prior years	(298)	(5,500)	(102)
Settlements	(417)	(937)	(2,105)
Lapse in statute of limitations	(1,112)	(59)	(1,723)
Ending balance	$16,296	$11,057	$ 9,378

As of January 28, 2012 and February 2, 2013, unrecognized tax benefits in the amount of $8,817 and $5,305 (net of tax), respectively, would impact our effective tax rate if recognized. We reached a settlement with a local tax jurisdiction resulting in a reduction to our gross unrecognized tax benefits of $3,023 during the six months ended August 3, 2013 (unaudited). However, there was no impact to the tax provision. It is reasonably possible that within the next 12 months we could settle some ongoing audits with various taxing jurisdictions and/or we could have the statute of limitations expire in various jurisdictions. Should these events occur, our unrecognized tax benefits could be reduced by up to $2,500.

We include accrued interest and penalties on underpayments of income taxes in our income tax provision. As of January 28, 2012 and February 2, 2013, we had interest and penalties accrued on our Consolidated Balance Sheets in the amount of $5,929 and $3,898, respectively. Net interest and penalty provisions of $478, $1,401, and $600 were recognized in our Consolidated Statements of Operations for fiscal 2010, fiscal 2011, and fiscal 2012, respectively. Interest is computed on the difference between the tax position recognized net of any unrecognized tax benefits and the amount previously taken or expected to be taken in our tax returns.

All amounts above related to unrecognized tax benefits include continuing and discontinued operations.

We are no longer subject to examination for U.S. federal income tax for 2007 and prior. With limited exceptions, we are no longer subject to state income tax examinations for 2006 and prior. Foreign income tax returns are principally no longer subject to examination for 2007 and prior.

Our effective tax rate for continuing operations for the first six months of fiscal 2012 and fiscal 2013 (unaudited) was 3.0% and 8.3%, respectively. The rate for these periods differs from the U.S. statutory rate of 35% primarily due to additional valuation allowance and nondeductible interest.

Note 15. Commitments and Contingencies

Environmental Considerations

We are subject to a variety of environmental laws and regulations governing discharges to air and water, the handling, storage and disposal of hazardous or solid waste materials and the remediation of contamination associated with releases of hazardous substances, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

During the second quarter of fiscal 2012, Kellwood Company, our wholly-owned subsidiary, entered into a Consent Decree with the United States Environmental Protection Agency (“EPA”) and Missouri Department of Natural Resources (“MDNR”) to conduct cleanup initiatives for the decontamination of soil and groundwater located near a former metal fabrication plant in New Haven, MO. The agreement became effective August 24, 2012, and was entered into as settlement of a lawsuit filed against Kellwood Company by the EPA and MDNR. The lawsuit alleged that Kellwood Company inappropriately disposed of tetrachloroethylene (“PCE”) an industrial degreaser used to clean metal rods for tent poles, on the surrounding grounds and sewer system of a plant operated by American Recreation Products, a wholly owned subsidiary of Kellwood Company and AHC, between 1973 and 1985. Effective October 15, 2012, in accordance with the terms of the agreement, we posted a letter of credit payable to the EPA in the amount of $5,920 as a performance guarantee for the estimated cost of remediation work.

As of February 2, 2013 and August 3, 2013 (unaudited), we have recorded $9,604 and $9,702, respectively, for estimated capital costs and ongoing remedial activities at the New Haven site. This represents our best estimate of the discounted value of the total obligation using a discount rate of 3.0% for ongoing remediation activities, and rates ranging from 0.1% to 1.0% for activities expected to be completed during the next five years. We have projected undiscounted cash flows of $12,881, after adjusting for a 2.65% inflation rate. Our recorded liability differs from the performance guarantee required by the EPA primarily due to management’s use of a lower discount rate, as well as assumption of additional costs not reflected in the EPA’s estimate of remediation work. These additional costs include voluntary corrective actions implemented by Kellwood, as well as EPA oversight fees.

Although we believe we are currently in material compliance with all of the various regulations applicable to our business, there can be no assurance that requirements will not change in the future or that we will not incur significant costs to comply with such requirements. We are currently not aware of any environmental matters which may have a material impact on our financial position, results of operations, or liquidity.

Tax Settlements

During the fourth quarter of fiscal 2012, we settled an ongoing income tax case with a state jurisdiction for a total of $4,636 (including interest). The settlement amount will be paid over a three year period subject to interest of 7.5%. We have $1,805 and $1,256 of the settlement liability recorded within other accrued expenses for the short-term portion due as of February 2, 2013 and August 3, 2013 (unaudited), respectively. The remaining amount of our obligation is recorded within deferred income taxes and other for both periods.

During the six months ended August 3, 2013 (unaudited), we settled an ongoing income tax case with a local jurisdiction for a total of $6,616 (including interest). We began making payments on the settlement amount during the third quarter of 2013, which will be paid over a three year period and subject to interest of 7.5%. As of August 3, 2013, we had $2,563 of the settlement liability recorded within other accrued expenses for the short-term portion due. The remaining amount of our obligation is recorded within deferred income taxes and other.

Litigation

We are currently party to various legal proceedings. While management currently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse impact on our financial position or results of operations, litigation is subject to inherent uncertainties.

License Agreements

We have exclusive license agreements to market apparel under trademarks owned by other parties. These include XOXO ® for juniors sportswear and dresses, as well as various others for recreational products and apparel. These agreements contain provisions for minimum royalty and advertising payments based on anticipated sales in future periods. Royalty and advertising expense for license agreements within continuing operations were $4,161 and $1,206, respectively in fiscal 2010 and $3,645 and $977, respectively in fiscal 2011. In fiscal year 2012, the royalty and advertising expense within continuing operations for all license agreements totaled $713 and $500, respectively.

Our future minimum payments for all license agreements within continuing operations are as follows (in thousands):

	Royalties	Advertising
2013	$ 74	$ 500
2014	8	500
2015	—	—
2016	—	—
2016	—	—
Thereafter	—	—
Total	$ 82	$ 1,000

Contingent Consideration for Certain Acquisitions

As further described in Note 2 to the Consolidated Financial Statements, there is a deferred purchase price component to the Rebecca Taylor acquisition. The amount of this contingent consideration will be determined based on the operating results of this business and the others factors outlined in the related contingent consideration agreement.

Note 16. Segment and Geographical Financial Information

AHC designs, merchandises and sells a collection of brands across a broad range of consumer lifestyles, as well as recreational apparel and products aimed to improve the consumer outdoor experience. We operate and manage our business by brand and have identified four reportable segments, as further described below. These segments represent brand-based activities for which discrete financial information is readily available and utilized by our Chief Operating Decision Maker (“CODM”) to evaluate each brand’s performance on a regular basis. We considered both similar and dissimilar economic characteristics, internal reporting and management structures, as well as products, customers, and supply chain logistics to identify the following reportable segments:

- Vince segment—consists of the specialty retail, wholesale, e-commerce, and licensing operations of our high-growth contemporary Vince brand.
- American Recreational Products (“ARP”) segment—consists of our outdoor recreational equipment and apparel operations.
- Juniors segment—consists of a collection of denim, dresses, and sportswear labels sold through wholesale distribution to retailers.
- Moderate segment—consists of our moderately priced career and casual lifestyle brands sold through wholesale distribution to retailers.

Performance results of our remaining operating segments have been combined in Other, as none of these brands individually meet the quantitative thresholds for disclosure as a reportable segment.

Segment performance is evaluated by the Company's CODM based on Adjusted EBITDA, defined as net earnings from continuing operations before interest expense, provision for income taxes, depreciation, amortization, long-lived asset impairment losses, fair value adjustments to contingent consideration obligations, restructuring charges, environmental remediation costs, gain on acquisitions, gain on debt extinguishment, and other non-recurring charges. Although impairment losses and adjustments to contingent consideration liabilities relate to specific brands, they are excluded from the Adjusted EBITDA of our operating segments as these measures can fluctuate significantly year over year and are not considered to be primary measures of segment performance by our CODM.

Unallocated corporate expenses are comprised of selling, general, and administrative expenses attributable to corporate and administrative activities, and other charges that are not directly attributable to our operating segments. There were no inter-segment sales or transfers for the periods presented below. Summary information for our operating segments is presented below (in thousands).

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Net Sales					
Vince	$ 111,492	$ 175,255	$ 240,352	$ 90,531	$ 114,657
ARP	98,203	94,606	98,830	52,295	51,272
Juniors	177,629	190,613	181,582	89,850	110,575
Moderate	141,895	103,817	78,103	38,509	32,182
Other	57,355	98,555	109,128	48,260	55,281
Total net sales	$ 586,574	$ 662,846	$ 707,995	$ 319,445	$ 363,967
Adjusted EBITDA					
Vince	$ 23,637	$ 44,186	$ 42,189	$ 13,581	$ 17,491
ARP	(1,454)	(7,854)	(4,496)	(208)	(528)
Juniors	13,557	9,411	9,426	3,113	9,384
Moderate	18,672	250	1,924	(1,003)	832
Other	(1,301)	10,296	6,916	2,747	3,792
Segment adjusted EBITDA	53,111	56,289	55,959	18,230	30,971
Unallocated corporate expense	(31,312)	(32,196)	(30,736)	(15,914)	(15,149)
Interest expense, net	(103,074)	(127,148)	(122,383)	(74,151)	(43,671)
Depreciation	(9,035)	(8,491)	(5,611)	(2,905)	(2,622)
Amortization of intangible assets	(954)	(1,941)	(1,899)	(950)	(950)
Restructuring, environmental and other charges	(9,729)	(2,651)	(5,091)	(2,264)	(827)
Impairment of long-lived assets (excluding goodwill)	(438)	(2,504)	(2,349)	(717)	—
Impairment of goodwill	—	(10,821)	—	—	—
Change in fair value of contingent consideration	—	1,578	7,162	4,507	54
Gain on acquisition, net of tax	939	—	—	—	—
Gain on debt extinguishment	15,912	—	—	—	—
Loss of continuing operations before provision for income taxes	$ (84,580)	$(127,885)	$(104,948)	$ (74,164)	$ (32,194)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Capital Expenditures					
Vince	$1,602	$1,450	$1,821		
ARP	104	159	727		
Juniors	—	—	10		
Moderate	3	—	—		
Other	818	1,357	3,397		
Corporate	2,595	4,067	1,748		
Total capital expenditures	$5,122	$7,033	$7,703		

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Total Assets			
Vince	$ 222,456	$ 241,008	$ 265,379
ARP	61,811	61,781	68,892
Juniors	55,932	49,453	57,865
Moderate	21,564	15,316	24,302
Other	35,579	49,777	47,212
Total assets of segments	397,342	417,335	463,650
Unallocated corporate	31,173	16,403	3,978
Discontinued operations	39,930	8,386	163
Total assets	$ 468,445	$ 442,124	$ 467,791

Net sales results and long-lived assets are presented on a geographic basis below. We predominately operate within the United States and have a limited presence in international markets. Sales are presented based on customer location, while long-lived assets are presented based on asset location. Long-lived assets presented by geographic region below (in thousands) include property, plant and equipment, net of accumulated depreciation, as well as fixtures installed at our retailer sites, net of accumulated amortization.

	2010	2011	2012
Domestic	$541,305	$612,624	$655,879
International	45,269	50,222	52,116
Total net sales	$586,574	$662,846	$707,995

	January 28, 2012	February 2, 2013
Domestic	$ 19,158	$ 18,378
International	37	23
Total long-lived assets	$ 19,195	$ 18,401

Note 17. Related Party Transactions

Vince Earnout Agreement

In connection with the acquisition of the Vince business, Kellwood Company entered into an agreement with CRL Group providing for contingent earnout payments as additional cash purchase consideration based upon the achievement of specified performance targets. Rea Laccone, former Chief Executive Officer and Chief Creative Officer of the Vince brand, is a member of the CRL Group.

The agreement provided for the payment of contingent annual earnout payments to CRL Group for five periods between 2007 and 2011, as well as a cumulative contingent payment at the end of the agreement period. Additional consideration of $4,475, $58,465, and $806 was paid in fiscal 2010, fiscal 2011, and fiscal 2012, respectively. All consideration was recorded as an adjustment to the goodwill balance of our Vince segment in the fiscal year it was earned. See Note 5 to the Consolidated Financial Statements for a rollforward of goodwill balances by segment. As of January 28, 2012, we reported $806 within other accrued expenses on our Consolidated Balance Sheet.

Certain Indebtedness to affiliates of Sun Capital Partners, Inc.

We have substantial indebtedness to affiliates of Sun Capital Partners, Inc. ("Sun Capital") after giving effect to the Acquisition in February 2008. Our debt obligations to affiliates of Sun Capital under the Sun Promissory Notes, Sun Capital Loan Agreement, and Sun Term Loan Agreements (as defined in Note 8 to the Consolidated Financial Statements) totaled $498,678 and $118,015 as of February 2, 2013 and August 3, 2013, respectively. These obligations were reported within long-term debt on the Consolidated Balance Sheets as of the respective periods and are comprised of both principal and capitalized PIK interest. See Note 8 to the Consolidated Financial Statements for additional discussion on the terms of each agreement.

On December 28, 2012, Sun Kellwood Finance waived all interest capitalized and accrued under the Sun Promissory notes prior to July 19, 2012. Additionally, Sun Kellwood Finance and SCSF Finance waived all interest capitalized and accrued under the Sun Capital Loan Agreement prior to July 19, 2012. As all parties are under the common control of Sun Capital, both transactions resulted in capital contributions of $270,852 and $18,249 for the Sun Promissory Notes and Sun Capital Loan Agreement, respectively. The capital contributions were recorded as adjustments to additional paid in capital on our Consolidated Balance Sheet as of February 2, 2013. These transactions had no significant income tax consequences.

On June 18, 2013, Sun Kellwood Finance and SCSF Finance assigned all title and interest in both the Sun Promissory Notes and note under our Sun Capital Loan Agreement to Sun Cardinal, LLC. Immediately following the assignment of these notes, Sun Cardinal contributed all outstanding principal and interest due under these notes as of June 18, 2013 to the capital of AHC. As all parties are under the common control of Sun Capital, these transactions were recorded in the second quarter of fiscal 2013 (unaudited) as increases to AHC's additional paid in capital in the amounts of $334,595 and $72,932 for the Sun Promissory Notes and Sun Capital Loan Agreement, respectively. See Note 8 to the Consolidated Financial Statements.

Management Fees

In connection with the acquisition of Kellwood Company by affiliates of Sun Capital in 2008, Sun Capital Management, an affiliate of Sun Capital, entered into a Management Services Agreement with Kellwood Company that expires in May 2018, with automatic one-year extensions thereafter. Under this agreement, Sun Capital Management provides Kellwood Company with consulting and advisory services, including services relating to financing alternatives, financial reporting, accounting and management information systems. In exchange, Kellwood Company reimburses Sun Capital Management for reasonable out-of-pocket expenses incurred in connection with providing consulting and advisory services, additional and customary and reasonable fees for management consulting services provided in connection with corporate events, and also pays an annual management fee equal to $2,200 which is prepaid in equal quarterly installments. We reported $2,357, $2,420, and $2,447 for management fees to Sun Capital in other expense, net of the Consolidated Statements of Operations for fiscal 2010, fiscal 2011, and fiscal 2012, respectively. We reported management fees of $1,243 and $1,201 for the first six months of fiscal 2012 and fiscal 2013 (unaudited), respectively.

Upon the consummation of certain corporate events involving Kellwood Company or its direct or indirect subsidiaries, Kellwood Company is required to pay Sun Capital Management a transaction fee in an amount equal to 1% of the aggregate consideration paid to or by Kellwood Company and any of its direct or indirect subsidiaries or stockholders. We incurred no material transaction fees payable to Sun Capital Management during all periods presented on the Consolidated Statement of Operations. We reported $825, $926, and $971 for outstanding transaction fees within deferred income taxes and other on the Consolidated Balance Sheets as of January 28, 2012, February 2, 2013, and August 3, 2013 (unaudited).

Note 18. Subsequent Events

During the second quarter of fiscal 2013 we divested our Zobha business to focus resources on our larger contemporary and Juniors brands, as discussed further in Note 4 to our Consolidated Financial Statements. The historical results of operations and financial position of the Zobha business are reported as discontinued operations for all periods presented within our Consolidated Financial Statements.

On June 18, 2013, Sun Kellwood Finance and SCSF Finance assigned all title and interest in both the Sun Promissory Notes and the note under our Sun Capital Loan Agreement to Sun Cardinal, LLC. Immediately following the assignment of these notes, Sun Cardinal contributed all outstanding principal and interest due under these notes as of June 18, 2013 to the capital of AHC. These transactions were recorded in the second quarter of fiscal 2013 as increases to AHC's additional paid in capital in the amounts of $334,595 and $72,932 for the Sun Promissory Notes and the note under the Sun Capital Loan Agreement, respectively. See Note 8 to the Consolidated Financial Statements.

On June 28, 2013 Kellwood Company and certain of its domestic subsidiaries, as borrowers, entered into the Fifth Amended and Restated Term Loan Agreement with SCSF Finance, LLC and Sun Kellwood Finance, LLC, as lenders, to provide for new Term G loans with a principal amount of $5,000, as discussed within Note 8 to the Consolidated Financial Statements.

We evaluated our consolidated financial statements as of and for the year ended February 2, 2013 for subsequent events through September 24, 2013, the date the financial statements were available to be issued.

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SCHEDULE I
CONDENSED FINANCIAL INFORMATION OF REGISTRANT

Apparel Holding Corp. (Parent Company Only)
Condensed Statements of Operations
(In thousands)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Net sales	$ —	$ —	$ —	$ —	$ —
Cost of products sold	—	—	—	—	—
Gross profit	—	—	—	—	—
Operating expenses:					
Selling, general and administrative expenses	34	45	22	12	12
Total operating expenses	34	45	22	12	12
Loss from operations	(34)	(45)	(22)	(12)	(12)
Interest expense, net	67,950	81,363	68,683	47,895	15,883
Loss before provision for income taxes	(67,984)	(81,408)	(68,705)	(47,907)	(15,895)
Provision for income taxes	—	—	—	—	—
Net loss before equity loss	(67,984)	(81,408)	(68,705)	(47,907)	(15,895)
Equity loss, net of tax	(36,494)	(66,458)	(39,004)	(33,300)	(9,748)
Net loss	$(104,478)	$(147,866)	$(107,709)	$ (81,207)	$ (25,643)

See accompanying notes to condensed financial statements.

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Apparel Holding Corp. (Parent Company Only)
Condensed Statements of Comprehensive Loss
(In thousands)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Net Loss	$(104,478)	$(147,866)	$(107,709)	$ (81,207)	$ (25,643)
Foreign currency translation adjustment	100	(1)	(3)	4	(42)
Comprehensive loss	$(104,378)	$(147,867)	$(107,712)	$ (81,203)	$ (25,685)

See accompanying notes to condensed financial statements.

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Apparel Holding Corp. (Parent Company Only)
Condensed Balance Sheets
(In thousands, except share amounts)

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 402	$ 282	$ 219
Receivables, net	—	2	—
Total current assets	402	284	219
Investment in subsidiary	(130,994)	(169,659)	(179,140)
Total assets	$(130,592)	$(169,375)	$(178,921)
Liabilities and Stockholders' Deficit			
Current liabilities:			
Other accrued expenses	$ 367	$ 246	$ 181
Total current liabilities	367	246	181
Long-term debt	605,292	391,434	—
Deferred income taxes and other	6,770	210	—
Stockholders' Deficit:			
Voting Common Stock at $0.001 par value (1,200,000 shares authorized, 918,924.91 issued and outstanding)	1	1	1
Non-Voting Common Stock at $0.001 par value (1,700,000 shares authorized, 193.09 shares issued and outstanding)	—	—	—
Additional paid in capital	97,212	386,680	794,528
Accumulated deficit	(840,171)	(947,880)	(973,523)
Other comprehensive loss	(63)	(66)	(108)
Total stockholders' deficit	(743,021)	(561,265)	(179,102)
Total liabilities and stockholders' deficit	$(130,592)	$(169,375)	$(178,921)

See accompanying notes to condensed financial statements.

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Apparel Holding Corp. (Parent Company Only)
Condensed Statements of Cash Flows
(In thousands)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Operating activities					
Net loss from Parent operations	$(67,984)	$(81,408)	$ (68,705)	$ (47,907)	$ (15,895)
Add items not affecting operating cash flows:					
Capitalized Payment-In-Kind interest	67,371	79,915	69,085	47,227	13,758
Changes in assets and liabilities:					
Receivables, net	—	—	(2)	—	2
Accounts payable and accrued expenses	(80)	49	(121)	(12)	(65)
Other assets and liabilities	579	1,448	(402)	667	2,125
Net cash provided by operating activities	(114)	4	(145)	(25)	(75)
Investing activities					
Capital distributions from subsidiary	32	45	25	13	12
Net cash (used in)/provided by investing activities	32	45	25	13	12
Financing activities					
Other	—	—	—	—	—
Net cash (used in)/provided by financing activities	—	—	—	—	—
(Decrease) increase in cash and cash equivalents	(82)	49	(120)	(12)	(63)
Cash and cash equivalents, beginning of period	435	353	402	402	282
Cash and cash equivalents, end of period	$ 353	$ 402	$ 282	$ 390	$ 219
Supplemental Disclosures of Cash Flow Information					
Cash payments for interest	$ —	$ —	$ —	$ —	$ —
Supplemental Disclosures of Non-Cash Investing and Financing Activities					
Forgiveness of capitalized and accrued interest on related-party debt	$ —	$ —	$(289,101)	$ —	$(407,527)
Capital contribution from stockholder	—	—	289,101	—	407,527

See accompanying notes to condensed financial statements.

Apparel Holding Corp. (Parent Company Only)
Condensed Statements of Stockholders' Deficit
(In thousands, except share amounts)

	Common Stock					
	Number of Shares Outstanding	Par Value	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehen-sive Income	Total Stockholders' Deficit
Balance as of January 30, 2010	919,118	$ 1	$ 96,899	$ (587,827)	$ (162)	$ (491,089)
Comprehensive loss:						
Net loss	—	—	—	(67,984)	—	(67,984)
Foreign currency translation adjustment	—	—	—	—	100	100
Earnings in equity investees	—	—	—	(36,494)	—	(36,494)
Share-based compensation expense	—	—	248	—	—	248
Balance as of January 29, 2011	919,118	$ 1	$ 97,147	$ (692,305)	$ (62)	$ (595,219)
Comprehensive loss:						
Net loss	—	—	—	(81,408)	—	(81,408)
Foreign currency translation adjustment	—	—	—	—	(1)	(1)
Earnings in equity investees	—	—	—	(66,458)	—	(66,458)
Share-based compensation expense	—	—	65	—	—	65
Balance as of January 28, 2012	919,118	$ 1	$ 97,212	$ (840,171)	$ (63)	$ (743,021)
Comprehensive loss:						
Net loss	—	—	—	(68,705)	—	(68,705)
Foreign currency translation adjustment	—	—	—	—	(3)	(3)
Earnings in equity investees	—	—	—	(39,004)	—	(39,004)
Share-based compensation expense	—	—	367	—	—	367
Capital contribution from stockholder	—	—	289,101	—	—	289,101
Balance as of February 2, 2013	919,118	$ 1	$386,680	$ (947,880)	$ (66)	$ (561,265)
Comprehensive loss:						
Net loss (unaudited)	—	—	—	(15,895)	—	(15,895)
Foreign currency translation adjustment (unaudited)	—	—	—	—	(42)	(42)
Earnings in equity investees (unaudited)	—	—	—	(9,748)	—	(9,748)
Share-based compensation expense (unaudited)	—	—	321	—	—	321
Capital contribution from stockholder (unaudited)	—	—	407,527	—	—	407,527
Balance as of August 3, 2013 (unaudited)	919,118	$ 1	$794,528	$ (973,523)	$ (108)	$ (179,102)

See accompanying notes to condensed financial statements.

Apparel Holding Corp. (Parent Company Only)
Notes to Condensed Financial Statements
(In thousands)

Note 1. Basis of Presentation

The 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 Apparel Holding Corp. ("AHC") (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 AHC's operating subsidiaries to pay dividends may be restricted due to the terms of the subsidiaries' Credit Agreement, Term Loan Agreement, and the agreement governing the subsidiaries' 12.785% Debentures, as defined in Notes 7 and 8 to the Consolidated Financial Statements.

The 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 in this filing.

Note 2. Long-term Debt

Long-term debt consisted of the following as of fiscal years ended January 28, 2012 and February 2, 2013, and as of the six months ended August 3, 2013 (in thousands):

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Sun Promissory Notes	$ 520,536	$ 319,926	$ —
Sun Capital Loan Agreement	84,756	71,508	—
Total long-term debt	$ 605,292	$ 391,434	$ —

Sun Promissory Notes

On May 2, 2008, AHC entered into a $225,000 Senior Subordinated Promissory Note and a $75,000 Senior Subordinated Promissory Note with Sun Kellwood Finance, LLC ("Sun Kellwood Finance"), an affiliate of Sun Capital Partners, Inc. We collectively refer to these notes as our "Sun Promissory Notes". The unpaid principal balance of the notes accrue interest at 15% per annum until the maturity date of October 15, 2011, at which point any unpaid principal balance of the notes shall accrue interest at a rate of 17% per annum until the notes are paid in full. All interest which is not paid in cash on or before the last day of each calendar month are deemed paid in kind and added to the principal balance of the notes unless an election is made otherwise.

On July 19, 2012, AHC amended the Sun Promissory Notes to extend the maturity date to October 15, 2016 and reduce the interest rate to 12% per annum until maturity, at which point any unpaid principal balance of the notes shall accrue interest at a rate of 14% per annum until the notes are paid in full.

On December 28, 2012, Sun Kellwood Finance waived all interest capitalized and accrued under the notes prior to July 19, 2012. As both parties are under the common control of Sun Capital, this transaction resulted in a capital contribution of $270,852 which was recorded as an adjustment to additional paid in capital on our Condensed Balance Sheet as of February 2, 2013.

On June 18, 2013, Sun Kellwood Finance assigned all title and interest in the Sun Promissory Notes to Sun Cardinal, LLC ("Sun Cardinal"). Immediately following the assignment, Sun Cardinal contributed all outstanding principal and interest due as of June 18, 2013 to the capital of AHC. As both parties are under common control of Sun Capital, this transaction resulted in a capital contribution of $334,595, which was recorded as an adjustment to AHC's additional paid in capital on the Condensed Balance Sheet at August 3, 2013 (unaudited).

Sun Capital Loan Agreement

AHC is party to a Loan Authorization Agreement, originally dated February 13, 2008, by and between AHC (as the successor entity to Cardinal Integrated, LLC), SCSF Kellwood Finance, LLC ("SCSF Finance") and Sun Kellwood Finance (as successors to Bank of Montreal) for a $72,000 line of credit, and $69,485 principal balance, which we refer to as the "Sun Capital Loan Agreement". Under the terms of this agreement, as amended from time to time, interest accrues at a rate equal to the rate per annum announced by the Bank of Montreal, Chicago, Illinois, from time to time as its prime commercial rate, or equivalent, for U.S. dollar loans to borrowers located in the U.S. plus 2%. Interest on the loan is due by the last day of each fiscal quarter and is payable either in immediately available funds on each interest payment date or by adding such interest to the unpaid principal balance of the loan on each interest payment date. The original maturity date of the loan was August 6, 2009. On July 19, 2012, the maturity date of the loan was extended to August 6, 2014.

On December 28, 2012, Sun Kellwood Finance and SCSF Finance waived all interest capitalized and accrued under the loan authorization agreement prior to July 19, 2012. As all parties are under the common control of Sun Capital, this transaction resulted in a capital contribution of $18,249, which was recorded as an adjustment to additional paid in capital on our Consolidated Balance Sheet as of February 2, 2013.

On June 18, 2013, Sun Kellwood Finance and SCSF Finance assigned all title and interest in the note under the Sun Capital Loan Agreement to Sun Cardinal. Immediately following the assignment, Sun Cardinal contributed all outstanding principal and interest due under these notes as of June 18, 2013 to the capital of AHC. As all parties are under common control of Sun Capital, this transaction resulted in a capital contribution of $72,932, which was recorded as an adjustment to AHC's additional paid in capital on the Condensed Balance Sheet at August 3, 2013 (unaudited).

Principal amounts of the notes payable and long-term debt outstanding at February 2, 2013 include the following (in thousands):

	Outstanding Principal	Capitalized PIK Interest	Total	Less: Discount	Amount per Condensed Balance Sheet
Sun Promissory Notes	$ 300,000	$ 19,926	$319,926	$ —	$ 319,926
Sun Capital Loan Agreement	69,485	2,023	71,508	—	71,508
Total long-term debt outstanding	$ 369,485	$ 21,949	$391,434	$ —	$ 391,434

Principal amounts of the notes payable and long-term debt outstanding at August 3, 2013 (unaudited) include the following (in thousands):

	Outstanding Principal	Capitalized PIK Interest	Total	Less: Discount	Amount per Consolidated Balance Sheet
Sun Promissory Notes	$ —	$ —	$ —	$ —	$ —
Sun Capital Loan Agreement	—	—	—	—	—
Total long-term debt outstanding	$ —	$ —	$ —	$ —	$ —

The following table provides a summary of future payments related to the principal and capitalized interest of our debt agreements at February 2, 2013. As discussed above, on June 18, 2013, Sun Cardinal contributed all outstanding principal and interest due under the Sun Promissory Notes and Sun Capital Loan Agreement as of June 18, 2013 to the capital of AHC. As such, no future payments will be made under these notes.

	Future Payments due by Period				
	Less than 1 Year	1 – 3 Years	3 – 5 Years	After 5 Years	Total
Sun Promissory Notes	$ —	$ —	$497,894	$ —	$497,894
Sun Capital Loan Agreement	—	77,450	—	—	77,450
Total Payments	$ —	$77,450	$497,894	$ —	$575,344

Note 4. Distributions from Subsidiary

Cash distributions received by AHC were $32, $45, and $25 for fiscal 2010, fiscal 2011 and fiscal 2012, respectively. The distributions represented a return of capital.

Note 5. Subsequent Events

On June 18, 2013, Sun Kellwood Finance and SCSF Finance assigned all title and interest in both the Sun Promissory Notes and note under our Sun Capital Loan Agreement to Sun Cardinal, LLC. Immediately following the assignment of these notes, Sun Cardinal contributed all outstanding principal and interest due as of June 18, 2013 to the capital of AHC. These transactions were recorded in the second quarter of fiscal 2013 as increases to AHC's additional paid in capital in the amounts of $334,595 and $72,932 for the Sun Promissory Notes and Sun Capital Loan Agreement, respectively. We evaluated our condensed financial statements as of and for the year ended February 2, 2013 for subsequent events through September 24, 2013, the date the financial statements were available to be issued.

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SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

Description	Beginning of Period	Expense Charges, net of Reversals	Deductions and Write-offs, net of Recoveries	End of Period
Slow Moving and Obsolescence Provision on Finished Goods and Raw Materials				
Fiscal 2010	$ (7,259)	$ (8,537)	$ 9,552	$ (6,244)
Fiscal 2011	(6,244)	(11,455)	9,810	(7,889)
Fiscal 2012	(7,889)	(10,009)	11,176	(6,722)
Sales Allowances				
Fiscal 2010	(25,767)	(74,211)	79,669	(20,309)
Fiscal 2011	(20,309)	(79,780)	78,380	(21,709)
Fiscal 2012	(21,709)	(94,524)	92,073	(24,160)
Allowance for Doubtful Accounts				
Fiscal 2010	(1,376)	473	(23)	(926)
Fiscal 2011	(926)	(464)	386	(1,004)
Fiscal 2012	(1,004)	(779)	922	(861)
Valuation Allowance on Deferred Income Taxes				
Fiscal 2010	(44,644)	(9,308)	—	(53,952)
Fiscal 2011	(53,952)	(33,663)	6,113	(81,502)
Fiscal 2012	(81,502)	(31,197)	7,083	(105,616)

INDEX TO THE AUDITED FINANCIAL STATEMENTS FOR VINCE, LLC

Please note the following:

- **Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of this offering) is the legal issuer of the shares offered in this offering. Investors will be investing in the Vince business, however, they will be purchasing shares issued by Apparel Holding Corp., not Vince, LLC;**
- **The information set forth in this section is provided as supplemental information and should not be considered in lieu of the information pertaining to Apparel Holding Corp;**
- **The financial information included in this section may not be indicative of Apparel Holding Corp.'s financial position, operating results and changes in equity after the completion of the IPO Restructuring Transactions, or what they would have been had the Vince business operated separately from the non-Vince businesses during the periods presented.**
- **You should read the information in this section in conjunction with "Additional Information Related to AHC—Unaudited Pro Forma Consolidated Financial Data of AHC."**

Independent Auditor's Report

To the Board of Directors of Vince, LLC:

We have audited the accompanying financial statements of Vince, LLC, which comprise the balance sheets as of February 2, 2013 and January 28, 2012, and the related statements of operations, invested equity, and cash flows for each of the three years ended February 2, 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vince, LLC at February 2, 2013 and January 28, 2012, and the results of its operations and its cash flows for each of the three years ended February 2, 2013 in accordance with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

St. Louis, Missouri
July 11, 2013

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VINCE, LLC
STATEMENTS OF OPERATIONS
(In thousands)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Net sales	$111,492	$175,255	$240,352	$ 90,531	$ 114,657
Cost of products sold	55,695	89,545	132,156	50,119	63,506
Gross profit	55,797	85,710	108,196	40,412	51,151
Operating expenses:					
Selling, general and administrative expenses	32,704	42,148	66,639	27,057	33,954
Amortization of intangible assets	598	599	598	299	300
Total operating expenses	33,302	42,747	67,237	27,356	34,254
Income from operations	22,495	42,963	40,959	13,056	16,897
Interest expense	7,172	15,004	22,903	10,690	12,429
Other expense, net	350	478	779	396	512
Income before provision for income taxes	14,973	27,481	17,277	1,970	3,956
Provision for income taxes	5,923	10,812	6,964	789	1,556
Net income	$ 9,050	$ 16,669	$ 10,313	$ 1,181	$ 2,400

See accompanying notes to Financial Statements.

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VINCE, LLC
BALANCE SHEETS
(In thousands)

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 34	$ 35	$ 106
Trade receivables, net	26,474	33,931	39,903
Inventories, net	10,527	18,887	28,005
Prepaid expenses and other current assets	3,826	8,001	14,589
Total current assets	40,861	60,854	82,603
Property, plant and equipment:			
Leasehold improvements	8,170	9,373	10,256
Furniture, fixtures, and computer equipment	1,253	1,449	1,636
Capitalized software	34	51	635
Construction in process	122	219	2,018
Total property, plant and equipment	9,579	11,092	14,545
Less accumulated depreciation and amortization	(2,985)	(4,104)	(5,047)
Property, plant and equipment, net	6,594	6,988	9,498
Intangible assets, net	111,440	110,842	110,542
Goodwill	63,746	63,746	63,746
Other assets	6,301	4,781	24,173
Total assets	$ 228,942	$ 247,211	$ 290,562
Liabilities and Invested Equity			
Current liabilities:			
Short-term borrowings	$ 88,222	$ 79,783	$ 115,601
Accounts payable	11,037	18,478	27,938
Accrued salaries and employee benefits	1,438	11,151	2,325
Other accrued expenses	967	1,054	2,141
Accrued contingent purchase price	806	—	—
Total current liabilities	102,470	110,466	148,005
Long-term debt	122,207	152,675	163,675
Commitments and contingencies (Note 9)			
Deferred income taxes and other	5,789	6,087	5,041
Invested equity	(1,524)	(22,017)	(26,159)
Total liabilities and invested equity	$ 228,942	$ 247,211	$ 290,562

See accompanying notes to Financial Statements.

VINCE, LLC
STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Operating activities					
Net income	$ 9,050	$ 16,669	$ 10,313	$ 1,181	$ 2,400
Add (deduct) items not affecting operating cash flows:					
Depreciation	894	1,102	1,411	622	806
Amortization of intangible assets	598	599	598	299	300
Amortization of debt issuance costs	1,289	1,499	2,154	1,104	1,050
Deferred income taxes	3,091	5,825	(2,050)	2,441	1,173
Capitalized PIK interest	1,486	5,614	10,468	4,511	5,999
Deferred debt issuance cost write-off	738	1,747	—	—	—
Loss on disposition of property, plant and equipment	—	8	—	—	262
Changes in assets and liabilities:					
Receivables, net	(4,423)	(12,174)	(7,457)	(10,366)	(5,972)
Inventories, net	(3,987)	(2,592)	(8,360)	(10,905)	(9,118)
Prepaid expenses and other current assets	(2,036)	(490)	(2,455)	(3,829)	(6,588)
Accounts payable and accrued expenses	3,779	3,133	17,108	8,138	1,213
Other assets and liabilities	30	350	900	468	307
Net cash (used in)/provided by operating activities	10,509	21,290	22,630	(6,336)	(8,168)
Investing activities					
Payments for capital expenditures	(1,602)	(1,450)	(1,821)	(457)	(3,406)
Payments for contingent purchase price	(4,475)	(58,465)	(806)	(806)	—
Net cash (used in)/provided by investing activities	(6,077)	(59,915)	(2,627)	(1,263)	(3,406)
Financing activities					
Borrowings of short-term debt obligations	—	14,900	—	—	—
Payments for short-term debt obligations	—	(14,900)	—	—	—
Borrowings of long-term loan obligations	22,393	79,900	30,000	30,000	5,000
Payments for debt extinguishment	—	—	(15,000)	—	—
Borrowings of revolving credit facilities	185,172	399,621	620,367	221,940	392,627
Payments for revolving credit facilities	(127,576)	(368,995)	(623,806)	(205,404)	(356,809)
Fees paid for amendments to credit facility	(3,644)	—	—	(114)	—
Fees paid for short-term debt obligations	—	(101)	—	—	—
Fees paid for revolving credit facilities	—	(2,147)	(114)	(609)	32
Fees paid for long-term loan obligations	—	(2,675)	(643)	(34)	(60)
Distributions to Kellwood Company	(80,773)	(66,959)	(30,806)	(38,185)	(29,145)
Net cash (used in)/provided by financing activities	(4,428)	38,644	(20,002)	7,594	11,645
Increase (decrease) in cash and cash equivalents	4	19	1	(5)	71
Cash and cash equivalents, beginning of period	11	15	34	34	35
Cash and cash equivalents, end of period	$ 15	$ 34	$ 35	$ 29	$ 106
Supplemental Disclosures of Cash Flow Information					
Cash payments for interest	$ 3,569	$ 6,103	$ 6,715	$ 5,639	$ 5,432
Supplemental Disclosures of Non-Cash Investing and Financing Activities					
Capital expenditures in accounts payable	—	27	160	53	668
Accrued contingent purchase price	8,137	806	—	—	—

See accompanying notes to Financial Statements.

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VINCE, LLC
STATEMENTS OF INVESTED EQUITY
(In thousands)

	Invested Equity
Balance January 30, 2010	$ 120,489
Net distributions to Kellwood Company	(80,773)
Net income	9,050
Balance January 29, 2011	48,766
Net distributions to Kellwood Company	(66,959)
Net income	16,669
Balance January 28, 2012	(1,524)
Net distributions to Kellwood Company	(30,806)
Net income	10,313
Balance February 2, 2013	(22,017)
Net distributions to Kellwood Company	(6,542)
Net income	2,400
Balance August 3, 2013 (unaudited)	$ (26,159)

See accompanying notes to Financial Statements.

VINCE, LLC
NOTES TO FINANCIAL STATEMENTS
(In thousands)

Note 1. Summary of Significant Accounting Policies

(A) **Description of Business** : Vince is a prominent, high-growth contemporary apparel brand known for modern, effortless style and everyday luxury essentials. We reach our customers through a variety of channels, specifically through premier wholesale department stores and specialty stores in the United States ("U.S.") and select international markets, as well as through our branded retail locations and our website. We design our products in the U.S. and source the vast majority of our products from contract manufacturers outside the U.S., primarily in Asia and South America.

Kellwood Company and its subsidiaries ("Kellwood Company") acquired certain net assets from CRL Group, LLC, owner of the Vince ® brand and trademark ("Vince") in 2006. On February 12, 2008, Kellwood Company was acquired by Cardinal Integrated, LLC, now known as Apparel Holding Corp., wholly-owned by affiliates of Sun Capital Partners, Inc., through a cash tender offer, including the assumption of debt. Effective September 1, 2012, Kellwood Company contributed the assets constituting the Vince business to Vince, LLC, a Delaware limited liability company and wholly-owned subsidiary of Kellwood Company. In these financial statements, unless the context otherwise requires, references to the "our," "us," and "we" refer to Vince, LLC.

(B) **Basis of Presentation** : These financial statements have been presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Vince, LLC is a subsidiary of Kellwood Company and does not necessarily reflect a stand-alone entity. The financial statements of Vince, LLC reflect the assets, liabilities, operations and activities directly attributable to Vince, LLC, and charges for the use of services provided by centralized Kellwood Company departments and shared facilities, all of which were deemed reasonable by management to present the financial position, results of operations and changes in cash flows and invested equity of Vince, LLC on a stand-alone basis.

Vince, LLC is a borrower party under certain agreements governing Kellwood Company indebtedness, including the Wells Fargo Facility, the Cerberus Term Loan, and the Sun Term Loan Agreements (defined in Notes 3 and 4). As is such, these debt instruments and related balances including (but not limited to) interest expense and debt issuance costs have been reflected in these financial statements, as discussed further in Notes 3 and 4 herein. This presentation has been retrospectively applied to all periods presented to any debt instruments under which Vince, LLC would have been considered a borrower party had it been in existence.

The financial information included herein may not necessarily reflect the financial position, results of operations, changes in invested equity and cash flows of Vince, LLC in the future or what they would have been had Vince, LLC been a separate, stand-alone entity during the periods presented.

All intercompany accounts and transactions within Vince, LLC have been eliminated. In the opinion of management, the financial statements contain all adjustments (consisting solely of normal recurring adjustments) and disclosures necessary to make the information presented therein not misleading.

Statements of Operations

Operating expenses and revenues specifically identified as pertaining to Vince, LLC are charged or credited directly to Vince, LLC without allocation, which is true for all revenues recorded on the Statements of Operations. Additionally, Vince, LLC was charged for services provided by centralized Kellwood Company departments. These costs were charged based upon the actual cost incurred, without mark-up, and the method to determine the amount charged varied depending on the nature of the costs. See below for a summary of charges to Vince, LLC recorded within selling, general and administrative expenses:

	2010	2011	2012
Information technology support	$ 3,263	$ 4,399	$ 2,626
Corporate shared services	2,711	3,099	9,520
Shared facilities	976	609	448
Marketing support	2,015	2,352	1,783
Retail and e-commerce support	1,460	2,918	3,459
Total charges from Kellwood Company	$10,425	$13,377	$17,836

Information technology ("IT") support includes costs to purchase, maintain and support the use of IT hardware, software, and various financial and operational systems used by Vince, LLC. These costs are primarily charged based upon number of users or percentage of revenue.

Corporate shared services represent the costs of corporate departments that provide services across all or several divisions of Kellwood Company. These departments provide accounting, tax, legal, collections, invoice processing, treasury, human resources and other services which are charged using percentage of revenue or other drivers that approximate the volume of usage (such as number of invoices processed).

Charges for shared facilities were related to facility and other costs, which are charged primarily based upon percentage of revenue. In fiscal 2010 and fiscal 2011, marketing costs were incurred by a centralized marketing function and were charged based upon actual usage. In fiscal 2012, third party marketing spend was charged directly to Vince, LLC, as such the charges solely represent the marketing support provided by a centralized marketing department. Retail and e-commerce support are centralized functions in which costs are charged to the divisions of Kellwood Company that utilize these direct-to-consumer channels based upon sales volume.

Management fees incurred by Kellwood Company were charged to Vince, LLC in the amounts of $350, $471, and $779 for fiscal 2010, 2011 and 2012, respectively, based upon percentage of revenue, and are recorded in other expense, net.

Balance Sheets

The Balance Sheets are comprised of assets and liabilities that are directly identified as pertaining to Vince, LLC, as of the periods presented. Any assets or liabilities that are not specifically identifiable to Vince, LLC are not presented within these financial statements, which may include certain accounts payable, other current and accrued liabilities, fixed assets, and prepaid and other balances, with the exception of the Kellwood Company debt instruments and related balances discussed above. The invested equity balance is reflective of these types of balances that were absorbed by Kellwood Company on behalf of Vince, LLC, as well as balances that were absorbed by Vince, LLC on behalf of Kellwood Company, namely the debt and related balances. See Note 8 for further discussion of the invested equity balance.

(C) **Fiscal Year and Fiscal Quarter** : Vince, LLC operates on a fiscal calendar widely used by the retail industry that results in a given fiscal year consisting of a 52 or 53-week period ending on the Saturday closest to January 31 of the following year.

- References to “fiscal year 2010” or “fiscal 2010” refer to the fiscal year ended January 29, 2011.
- References to “fiscal year 2011” or “fiscal 2011” refer to the fiscal year ended January 28, 2012;
- References to “fiscal year 2012” or “fiscal 2012” refer to the fiscal year ended February 2, 2013;
- References to “first six months of fiscal 2012” refer to the six months ended July 28, 2012; and
- References to “first six months of fiscal 2013” refer to the six months ended August 3, 2013.

Each of fiscal years 2011 and 2010 consisted of a 52-week period and fiscal year 2012 consisted of a 53-week period.

(D) **Use of Estimates** : The preparation of financial statements in conformity with GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements which affect revenues and expenses during the period reported. Estimates are adjusted when necessary to reflect actual experience. Significant estimates and assumptions may affect many items in the financial statements. These include accounts receivable allowances, valuations of goodwill and other identified intangible assets, income tax liabilities and assets and related valuation allowances, inventory obsolescence, asset impairments, and other contingencies, as well as charges for services provided by centralized Kellwood Company departments and shared facilities (as described above). Actual results may differ from those estimates and assumptions.

(E) **Financial Condition and Liquidity** : Kellwood Company has substantial indebtedness after giving effect to the February 2008 acquisition by affiliates of Sun Capital Partners, Inc. (the “Acquisition”). Since the Acquisition, Kellwood Company has incurred additional debt in order to fund negative cash flows, principally due to significant cash outflows resulting from numerous restructuring activities, the significant level of interest expense arising from substantial indebtedness and significant cash outflows related to payments for acquisitions. As a wholly owned subsidiary of Kellwood Company, Vince, LLC is a borrower party under the Wells Fargo Facility, the Cerberus Term Loan, and the Sun Term Loan Agreements (defined in Notes 3 and 4 below).

The Wells Fargo Facility and Cerberus Term Loan contain certain financial covenants related to the fixed charge coverage ratio and leverage ratio, as those terms are defined in those agreements. On May 3, 2013, Kellwood Company amended the Cerberus Term Loan in anticipation of not being in compliance with the fixed charge coverage ratio covenant during fiscal 2013. Kellwood Company was in compliance with all covenants under the debt agreements for fiscal year 2012 and expects to be in compliance during fiscal 2013, as further detailed in Notes 3 and 4 to the Financial Statements.

If Kellwood Company experiences an event of default under the Wells Fargo Facility and Cerberus Term Loan, including but not limited to a failure to pay cash interest obligations under said agreements or under the indenture, or a failure to maintain, or a failure to cure a default of, the applicable fixed charge or leverage ratios under such instruments, or other lack of liquidity caused by substantial leverage and the adverse conditions in the retail and apparel market or other factors, such an event would materially and adversely affect the financial condition and operating results of Vince, LLC.

(F) **Cash and Cash Equivalents** : All highly liquid short-term time deposits with original maturities of three months or less maintained under cash management activities are considered cash

equivalents. The effect of foreign currency exchange rate fluctuations on cash and cash equivalents was not significant for fiscal 2010, 2011 or 2012.

(G) **Accounts Receivable and Concentration of Credit Risk** : We maintain an allowance for accounts receivable estimated to be uncollectible. The activity in this allowance is summarized as follows.

	2010	2011	2012
Balance, beginning of year	$ 455	$ 114	$ 320
Provisions for bad debt expense	(224)	319	314
Bad debts written off	(117)	(113)	(485)
Balance, end of year	$ 114	$ 320	$ 149

The provision for bad debts is included in selling, general and administrative expense. Substantially all of our trade receivables are derived from sales to retailers and are recorded at the invoiced amount and do not bear interest. We perform ongoing credit evaluations of our wholesale partners' financial condition and require collateral as deemed necessary. Account balances are charged off against the allowance when we believe the receivable will not be collected.

Accounts receivable are recorded net of allowances for expected future chargebacks and margin support from wholesale partners. It is the nature of the apparel industry that suppliers like us face significant pressure from customers in the retail industry to provide allowances to compensate for wholesale customer margin shortfalls. This pressure often takes the form of customers requiring us to provide price concessions on prior shipments as a prerequisite for obtaining future orders. Pressure for these concessions is largely determined by overall retail sales performance and, more specifically, the performance of our products at retail. To the extent our wholesale partners have more of our goods on hand at the end of the season, there will be greater pressure for us to grant markdown concessions on prior shipments. Our accounts receivable balances are reported net of expected allowances for these matters based on the historical level of concessions required and our estimates of the level of markdowns and allowances that will be required in the coming season in order to collect the receivables. We evaluate the allowance balances on a continual basis and adjust them as necessary to reflect changes in anticipated allowance activity. We also provide an allowance for sales returns based on historical return rates.

In fiscal 2010, sales to three wholesale partners each accounted for more than ten percent of our net sales. These sales represented 15.2%, 13.0% and 11.2% of fiscal 2010 net sales. In fiscal 2011, sales to three wholesale partners each accounted for more than ten percent of our net sales. These sales represented 15.1%, 14.9% and 13.9% of fiscal 2011 net sales. In fiscal 2012, sales to three wholesale partners each accounted for more than ten percent of our net sales. These sales represented 21.4%, 15.5% and 14.3% of fiscal 2012 net sales.

In fiscal 2010, accounts receivable from two wholesale partners accounted for more than ten percent of our gross accounts receivable. These receivables represented 10.7% and 10.2% of fiscal 2010 gross accounts receivable. In fiscal 2011, accounts receivable from three wholesale partners accounted for more than ten percent of our gross accounts receivable. These receivables represented 12.4%, 11.2% and 11.0% of fiscal 2011 gross accounts receivable. In fiscal 2012, accounts receivable from three wholesale partners accounted for more than ten percent of our gross accounts receivable. These receivables represented 21.4%, 13.5% and 13.5% of fiscal 2012 gross accounts receivable.

(H) **Inventories** : Inventories are stated at the lower of cost or market. Cost is determined on the first-in, first-out basis. The cost of inventory includes manufacturing or purchase cost as well as

sourcing, transportation, duty and other processing costs associated with acquiring, importing and preparing inventory for sale. Inventory costs are included in cost of products sold at the time of their sale. Product development costs are expensed in selling, general and administrative expense when incurred. Inventory values are reduced to net realizable value when there are factors indicating that certain inventories will not be sold on terms sufficient to recover their cost.

Inventories consist of the following:

	2011	2012	August 3, 2013 (unaudited)
Finished goods	$ 9,838	$18,443	$ 27,739
Work in process	303	229	147
Raw materials	386	215	119
Total inventories	$10,527	$18,887	$ 28,005
Net of reserves of:	$ 464	$ 1,247	$ 1,790

(I) **Property, Plant and Equipment** : Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line method over estimated useful lives of 3 to 10 years for furniture, fixtures, and computer equipment. Leasehold improvements are amortized on the straight-line basis over the shorter of their estimated useful lives or the remaining lease term, excluding renewal terms. Capitalized software is amortized on the straight-line basis over the estimated economic useful life of the software, generally three to five years. Depreciation expense was $894, $1,102 and $1,411 for fiscal 2010, 2011 and 2012, respectively.

(J) **Impairment of Long-lived Assets** : We review long-lived assets with a finite life for existence of facts and circumstances which indicate that the useful life is shorter than previously estimated or the carrying amount may not be recoverable from future operations based on undiscounted expected future cash flows. Impairment losses are then recognized in operating results to the extent discounted expected future cash flows are less than the carrying value of the asset. There were no impairment charges related to long-lived assets recorded in fiscal 2010, fiscal 2011 or fiscal 2012.

(K) **Goodwill and Other Intangible Assets:** Goodwill and other indefinite-lived intangible assets are tested for impairment at least annually and in an interim period if a triggering event occurs. We completed our annual impairment testing on our goodwill and indefinite-lived intangible assets during the fourth quarters of fiscal 2010, fiscal 2011 or fiscal 2012.

Goodwill represents the excess of the cost of acquired businesses over the fair market value of the identifiable net assets. Indefinite-lived intangible assets are primarily company-owned trademarks. As the acquisition by Kellwood Company of the net assets of Vince occurred prior to the current requirements of ASC Topic 805 *Business Combinations* , the additional purchase consideration paid to the former owners of Vince subsequent to the acquisition date was recorded as an addition to the purchase price, and therefore goodwill, once determined.

In September 2011, the Financial Accounting Standards Board (“FASB”) issued an amendment to the *Intangibles-Goodwill and Other* topic of Accounting Standards Codification (“ASC”). Under this amendment, an entity may elect to perform a qualitative impairment assessment for goodwill. If adverse qualitative trends are identified during the qualitative assessment that indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative impairment test is required. “Step one” of this quantitative impairment test requires that the fair value of the reporting unit be estimated and compared to carrying amount. If the carrying amount exceeds the

estimated fair value of the asset, “step two” of the impairment test is performed to calculate the impairment loss. An impairment loss is recognized to the extent the carrying amount of the reporting unit exceeds the implied fair value.

An entity may pass on performing the qualitative assessment for a reporting unit and directly perform “step one” of the assessment. This determination can be made on an asset by asset basis, and an entity may resume performing a qualitative assessment in subsequent periods. This amendment is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. We adopted this amendment during fiscal year 2012.

In fiscal 2012, we performed a qualitative assessment on the goodwill and determined that it was more likely than not that the carrying value of the reporting unit was greater than the fair value. In fiscal 2011, we performed “step one” of the impairment test for goodwill rather than electing early adoption of the guidance noted above due to the additional capitalized contingent purchase price. We estimated the fair value of the reporting unit based on an income approach, which uses discounted cash flow assumptions. The implied fair value of the reporting unit exceeded the book value. As such, we were not required to perform “step two” of the impairment test.

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, Intangibles—Goodwill and Other (Topic 350): *Testing Indefinite Lived Assets for Impairment* (“ASU 2012-02”). Under this amendment, an entity may elect to perform a qualitative impairment assessment for indefinite-lived intangible assets similar to the goodwill impairment testing guidance discussed above.

An entity may pass on performing the qualitative assessment for an indefinite-lived intangible asset and directly perform “step one” of the assessment. This determination can be made on an asset by asset basis, and an entity may resume performing a qualitative assessment in subsequent periods. The amendment is effective for annual and interim impairment tests for indefinite-lived intangible assets performed for fiscal years beginning after September 15, 2012. We early adopted this amendment during fiscal 2012.

In fiscal 2012, we elected to perform a qualitative assessment on indefinite-lived intangible assets and determined that it was more likely than not that the carrying value of the assets exceeded the fair value. In fiscal 2011, we performed “step one” of the impairment test for indefinite-lived intangible assets. We estimated the fair value of the indefinite-lived assets primarily based on a relief from royalty model, which uses revenue projections, royalty rates and discount rates to estimate fair value. The implied fair value of the assets exceeded the book value, as such we were not required to perform “step two” of the impairment test.

Determining the fair value of goodwill and other intangible assets is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates and operating margins, discount rates and future market conditions, among others. It is possible that estimates of future operating results could change adversely and impact the evaluation of the recoverability of the carrying value of goodwill and intangible assets and that the effect of such changes could be material.

Definite-lived intangible assets are comprised of customer relationships and are being amortized on a straight-line basis over their useful lives of 20 years.

See Note 2 for more information on the details surrounding the goodwill and intangible assets.

(L) **Deferred Financing Costs** : Deferred financing costs, such as underwriting, financial advisory, professional fees, and other similar fees are capitalized and recognized in interest expense over the contractual life of the related debt instrument using the straight-line method, as this method results in recognition of interest expense that is materially consistent with that of the effective interest method.

(M) **Deferred Rent and Deferred Lease Incentives:** We lease various office spaces, showrooms and retail stores. Many of these operating leases contain predetermined fixed escalations of the minimum rentals during the original term of the lease. For these leases, we recognize the related rental expense on a straight-line basis over the life of the lease and record the difference between the amount charged to operations and amounts paid as deferred rent. Certain of our retail store leases contain provisions for contingent rent, typically a percentage of retail sales once a predetermined threshold has been met. These amounts are expensed as incurred. Additionally, we received lease incentives in certain leases. These allowances have been deferred and are amortized on a straight-line basis over the life of the lease as a reduction of rent expense.

(N) **Revenue Recognition** : Sales are recognized when goods are shipped in accordance with customer orders for our wholesale business and e-commerce businesses, and at the time of sale to consumer for our retail business. The estimated amounts of sales discounts, returns and allowances are accounted for as reductions of sales when the associated sale occurs. These estimated amounts are adjusted periodically based on changes in facts and circumstances when the changes become known to us. Accrued discounts, returns and allowances are included as an offset to accounts receivable in the Balance Sheets for our wholesale business. The activity in the accrued discounts, returns and allowances account is summarized as follows.

	2010	2011	2012
Balance, beginning of year	$ 1,452	$ 2,540	$ 4,347
Provision	11,736	17,916	29,400
Utilization	(10,648)	(16,109)	(26,568)
Balance, end of year	$ 2,540	$ 4,347	$ 7,179

For our wholesale business, amounts billed to customers for shipping and handling costs are not significant. Our stated terms are FOB shipping point. There is no stated obligation to customers after shipment, other than specifically set forth allowances or discounts that are accrued at the time of sale. The rights of inspection or acceptance contained in certain sales agreements are limited to whether the goods received by our wholesale partners are in conformance with the order specifications.

(O) **Marketing and Advertising** : We provide cooperative advertising allowances to certain of our customers. These allowances are accounted for as reductions in sales as discussed in “Revenue Recognition” above. Production expense related to company-directed advertising is deferred until the first time at which the advertisement runs. Communication expense related to company-directed advertising is expensed as incurred. Marketing and advertising expense was $2,610, $3,609 and $2,591 in fiscal 2010, 2011 and 2012, respectively. There were not significant amounts of deferred production expenses associated with company-directed advertising at January 29, 2011, January 28, 2012 or February 2, 2013.

(P) **Income Taxes** : Our operating results have historically been included in the U.S. federal and state income tax returns for Kellwood Company. Provision for income taxes in the financial statements have been determined on a stand-alone basis (i.e., on a “separate return” basis). As such, we are required to assess the realization of our net deferred tax assets, the need for a valuation allowance and judgments on the recognition of tax benefits based on our own facts and circumstances and exclude from that assessment any impact of the overall results of Kellwood Company. We believe the assumptions underlying the allocation of income taxes are reasonable; however the amounts allocated for income taxes in the financial statements are not necessarily indicative of the income taxes that would have been recorded had Vince, LLC been a separate, stand-alone entity during the periods presented.

We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities at enacted rates. We determine the appropriateness of valuation allowances in accordance with the “more likely than not” recognition criteria. We recognize tax positions in the Balance Sheets as the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with tax authorities assuming full knowledge of the position and all relevant facts. Accrued interest and penalties related to unrecognized tax benefits are included in provision for income taxes in the Statements of Operations. See Note 7 for further discussion.

(Q) **New Accounting Standards** : In September 2011 and July 2012, the FASB issued amendments to the *Intangibles-Goodwill and Other* topic of ASC. Under these amendments, an entity may elect to perform a qualitative impairment assessment for goodwill and indefinite-lived intangible assets, as discussed above. We adopted the provisions of these new standards during fiscal 2012.

Note 2. Goodwill and Intangible Assets

Goodwill balances by segment and changes therein subsequent to the January 29, 2011 Balance Sheet are as follows (in thousands):

	Gross Goodwill	Accumulated Impairment	Net Goodwill
Balance as of January 29, 2011	$ 59,554	$ (46,942)	$ 12,612
Additional contingent purchase price	51,134	—	51,134
Balance as of January 28, 2012	110,688	(46,942)	63,746
Additional contingent purchase price	—	—	—
Balance as of February 2, 2013	110,688	(46,942)	63,746
Additional contingent purchase price	—	—	—
Balance as of August 3, 2013 (unaudited)	$ 110,688	$ (46,942)	$ 63,746

Identifiable intangible assets are as follows:

Balance as of January 28, 2012:	Gross Amount	Accumulated Amortization	Net Book Value
Amortizable intangible assets:			
Customer relationships	$ 11,970	$ (2,380)	$ 9,590
Indefinite-lived intangible assets:			
Trademark	101,850	—	101,850
Total intangible assets	$ 113,820	$ (2,380)	$111,440

Balance as of February 2, 2013:	Gross Amount	Accumulated Amortization	Net Book Value
Amortizable intangible assets:			
Customer relationships	$ 11,970	$ (2,978)	$ 8,992
Indefinite-lived intangible assets:			
Trademark	101,850	—	101,850
Total intangible assets	$ 113,820	$ (2,978)	$110,842

Balance as of August 3, 2013 (unaudited)	Gross Amount	Accumulated Amortization	Net Book Value
Amortizable intangible assets:			
Customer relationships	$ 11,970	$ (3,278)	$ 8,692
Indefinite-lived intangible assets:			
Trademark	101,850	—	101,850
Total intangible assets	$ 113,820	$ (3,278)	$110,542

Amortization of identifiable intangible assets was $598, $599 and $598 for fiscal 2010, 2011 and 2012, respectively. Amortization expense for the six months ended July 28, 2012 and August 3, 2013 (unaudited) was $299 and $300, respectively. Amortization expense for each of the fiscal years 2013 to 2017 is expected to be as follows (in thousands):

	Future Amortization
2013	$ 598
2014	598
2015	598
2016	598
2017	598
Total next 5 fiscal years	$ 2,990

Identifiable indefinite-lived intangible assets represent the Vince trademark. No impairments of the Vince trademark were recorded as a result of our annual asset impairment tests during fiscal years 2010, 2011 or 2012. In fiscal 2011 and 2010, the fair value of the trademark was determined utilizing the relief from royalty method. The relief from royalty method calculates fair value using a royalty savings method, which measures the value by estimating cost savings. Key assumptions include revenue projections, royalty rates and discount rates for the business. In fiscal 2012, we performed the qualitative assessment on the Vince Trademark as allowed by ASU 2012-02 and determined that it was not more likely than not that the carrying value exceeded the fair value of the asset.

Additionally, there were no impairments recorded as a result of our annual goodwill impairment test during fiscal 2010, 2011 or 2012. In fiscal 2011 and 2010, we utilized an income approach to estimate the fair value of Vince and no impairment to goodwill was recorded as a result. This is considered a Level 3 fair value measure as management forecasts are a significant unobservable input utilized in the analyses. In fiscal 2012, we used a qualitative analysis to assess the goodwill and determined that it was not more likely than not that the fair value was less than the carrying value, as allowed by the *Intangible—Goodwill and Other* Topic of ASC. No events occurred during the first six months of fiscal 2013 that would trigger an impairment test to be performed on our goodwill or other intangible assets.

It is possible that our estimates of future operating results could change adversely and impact the evaluation of the recoverability of the carrying value of intangible assets and that the effect of such changes on our Financial Statements could be material. While we believe that the current recorded carrying value of our intangible assets is not impaired, there can be no assurance that a significant non-cash write down or write-off will not be required in the future.

In connection with the Kellwood Company acquisition of certain net assets from CRL Group, LLC in 2006, owner of the Vince ® brand and trademark, additional cash purchase consideration was paid based upon achievement of certain specified financial performance targets for each of the five full years after the acquisition (2007 through 2011) and the cumulative performance from 2007 to 2011.

The additional consideration earned in fiscal 2011 and 2010 was $51,134 and $8,137, respectively. We paid $50,328 of the fiscal 2011 consideration during the fourth quarter of fiscal 2011 and paid the remaining consideration during the second quarter of fiscal 2012. The fiscal 2010 additional cash consideration was paid during first quarter of fiscal 2011.

Note 3. Short-term borrowings

Wells Fargo Facility

On October 19, 2011, Kellwood Company and certain of its domestic subsidiaries, as borrowers (the “Borrowers”), entered into a Credit Agreement (the “Credit Agreement”) with Wells Fargo Bank, National Association, as agent, and lenders from time to time, to provide the Borrowers with a non-amortizing senior revolving credit facility (the “Wells Fargo Facility”). The Wells Fargo Facility had aggregate lending commitments of $155,000 as of February 2, 2013. Vince, LLC is a borrower party under the Credit Agreement.

The Wells Fargo Facility terminates at the earliest to occur of (a) October 19, 2016, (b) 90 days prior to the scheduled December 31, 2014, maturity date of the 12.875% Notes (as defined in Note 4) (including any extension effective on or prior to such 90th day prior to such scheduled maturity date) or (c) 90 days prior to the scheduled maturity date of the Cerberus Term Loan (as defined in Note 4) (including any extension effective on or prior to such 90th day prior to such scheduled maturity date). The amount which the Borrowers may borrow from time to time under the Wells Fargo Facility is determined on the basis of a borrowing base formula that is a percentage of Kellwood Company and subsidiaries accounts receivable and inventory that meet eligibility criteria specified in the Credit Agreement, but in no case more than the aggregate lending commitments of the participating lenders. All borrowings under the Wells Fargo Facility bear interest at a rate per annum equal to an applicable margin (ranging from 2.5%-3.0% per annum for LIBOR Revolver Loans (as defined in the Credit Agreement) and 1.25%-1.75% for Base Rate Loans (as defined in the Credit Agreement) based on average availability under the Credit Agreement) plus, at the Borrowers’ election, LIBOR or a Base Rate as defined in the Credit Agreement. In addition to paying interest, the Borrowers will pay a periodic commitment fee to the lenders under the Credit Agreement based on the amount of unused availability under the borrowing base formula. The Wells Fargo Facility is secured by a first-priority security interest in substantially all of the assets of the Borrowers, principally consisting of accounts receivable, inventory, and intellectual property. The Credit Agreement contains certain customary representations, warranties, provisions and restrictions. The Credit Agreement requires that the Borrowers maintain a fixed charge coverage ratio of at least 1:1 during any Covenant Testing Period (as defined in the Credit Agreement) which is triggered when excess availability is below 12.5% of the aggregate commitments under the Wells Fargo Facility (the “Covenant Testing Trigger Date”). The fixed charge ratio is defined as the ratio of Consolidated EBITDA (as defined in the Credit Agreement) (with certain addbacks as defined in the Credit Agreement for certain restructuring charges, startup losses in newly developed brands, costs incurred in certain acquisitions, management fees, as well as certain other costs and charges) minus capital expenditures and certain distributions; to fixed charges, defined as consolidated net interest expense paid or payable in cash, scheduled principal payments on debt in cash and certain earnout payments paid in cash up to a certain amount, calculated over the trailing four fiscal quarters. If the covenants are not met, a cash dominion period will go into effect whereby the agent has the ability to direct the disposition of the balances in controlled deposit accounts. The cash dominion period will expire when availability is over 12.5% of the aggregate commitments under the Wells Fargo Facility for a period of 90 consecutive days.

On March 23, 2012, the Credit Agreement was amended to modify the Covenant Testing Period such that it is now triggered when excess availability is below $5,000 and triggered the cash dominion period, as defined in the Credit Agreement. This amendment was entered into in consideration for a

guaranty of payment of obligations under the Credit Agreement and a $20,000 letter of credit to the benefit of Wells Fargo Bank, National Association, as agent, issued by an affiliate of Sun Capital Partners, Inc.

On April 20, 2012, the Credit Agreement was amended to extend the modification to the Covenant Testing Period to be in effect until March 21, 2014 unless the guaranty described above is no longer in effect or the full face amount of the letter of credit described above is no longer available to be drawn. The guaranty will be released, the letter of credit returned and the trigger for the Covenant Testing Period will return to the pre-amendment level when availability is above $35,000 for 90 consecutive days and is projected to remain above $25,000 through the remaining term of the Credit Agreement.

At February 2, 2013, the maximum capacity on the Wells Fargo Facility was $110,838 and there were borrowings outstanding and letters of credit outstanding of $79,783 and $13,304, respectively. At August 3, 2013, the maximum capacity on the Wells Fargo Facility was $146,646 and there were borrowings outstanding and letters of credit outstanding of $115,601 and $12,569, respectively. At February 2, 2013 and August 3, 2013 (unaudited), availability under the Wells Fargo Facility was $17,751 and $18,476, respectively. Kellwood Company was in compliance with all provisions as of all periods presented.

BMO Facility

On September 12, 2011 Kellwood Company, as borrower, and certain of its domestic subsidiaries, as guarantors, entered into a Loan Authorization Agreement with BMO Harris Financing, Inc. and Bank of Montreal, as lender, (the “BMO Facility”) for a revolving credit facility up to a maximum credit line of $14,900 (the “BMO Obligations”). The BMO Facility was guaranteed by an affiliate of Sun Capital Partners, Inc. and was subordinated in payment and security interest to the Amended and Restated Credit Facility, the 12.875% Notes, the Term A Obligations, the Term B Obligations, the Term C Obligations and the Term D Obligations (all as defined below). Interest accrued on the BMO Obligations at a rate equal to the greater of (i) the Reference Bank’s Prime Rate plus 2% per annum or (ii) LIBOR plus 4.75% per annum. Such interest was to be paid quarterly either in cash or with PIK Interest, at the option of Kellwood Company. The BMO Obligations were payable on demand with a 10-day grace period and was used for liquidity, working capital and other general corporate purposes. Vince, LLC would have been a borrower party under the BMO Facility, had it been in existence.

On October 19, 2011, Kellwood Company terminated the BMO Facility and the Amended and Restated Credit Facility and entered into certain debt agreements further described above. As a result of the termination, a non-cash charge of $1,747 was recorded in interest expense, net, related to the write-off of deferred debt issuance costs of the Amended and Restated Credit Facility.

Note 4. Long-Term Debt

Long-term debt consisted of the following as of January 28, 2012, February 2, 2013 and August 3, 2013 (in thousands):

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Cerberus Term Loan	$ 55,000	$ 45,431	$ 45,660
Term A Obligations	15,604	17,252	18,118
Term B Obligations	24,884	27,507	28,889
Term C Obligations	16,231	17,945	18,846
Term D Obligations	10,488	11,595	12,177
Term E Obligations	—	5,601	5,937
Term F Obligations	—	27,344	28,989
Term G Obligations	—	—	5,059
Total long-term debt	$ 122,207	$ 152,675	$ 163,675

Cerberus Term Loan

On October 19, 2011, Kellwood Company and certain of its domestic subsidiaries, as borrowers (the “Borrowers”), entered into a Term Loan Agreement (the “Term Loan Agreement”) with Cerberus Business Finance, LLC (the “Agent”), as agent and the lenders from time to time party thereto. The Term Loan Agreement provides the Borrowers with a non-amortizing secured Term Loan in an aggregate amount of $55,000 (the “Cerberus Term Loan”). Vince, LLC is a borrower party under the Term Loan Agreement. On December 31, 2012, Kellwood Company sold a wholly-owned subsidiary, of which $10,000 in proceeds was remitted to the Agent as prepayment on the Cerberus Term Loan.

The Cerberus Term Loan terminates at the earliest to occur of (a) October 19, 2015, (b) the date on which the Wells Fargo Facility (as defined above in Note 3) has been paid in full and all commitments thereunder have been terminated or (c) 60 days prior to the scheduled December 31, 2014, maturity date of the 12.875% Notes (as defined below) (including any extensions thereof agreed to after October 19, 2011). All borrowings under the Cerberus Term Loan bear interest, from the date of the agreement until the effective date of the amendment described below at a rate per annum equal to an applicable margin (10.25%-11.25% per annum for LIBOR Rate Loans (as defined in the Term Loan Agreement) and 8.25%-8.75% for Reference Rate Loans (as defined in the Term Loan Agreement) based upon leverage and income tests under the Term Loan Agreement) plus, at the Borrowers’ election, LIBOR or a Reference Rate as defined in the Term Loan Agreement. Beginning on April 20, 2012 Kellwood Company, entered into an amendment which provided for a portion of interest equal to 1% per annum to be paid-in-kind and added to the principal amount of such term loans. The Cerberus Term Loan is secured by a security interest in substantially all of the assets of the Borrowers, principally consisting of accounts receivable, inventory and intellectual property, which security interest is contractually subordinated to security interests of the lenders under the Credit Agreement (as defined above in Note 3). The Term Loan Agreement contains certain customary representations, warranties, provisions and restrictions. The Term Loan Agreement requires that the Borrowers maintain a minimum fixed charge coverage ratio as of each fiscal quarter end prior to the effective date of the amendment described below ranging from 0.14:1—1.28:1 through the first quarter of fiscal 2013, and 1.10:1, 1.175:1, and 1.25:1 for the second, third and fourth quarters of fiscal 2013, respectively. The minimum fixed charge coverage ratio remains at 1.25:1 for fiscal quarters subsequent to 2013.

The fixed charge ratio is defined as the ratio of Consolidated EBITDA (as defined in the Term Loan Agreement) (with certain addbacks as defined in the amended Term Loan Agreement for certain restructuring charges, startup losses in newly developed brands, costs incurred in certain acquisitions, as well as certain other costs and charges) minus capital expenditures and certain distributions and management fees; to fixed charges, defined as consolidated net interest expense paid or payable in cash, scheduled principal payments on debt in cash and certain earnout payments paid in cash, excluding earnout payments related to the Company’s Vince brand for the 2011 fiscal year, up to a certain amount, calculated over the trailing four fiscal quarters. An amendment on May 3, 2013 allows Kellwood Company to exclude certain types of capital expenditures in the calculation of the minimum fixed charge coverage ratio for the second, third, and fourth quarters of fiscal 2013, not to exceed $7,500 in total. The Term Loan Agreement also requires that the Borrowers maintain a leverage ratio as defined in the Term Loan Agreement and ranging from 2.44:1—7.77:1 during the life of the Cerberus Term Loan. The leverage ratio is defined as the ratio of indebtedness secured by a lien on any collateral (including the debt under the Credit Agreement and Cerberus Term Loan, but excluding the debt under the Sun Term Loan Agreements (as defined below) and the 12.875% Notes (as defined below)), divided by Consolidated EBITDA (as defined in the Term Loan Agreement) for the trailing four fiscal quarters.

On January 26, 2012, Kellwood Company obtained a waiver to the Cerberus Term Loan until the end of the first quarter of fiscal 2012 (the “Waiver Period”), as it anticipated not being in compliance

with the fixed charge coverage ratio and the leverage ratio covenants as of January 28, 2012. In conjunction with this waiver Kellwood Company, paid the Agent a $75 waiver fee and an affiliate of Sun Capital Partners, Inc. provided the Agent with a $10,000 letter of credit. The covenants were amended on April 20, 2012 prior to the end of the Waiver Period, at which time the $10,000 letter of credit was also released. On May 3, 2013, Kellwood Company amended the Cerberus Term Loan in anticipation of not being in compliance with the fixed charge coverage ratio covenant during the 2013 fiscal year. This amendment modified the definition of the fixed charge coverage ratio to allow Kellwood Company to exclude certain types of capital expenditures in the calculation of the minimum fixed charge coverage ratio for the second, third, and fourth quarters of fiscal 2013, as described above. Additionally, this amendment modified the minimum fixed charge coverage ratios starting in the second quarter of fiscal 2013.

At February 2, 2013 and August 3, 2013 (unaudited), Kellwood Company was in compliance with all provisions of the amended Cerberus Term Loan.

Term A/B/C/D/E/F/G Obligations

Kellwood Company and certain of its domestic subsidiaries, as borrowers (the “Borrowers”), affiliates of Sun Capital Partners, Inc., as lenders, and Sun Kellwood Finance, LLC, as collateral agent, have entered into various agreements (collectively the “Sun Term Loan Agreements”) to provide for Term Loans A/B/C/D/E/F/G (together the “Sun Term Loan Obligations”).

On July 23, 2009, the lenders made certain Term A loans with an original principal amount of $12,168, the proceeds of which were used by the Borrowers to fund payment of the principal amounts outstanding, plus accrued and unpaid interest on the 7.875% 1999 Debentures due July 15, 2009 that were not tendered as part of the exchange offer for the 12.875% Notes (defined below). On January 4, 2011, the lenders made certain Term B loans with an original principal amount of $22,393, the proceeds of which were used by the Borrowers solely to finance Kellwood Company’s acquisition of Rebecca Taylor. On March 18, 2011, the lenders made certain Term C loans with an original principal amount of $14,900, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers. On August 5, 2011, the lenders made certain Term D loans with an original principal amount of $10,000, the proceeds of which were used to fund all or any part of the purchase price or cost of design, construction, installation or improvement or lease of property (real or personal), plant or equipment (whether through the direct acquisition of such assets or the acquisition of capital stock of any person owning such assets) used in the business of the Borrowers.

On April 20, 2012, the lenders made certain Term E loans with an original principal amount of $5,100, the proceeds of which were used to finance costs and expenses and earnout payments in respect of certain acquisitions consummated by the Borrowers, as well as certain Term F loans with an original principal amount of $24,900, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers. On June 28, 2013 (unaudited), the lenders made certain Term G loans with an original principal amount of $5,000, the proceeds of which were used to fund working capital, capital expenditures and other general corporate purposes of the Borrowers.

The Sun Term Loan Agreements conform with the major non-economic terms of the Credit Agreement and the Term Loan Agreement, including the representations, warranties and covenants. The Sun Term Loan Agreements provide a termination date of the earlier of (i) January 19, 2017 or (ii) the date on which the Cerberus Term Loan has been terminated; provided that, if the Cerberus Term Loan is extended, the stated maturity date set forth in (i) above shall be extended by a period of the same duration. The Sun Term Loan Obligations bear interest at 10% per annum (or 12% per annum in the case of the Term E loans, the Term F loans and the Term G loans) that will be added to the principal amounts

of the Sun Term Loan Obligations. If the availability under the Credit Agreement is not less than $45,000, Kellwood Company may pay interest at a rate of 5% per annum in cash (6% in the case of the Term E loans, Term F Loans and the Term G loans). No cash interest has been paid on the Sun Term Loan Agreements. The Sun Term Loan Agreements are secured by a security interest in substantially all of the assets of the Borrowers, which security interest is contractually subordinated to the security interests of the lenders under the Credit Agreement and the Term Loan Agreement.

Principal amounts of the notes payable and long-term debt outstanding at February 2, 2013 include the following (in thousands):

	Outstanding Principal	Capitalized PIK Interest	Total
Cerberus Term Loan	$ 45,000	$ 431	$ 45,431
Term A Obligations	12,168	5,084	17,252
Term B Obligations	22,393	5,114	27,507
Term C Obligations	14,900	3,045	17,945
Term D Obligations	10,000	1,595	11,595
Term E Obligations	5,100	501	5,601
Term F Obligations	24,900	2,444	27,344
Total long-term debt	$ 134,461	$ 18,214	$152,675

Principal amounts of the notes payable and long-term debt outstanding at August 3, 2013 include the following (in thousands):

	Outstanding Principal	Capitalized PIK Interest	Total
Cerberus Term Loan	$ 45,000	$ 660	$ 45,660
Term A Obligations	12,168	5,950	18,118
Term B Obligations	22,393	6,496	28,889
Term C Obligations	14,900	3,946	18,846
Term D Obligations	10,000	2,177	12,177
Term E Obligations	5,100	837	5,937
Term F Obligations	24,900	4,089	28,989
Term G Obligations	5,000	59	5,059
Total long-term debt	$ 139,461	$ 24,214	$163,675

The 12.875% Notes, which totaled $143,188 and $146,768 in aggregate principal amount (including capitalized PIK interest) as of February 2, 2013 and August 3, 2013 (unaudited), respectively, are guaranteed by various Kellwood Company subsidiaries on a secured basis, including Vince, LLC. This security interest is contractually subordinated to security interests of lenders under the Wells Fargo Facility, the Cerberus Term Loan and the Sun Term Loan Agreements. The 12.875% Notes contain certain customary provisions that, among other things, limit the ability of Kellwood Company and its restricted subsidiaries, which include Vince, LLC, to incur additional indebtedness, make certain restricted payments, dispose of assets or redeem or repurchase capital stock or prepay subordinated indebtedness. In the event that Kellwood Company fails to satisfy any of its obligations thereunder, Vince, LLC, as a subsidiary guarantor, shall be jointly and severally liable to satisfy such obligations (along with the other guarantors), until such time as its guarantee is discharged or released.

Note 5. Fair Value

The recorded amounts of cash, receivables, accounts payable and short-term debt approximate their fair values at January 28, 2012 and February 2, 2013, due to the short maturity of these instruments. The estimated fair value of our long-term debt at January 28, 2012 and February 2, 2013 approximates the carrying value.

Note 6. Leases

We lease substantially all of our office space, retail stores and certain machinery and equipment under operating leases having remaining terms up to twelve years, excluding renewal terms. Most of our real estate leases contain covenants that require us to pay real estate taxes, insurance, and other executory costs. Certain of these leases require contingent rent payments, kick-out clauses and/or opt-out clauses, based on the operating results of the retail operations utilizing the leased premises. Rent under leases with scheduled rent changes or lease concessions are recorded on a straight-line basis over the lease term. Rent expense under all operating leases was $4,295, $5,567 and $7,448 for 2010, 2011 and 2012, respectively.

The future minimum lease payments under operating leases at February 2, 2013 were as follows:

2013	$ 6,612
2014	6,750
2015	6,850
2016	6,422
2017	6,080
Thereafter	17,335
Total minimum lease payments	$50,049

Note 7. Income Taxes

The provision (benefit) for income taxes consists of the following:

	Fiscal Year Ended January 29, 2011	Fiscal Year Ended January 28, 2012	Fiscal Year Ended February 2, 2013
Current:			
Federal	$ 2,208	$ 3,932	$ 5,819
State	635	1,059	1,559
Total current	2,843	4,991	7,378
Deferred:			
Federal	2,685	5,075	(361)
State	395	746	(53)
Total deferred	3,080	5,821	(414)
Total provision for income taxes	$ 5,923	$ 10,812	$ 6,964

$1,645 of income tax benefit was recorded in invested equity during 2012 related to an increase in tax basis resulting from a disallowed loss that was reallocated from other businesses of Kellwood Company to Vince, LLC. This is included as part of net distributions to Kellwood Company within the statement of Invested Equity for fiscal 2012. Income before provision for income taxes is from domestic sources for all years.

Current income taxes are the amounts payable under the respective tax laws and regulations on each year's earnings. A reconciliation of the federal statutory income tax rate to the effective tax rate is as follows:

	Fiscal Year Ended January 29, 2011	Fiscal Year Ended January 28, 2012	Fiscal Year Ended February 2, 2013
Statutory rate	34.0%	34.0%	34.0%
State taxes, net of federal benefit	5.4%	5.2%	5.6%
Other	0.2%	0.1%	0.7%
Total	39.6%	39.3%	40.3%

Deferred income tax assets and liabilities consisted of the following:

	January 28, 2012	February 2, 2013
Deferred tax assets:		
Depreciation and amortization	$ 4,431	$ 3,652
Employee related costs	513	1,811
Allowance for asset valuations	883	1,487
Accrued expenses	5	1,118
Long-term debt	1,674	4,782
Other	8	13
Total deferred tax assets	7,514	12,863
Deferred tax liabilities:		
Depreciation and amortization	(9,616)	(11,605)
Total deferred tax liabilities	(9,616)	(11,605)
Net deferred tax assets (liabilities)	$ (2,102)	$ 1,258
Included in:		
Prepaid expenses and other current assets	$ 983	$ 2,703
Deferred income taxes and other	(3,085)	(1,445)
Net deferred income tax assets (liabilities)	$ (2,102)	$ 1,258

A deemed change of ownership occurred in 2008 under Section 382 of the U.S. tax code resulting in certain built in losses to be subject to an annual limitation of $0. Since the realization of these benefits is remote, the associated deferred tax assets have been written down to zero.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, is as follows:

	2010	2011	2012
Beginning balance	$ 325	$ 701	$ 399
Increases for tax positions in current year	700	395	1,693
Decreases for tax positions in prior years	(324)	(290)	(181)
Lapse in statute of limitations	0	(407)	(216)
Ending balance	$ 701	$ 399	$1,695

As of January 28, 2012 and February 2, 2013, no unrecognized tax benefits would impact our effective tax rate if recognized. It is reasonably possible that within the next 12 months we could have the statute of limitations expire in various jurisdictions. Should these events occur, our unrecognized tax benefits could be reduced by up to $321.

We include accrued interest and penalties on underpayments of income taxes in our income tax provision. As of January 28, 2012 and February 2, 2013, we had interest and penalties accrued on our Balance Sheets of $75 and $89, respectively. Net interest and penalty provisions of $11, $4 and $9 were recognized in our Statements of Operations for the years ended January 29, 2011, January 28, 2012, and February 2, 2013, respectively. Interest is computed on the difference between the tax position recognized net of any unrecognized tax benefits and the amount previously taken or expected to be taken in our tax returns.

With limited exceptions, we are no longer subject to examination for U.S. federal and state income tax for 2007 and prior.

During the first quarter of fiscal 2013 (unaudited), Kellwood Company sold a non-Vince trademark that resulted in a disallowed tax loss, of which a portion was allocated to the basis of the Vince intangible assets. This resulted in an increase to Vince, LLC's deferred tax assets of $22,603, with the offset recorded to Invested Equity.

Our effective tax rate for continuing operations for the six months ended July 28, 2012 and August 3, 2013 (unaudited) was 40.1% and 39.3%, respectively. The rates for the six months ended July 28, 2012 and August 3, 2013 differed from the statutory rate of 34% primarily due to state taxes for the periods presented.

Note 8. Related Party Transactions

Transactions with Kellwood Company

Our results of operations include charges for the use of services provided by centralized Kellwood departments and shared facilities. These costs were charged upon the actual cost incurred, without mark-up. The charges to Vince, LLC may not be representative of what the costs would have been had we been operated separately from the Kellwood Company during the periods presented, however, we believe the amounts charged are representative of incremental cost to Kellwood Company to provide these services to us. In future periods we will continue to use certain of these services, such as distribution, information technology and back office support, from Kellwood Company as part of a shared services agreement.

During the years ended January 29, 2011, January 28, 2012, and February 2, 2013 and the first six months of fiscal 2013, Kellwood Company provided all cash management functions on behalf of Vince, LLC through a centralized treasury function. Substantially all of the cash balances of Vince, LLC are swept to Kellwood Company on a daily basis, where the cash is managed and invested by Kellwood Company. As a result, all costs charged to Vince, LLC from Kellwood Company are transacted through the centralized treasury function and are deemed to have been paid by us to Kellwood Company, in cash, during the period in which the charges are recorded. In addition, all of our cash receipts are advanced to Kellwood Company upon receipt. The invested equity balance recorded on the Balance Sheets is reflective of the accumulated cash disbursements made by Kellwood Company on behalf of Vince, LLC, net of cash receipts advanced to Kellwood Company by Vince, LLC, during the period. We consider all transactions with Kellwood Company to be financing activities, which are presented as one net amount within the Statements of Cash Flows.

The invested equity balance for Vince, LLC may not be indicative of the capital structure that Vince, LLC would have required had it been a stand-alone entity during the periods presented as there was no independent financing. Any contributions from or distributions to Kellwood Company were recorded at cost, without mark-up. Accordingly, no interest expense is charged or allocated between Vince, LLC and Kellwood Company based upon this balance.

From time to time, Kellwood Company posts letters of credit on behalf of Vince, LLC, primarily related to leased facilities. The outstanding letters of credit related to Vince, LLC totaled $352, $995 and $847 as of January 29, 2011, January 28, 2012 and February 2, 2013, respectively.

Vince Earnout Agreement

In connection with the acquisition of the Vince business, Kellwood Company entered into an agreement with CRL Group, LLC providing for contingent earnout payments as additional cash purchase consideration based upon the achievement of specified performance targets. Rea Laccone, a former Chief Executive Officer and Chief Creative Officer of the Vince brand, is a member of the CRL Group, LLC. The agreement provided for the payment of contingent annual earnout payments to CRL

Group, LLC for five periods between fiscal 2007 and fiscal 2011, as well as a cumulative contingent payment at the end of the agreement period. Additional consideration of $4,475, $58,465, and $806 was paid in fiscal 2010, fiscal 2011, and fiscal 2012, respectively. All consideration was recorded as an adjustment to the goodwill balance in the fiscal year it was earned; see Note 2 for a rollforward of the goodwill balance. As of January 28, 2012, we reported $806 within other accrued contingent purchase price on our Balance Sheet.

***Kellwood Company* Indebtedness to Sun Capital Partners, Inc.**

Kellwood Company has substantial indebtedness to Sun Capital Partners, Inc. (“Sun Capital”) to which Vince, LLC is a borrower party. Kellwood Company’s debt obligations to Sun Capital under the Sun Term Loan Agreements (as defined in Note 4) totaled $107,244 and $118,015 as of February 2, 2013 and August 3, 2013 (unaudited), respectively. These obligations were reported within long-term debt on the Balance Sheets as of the respective periods and are comprised of both principal and capitalized PIK interest. See Note 4 for additional discussion on the terms of these agreements.

Management Fees

Kellwood Company pays management fees to Sun Capital Partners Management V, LLC (“Sun Capital Management”) under a Management Services Agreement. Under this agreement, Sun Capital Management provides Kellwood Company with consulting and advisory services, including services relating to financing alternatives, financial reporting, accounting and management information systems. In exchange, Kellwood Company reimburses Sun Capital Management for reasonable out-of-pocket expenses incurred in connection with providing consulting and advisory services, additional and customary and reasonable fees for management consulting services provided in connection with corporate events, and also pays an annual management fee. Kellwood Company charged Vince, LLC a portion of these fees incurred in the amounts of $350, $478, $779 and $250 for fiscal 2010, fiscal 2011, fiscal 2012 and the six months ended August 3, 2013 (unaudited), respectively. These amounts were recorded in in other expense, net within the Statements of Operations.

Upon the consummation of certain corporate events involving Kellwood Company or its direct or indirect subsidiaries (including Vince, LLC), Kellwood Company is required to pay Sun Capital Management a transaction fee in an amount equal to 1% of the aggregate consideration paid to or by Kellwood Company and any of its direct or indirect subsidiaries or stockholders.

Upon consummation of this offering, Vince, LLC will no longer incur management fees payable to Sun Capital Management, as the obligations under the related Management Services Agreement will be terminated or remain with Kellwood Company. We will enter into a services agreement with Sun Capital Management, pursuant to which we will agree to reimburse Sun Capital Management for out-of-pocket expenses incurred in connection with providing consulting services to us.

Note 9. Contingencies

We are currently party to various legal proceedings. While management, including internal counsel, currently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse impact on our financial position or results of operations, litigation is subject to inherent uncertainties.

Note 10. Segment and Geographical Financial Information

Vince is a prominent, high-growth contemporary apparel brand known for its modern, effortless style and everyday luxury essentials. We operate and manage our business by distribution channel and have identified two reportable segments, as further described below. These segments represent activities driven by distribution channels for which discrete financial information is readily available and

utilized by our Chief Operating Decision Maker ("CODM") to evaluate each segment's performance on a regular basis. We considered both similar and dissimilar economic characteristics, internal reporting and management structures, as well as products, customers, and supply chain logistics to identify the following reportable segments:

- Wholesale segment – consists of our operations to distribute products to premier department stores and specialty stores in the United States and select international markets.
- Direct-to-consumer segment – consists of our operations to distribute products directly to the consumer through our branded full-price specialty retail stores, outlet stores, and e-commerce platform.

Segment performance is evaluated by the Company's CODM based on Adjusted EBITDA, defined as net earnings before interest expense, provision for income taxes, depreciation and amortization. Unallocated corporate expenses are comprised of selling, general, and administrative expenses attributable to corporate and administrative activities, and other charges that are not directly attributable to our operating segments. Unallocated corporate assets are comprised of capitalized debt placement costs, the carrying values of our goodwill and unamortized trademark, and other assets that will be utilized to generate revenue for both of our reportable segments.

Our wholesale segment sells apparel to our direct-to-consumer segment at cost. The wholesale intercompany sales of $3,905, $6,027, and $9,907 have been excluded from the net sales totals presented below for fiscal 2010, fiscal 2011, and fiscal 2012, respectively. Wholesale intercompany sales of $4,282 and $5,973 have been excluded from the net sales totals presented for the first six months of fiscal 2012 and fiscal 2013 (unaudited), respectively. Furthermore, as intercompany sales are sold at cost, no intercompany profit is reflected in Adjusted EBITDA or income before provision for income taxes for the three periods presented below.

Summary information for our operating segments is presented below (in thousands).

	Fiscal Year			Six Months Ended	
	2010	2011	2012	July 28, 2012 (unaudited)	August 3, 2013 (unaudited)
Net Sales					
Wholesale	$ 95,798	$151,921	$203,107	$ 78,064	$ 92,551
Direct-to-consumer	15,694	23,334	37,245	12,467	22,106
Total net sales	$111,492	$175,255	$240,352	$ 90,531	$ 114,657
Adjusted EBITDA					
Wholesale	$ 39,353	$ 63,171	$ 73,515	$ 27,932	$ 32,072
Direct-to-consumer	1,045	1,713	5,865	(698)	3,002
Segment adjusted EBITDA	40,398	64,884	79,380	27,234	35,074
Unallocated corporate expense	(16,761)	(20,698)	(37,191)	(13,653)	(17,583)
Interest expense	(7,172)	(15,004)	(22,903)	(10,690)	(12,429)
Depreciation	(894)	(1,102)	(1,411)	(622)	(806)
Amortization of intangible assets	(598)	(599)	(598)	(299)	(300)
Income before provision for income taxes	$ 14,973	$ 27,481	$ 17,277	$ 1,970	$ 3,956
Capital Expenditures					
Wholesale	$ 13	$ 146	$ 459		
Direct-to-consumer	1,589	1,304	1,362		
Total capital expenditures	$ 1,602	$ 1,450	$ 1,821		

	January 28, 2012	February 2, 2013	August 3, 2013 (unaudited)
Total Assets			
Wholesale	$ 45,648	$ 60,627	$ 80,684
Direct-to-consumer	11,012	14,679	19,099
Unallocated corporate	172,282	171,905	190,779
Total assets	$ 228,942	$ 247,211	$ 290,562

Sales results are presented on a geographic basis below (in thousands). We predominately operate within the U.S. and sell our products in 43 countries either directly to premier department and specialty stores, or through distribution relationships with highly-regarded international partners with exclusive rights to certain territories. Sales are presented based on customer location. All long-lived assets, including property, plant and equipment and fixtures installed at our retailer sites, are located in the U.S.

	2010	2011	2012
Domestic	$104,139	$164,209	$226,691
International	7,353	11,046	13,661
Total net sales	$111,492	$175,255	$240,352

Note 11. Subsequent Events

On June 28, 2013, Kellwood Company and certain of its domestic subsidiaries, as borrowers, entered into the Fifth Amended and Restated Term Loan Agreement with SCSF Finance, LLC and Sun Kellwood Finance, LLC, as lenders, as disclosed in Note 4 above. We evaluated our financial statements for fiscal 2012 for subsequent events through September 24, 2013, the date the financial statements were available to be issued.

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Through and including , 2013 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

VINCE.

10,000,000 Shares

Common Stock

PRELIMINARY PROSPECTUS

Goldman, Sachs & Co. **Baird**

BofA Merrill Lynch **Barclays** **J.P. Morgan** **Wells Fargo Securities**

KeyBanc Capital Markets **Stifel** **William Blair**

, 2013

PART II

Item 13. Other expenses of issuance and distribution

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, paid or to be paid by us in connection with the sale of the shares of common stock being registered hereby. All amounts are estimates except for the SEC registration fee, the FINRA filing fee and the New York Stock Exchange listing fee.

SEC registration fee	$ 28,182
FINRA filing fee	30,500
New York Stock Exchange listing fee	168,400
Blue Sky fees and expenses	5,000
Accounting fees and expenses	1,900,000
Directors' and Officers' Insurance	500,000
Legal fees and expenses	4,300,000
Printing and engraving expenses	1,250,000
Transfer agent and registrar fees and expenses	3,700
Other expenses	214,218
Total	$8,400,000

Item 14. Indemnification of directors and officers

Section 102(b)(7) of the DGCL allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our amended and restated certificate of incorporation will provide for this limitation of liability.

Section 145 of the DGCL ("Section 145"), provides that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who are, were or are a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests, provided that no indemnification is permitted without judicial approval if the officer, director, employee or agent is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses which such officer or director has actually and reasonably incurred.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his or her status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145.

Our amended and restated bylaws will provide that we must indemnify our directors and officers to the fullest extent permitted by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified.

In addition, prior to the consummation of this offering, we will enter into indemnification agreements with certain of our executive officers and directors pursuant to which we will agree to indemnify such persons against all expenses and liabilities incurred or paid by such person in connection with any proceeding arising from the fact that such person is or was an officer or director of our company, and to advance expenses as incurred by or on behalf of such person in connection therewith.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our amended and restated certificate of incorporation, our amended and restated bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

We expect to maintain standard policies of insurance that provide coverage (1) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments that we may make to such directors and officers.

The proposed form of Underwriting Agreement filed as Exhibit 1.1 to this Registration Statement provides for indemnification of our directors and officers by the underwriters party thereto against certain liabilities. See “Item 17. Undertakings” for a description of the SEC’s position regarding such indemnification provisions.

Item 15. Recent sales of unregistered securities

On October 3, 2013, David Falwell, Kellwood Company (“Kellwood”) and Apparel Holding Corp. (“AHC”) entered into an Option Settlement Agreement (the “Option Settlement Agreement”). Mr. Falwell previously held a vested and exercisable option to acquire 2,000 shares of non-voting Kellwood common stock under the 2010 Option Plan and a grant agreement dated August 11, 2011 (the “Option”). Pursuant to the Option Settlement Agreement, when Mr. Falwell exercised the Option, he received 1,838.236 non-voting shares of common stock of AHC from Kellwood in lieu of 2,000 shares of non-voting common stock of Kellwood. Kellwood received $127,897 from Mr. Falwell in connection with the exercise of the Option. AHC received no monetary proceeds from the exercise of the Option, and instead received 2,000 shares of non-voting stock of Kellwood in return for the issuance of the 1,838.236 non-voting shares of AHC common stock to Kellwood. The shares of non-voting common stock of AHC were issued to Kellwood pursuant to Section 4(a)(2) of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

The exhibit index attached hereto is incorporated herein by reference.

(b) Financial Statement Schedule

All schedules have been omitted because the information required to be set forth in the schedules is either not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the purchase 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 SEC, 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 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 of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the 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; and

(2) For the purpose of determining any liability under the Securities Act of 1933, 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 the time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Apparel Holding Corp., a Delaware corporation, has duly caused this Amendment No. 3 to Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on November 12, 2013.

APPAREL HOLDING CORP.

By: /s/ Jill Granoff
Name: Jill Granoff
Title: Chief Executive Officer

POWER OF ATTORNEY

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 listed.

Signature	Title	Date
/s/ Jill Granoff Jill Granoff	Chief Executive Officer (principal executive officer) and Director	November 12, 2013
/s/ Lisa Klinger Lisa Klinger	Chief Financial Officer and Treasurer (principal financial and accounting officer)	November 12, 2013
* Christopher T. Metz	Director	November 12, 2013
* Mark E. Brody	Director	November 12, 2013
* Jason H. Neimark	Director	November 12, 2013

* The undersigned by signing her name hereto, signs and executes this Amendment No. 3 to Registration Statement pursuant to the Powers of Attorney executed by the above named signatures and previously filed with the Securities and Exchange Commission on September 24, 2013.

By: /s/ Lisa Klinger
Lisa Klinger
Attorney-in-fact

EXHIBIT INDEX

Exhibit Number	Exhibit Description
1.1	Form of Underwriting Agreement
3.1**	Certificate of Incorporation of Apparel Holding Corp., as amended
3.2**	Bylaws of Apparel Holding Corp.
3.3**	Form of Amended & Restated Certificate of Incorporation of Vince Holding Corp.
3.4**	Form of Amended & Restated Bylaws of Vince Holding Corp.
4.1	Form of Stock certificate
4.2**	Registration Agreement, dated as of February 20, 2008, among Apparel Holding Corp., Sun Cardinal, LLC, SCSF Cardinal, LLC and the Other Investors party thereto
5.1	Opinion of Kirkland & Ellis LLP
10.1**	Contribution and Acceptance Agreement, dated as of September 12, 2012, by and between Kellwood Company and Vince, LLC
10.2**	Form of Shared Services Agreement between Vince, LLC and Kellwood Company, LLC
10.3**	Form of Tax Receivable Agreement between Vince Intermediate Holding, LLC, the Stockholders, and Sun Cardinal, LLC as Stockholder Representative
10.4	Form of Transfer Agreement between Vince Intermediate Holding, LLC and Kellwood Intermediate Holding, LLC
10.5**	Form of Kellwood Note Receivable between Vince Intermediate Holding, LLC and Kellwood Company
10.6**	Form of Consulting Agreement between Vince Holding Corp. and Sun Capital Partners Management V, LLC
10.7**	$75,000,000 Senior Subordinated Promissory Note, dated as of May 2, 2008, by Apparel Holding Corp. to SCSF Kellwood Finance, LLC
10.8**	Amendment No. 1 to Senior Subordinated Promissory Note, dated as of July 19, 2012, by and between Apparel Holding Corp. and SCSF Kellwood Finance, LLC
10.9**	Agreement Regarding Amendment No. 1 to Senior Subordinated Promissory Note, dated as of December 28, 2012, by and between Apparel Holding Corp. and SCSF Kellwood Finance, LLC
10.10**	$225,000,000 Senior Subordinated Promissory Note, dated as of May 2, 2008, by Apparel Holding Corp. to Sun Kellwood Finance, LLC
10.11**	Amendment No. 1 to Senior Subordinated Promissory Note, dated as of July 19, 2012, by and between Apparel Holding Corp. and Sun Kellwood Finance, LLC
10.12**	Agreement Regarding Amendment No. 1 to Senior Subordinated Promissory Note, dated as of December 28, 2012, by and between Apparel Holding Corp. and Sun Kellwood Finance, LLC
10.13**	Bank of Montreal Loan Authorization Agreement, dated as of February 13, 2008, by and between Bank of Montreal and Apparel Holding Corp.
10.14**	First Amendment to Bank of Montreal Loan Authorization Agreement, dated May 2, 2008, by and between Bank of Montreal and Apparel Holding Corp.
10.15**	Second Amendment to Bank of Montreal Loan Authorization Agreement, dated August 13, 2008, by and between Bank of Montreal and Apparel Holding Corp.
10.16**	Third Amendment to Bank of Montreal Loan Authorization Agreement, dated December 28, 2012, by and between Bank of Montreal and Apparel Holding Corp.

Exhibit Number	Exhibit Description
10.17**	Assignment and Assumption Agreement, dated as of April 9, 2009, by and among Bank of Montreal, SCSF Kellwood Finance, LLC, Sun Kellwood Finance, LLC and Apparel Holding Corp.
10.18**	Loan Authorization Agreement, dated as of September 9, 2011, by and among Kellwood Company and BMO Harris Financing, Inc.
10.19**	Amendment No. 4 to Loan Authorization Agreement, dated as of July 19, 2012, by and among Apparel Holding Corp., SCSF Kellwood Finance, LLC and Sun Kellwood Finance, LLC
10.20**	Agreement Regarding Amendment No. 4 to Loan Authorization Agreement, dated as of December 28, 2012, by and among Apparel Holding Corp., SCSF Kellwood Finance, LLC and Sun Kellwood Finance, LLC
10.21**	Credit Agreement, dated as of October 19, 2011, among Kellwood Company and its Domestic Subsidiaries, other Obligors and Wells Fargo Bank, National Association
10.22**	Amendment No. 1 to Credit Agreement, entered into as of March 23, 2012, by and among the Lenders, Wells Fargo Bank, National Association, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.23**	Consent and Amendment No. 2 to Credit Agreement, entered into as of April 20, 2012, by and among the Lenders, Wells Fargo Bank, National Association, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.24**	Amendment No. 3 to Credit Agreement, entered into as of July 25, 2012, by and among the Lenders, Wells Fargo Bank, National Association, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.25**	Consent and Amendment No. 4 to Credit Agreement, entered into as of December 31, 2012, by and among the Lenders, Wells Fargo Bank, National Association, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.26**	Amended and Restated Term A Loan Agreement dated as of October 19, 2011, by and among Kellwood Company and its domestic subsidiaries, other Obligors, SCSF Kellwood Finance, LLC and Sun Kellwood Finance, LLC
10.27**	Second Amended and Restated Term A Loan Agreement, dated as of April 20, 2012, among Kellwood Company and its Domestic Subsidiaries, other Obligors, SCSF Kellwood Finance, LLC and Sun Kellwood Finance, LLC
10.28**	Amendment No. 1 to Second Amended and Restated Term A Loan Agreement, entered into as of July 2012, by and among the Lenders, Sun Kellwood Finance, LLC, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.29**	Consent and Amendment No. 2 to Second Amended and Restated Term A Loan Agreement, entered into as of December 31, 2012, by and among the Lenders, Sun Kellwood Finance, LLC, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.30**	Amendment No. 3 to Second Amended and Restated Term A Loan Agreement, dated as of June 28, 2013, by and among Kellwood Company, the Domestic Subsidiaries, the other Obligors, SCSF Kellwood Finance, LLC and Sun Kellwood Finance, LLC
10.31**	Fifth Amended and Restated Term Loan B/C/D/E/F/G Agreement, dated as of June 28, 2013, among Kellwood Company, the Domestic Subsidiaries, other Obligors, SCSF Kellwood Finance, LLC and Sun Kellwood Finance, LLC

Exhibit Number	Exhibit Description
10.32**	Term Loan Agreement, dated as of October 19, 2011, among Kellwood Company, the Domestic Subsidiaries, other Obligors and Cerberus Business Finance LLC
10.33**	Consent and Amendment No. 1 to Credit Agreement, entered into as of April 20, 2012, by and among the Lenders, Cerberus Business Finance LLC, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.34**	Amendment No. 2 to Credit Agreement, entered into as of July 25, 2012, by and among the Lenders, Cerberus Business Finance LLC, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.35**	Consent and Amendment No. 3 to Term Loan Agreement, entered into as of December 31, 2012, by and among the Lenders, Cerberus Business Finance LLC, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.36**	Modification to Consent and Amendment No. 4 to Term Loan Agreement, entered into as of March 2013, by and among the Lenders, Cerberus Business Finance LLC, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.37**	Amendment No. 5 to Credit Agreement, entered into as of May 3, 2013, by and among the Lenders, Cerberus Business Finance LLC, Kellwood Company, the Domestic Subsidiaries and the other Obligors
10.38	Form of Credit Agreement by and among Vince, LLC, Vince Intermediate Holding, LLC, Bank of America, N.A., as Administrative Agent, J.P. Morgan Securities LLC, as Syndication Agent, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as Joint Lead Arrangers and Joint Bookrunners, and Cantor Fitzgerald Securities, as Documentation Agent
10.39	Form of Credit Agreement by and among Vince, LLC, the guarantors party thereto, Bank of America, N.A., as Agent, the other lenders party thereto and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Sole Lead Arranger and Sole Book Runner
10.40**	Indenture Agreement, dated as of July 23, 2009, by and among Kellwood Company, the Guarantors named therein and Wells Fargo Bank National Association
10.41**	Indenture Agreement, dated as of September 30, 1997, by and between Kellwood Company and The Chase Manhattan Bank
10.42**	Indenture Agreement, dated as of June 22, 2004, by and between Kellwood Company and Union Bank of California, N.A.
10.43**	Joinder Agreement, dated as of September 18, 2012, by and between Vince, LLC and Wells Fargo Bank, National Association
10.44**	Fourth Supplemental Indenture, dated as of September 18, 2012, among Vince, LLC, Kellwood Company, the other Guarantors and Wells Fargo Bank, National Association
10.45**	Joinder to Term Loan Agreement, dated as of September 1, 2012, by Vince, LLC
10.46**	Joinder to Second Amended and Restated Term Loan A Agreement, dated as of September 1, 2012, by Vince, LLC
10.47**	Joinder to Fourth Amended and Restated Term Loan Agreement, dated as of September 1, 2012, by Vince, LLC
10.48†**	Employment Agreement, dated as of May 4, 2012, between Jill Granoff and Kellwood Company
10.49†**	Amendment to Employment Agreement, dated as of December 30, 2012, between Jill Granoff and Kellwood Company

Exhibit Number	Exhibit Description
10.50†**	Amendment No. 2 to Employment Agreement, dated as of September 24, 2013, between Jill Granoff and Kellwood Company
10.51†**	Debt Recovery Bonus Side Letter Agreement, dated June 11, 2013, between Jill Granoff and Kellwood Company
10.52†**	Employment Offer Letter, dated as of November 2, 2012, between Lisa Klinger and Kellwood Company
10.53†**	Amended and Restated Letter Agreement, effective May 1, 2013, by and between Kellwood Company and Arthur Gordon
10.54†**	Option Cancellation Agreement, dated as of October 4, 2012, by and between Arthur Gordon and Kellwood Company
10.55†**	Option Extension Agreement, dated as of August 5, 2013, by and between Michael Saunders, Kellwood Company, Apparel Holding Corp., SCSF Cardinal, LLC and Sun Cardinal, LLC.
10.56†**	2010 Stock Option Plan of Kellwood Company
10.57†**	Form of 2010 Stock Option Plan grant agreement for executive officers
10.58†**	2010 Stock Plan of Kellwood Company Grant Agreement, dated as of May 4, 2012, by and between Kellwood Company and Jill Granoff
10.59†**	Amendment to Grant Agreement, between Kellwood Company and Jill Granoff
10.60†**	First Amendment to Grant Agreement, dated December 30, 2012, between Kellwood Company and Jill Granoff
10.61†**	2010 Stock Plan of Kellwood Company Grant Agreement, dated as of December 10, 2012, by and between Kellwood Company and Lisa Klinger
10.62†**	2010 Stock Plan of Kellwood Company Grant Agreement, dated as of June 30, 2010, by and between Kellwood Company and Michael Saunders
10.63†**	Form of Indemnification Agreement (for directors and officers affiliated with Sun Capital Partners)
10.64†**	Form of Indemnification Agreement (for directors and officers not affiliated with Sun Capital Partners)
10.65**	Form of Escrow Agreement
10.66†	Form of Vince Holding Corp. 2013 Incentive Plan
10.67†	Form of Vince Holding Corp. 2013 Employee Stock Purchase Plan
21.1**	List of subsidiaries of Vince Holding Corp.
23.1	Consent of Pricewaterhouse Coopers LLP for Apparel Holding Corp.
23.2	Consent of Pricewaterhouse Coopers LLP for Vince, LLC
23.3	Consent of Kirkland & Ellis LLP (included in Exhibit 5.1)

* Indicates to be filed by amendment.
** Indicates exhibits previously filed by the registrant.
† Indicates exhibits that constitute management contracts or compensatory plans or arrangements.

Exhibit 1.1

Apparel Holding Corp.

Common Stock, par value $0.01 per share

Underwriting Agreement

_____, 2013

Goldman, Sachs & Co.,
Robert W. Baird & Co. Incorporated
As representatives of the several Underwriters
named in Schedule I hereto,

c/o Goldman, Sachs & Co.,
200 West Street,
New York, New York 10282

c/o Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Ladies and Gentlemen:

Apparel Holding Corp. (to be renamed Vince Holding Corp. prior to the consummation of the offering contemplated herein), a Delaware corporation (the " **Company** "), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the " **Underwriters** ") an aggregate of [ ] shares of common stock, par value $0.01 per share of the Company (" **Common Stock** ") and the stockholders of the Company named in Schedule II hereto (the " **Selling Stockholders** ") propose, subject to the terms and conditions stated herein, to sell to the Underwriters, at the election of the Underwriters, up to [ ] additional shares of Common Stock. The [ ] shares to be sold by the Company are herein called the " **Firm Shares** " and the aggregate of [ ] additional shares to be sold by the Selling Stockholders are herein called the " **Optional Shares** ". The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section (3) hereof are herein collectively called the " **Shares** ".

(1) The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-1 (File No. 333-191336) (the **"Initial Registration Statement"**) in respect of the Shares has been filed with the Securities and Exchange Commission (the **"Commission"**); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to the Representatives, and, excluding exhibits thereto, to the Representatives for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a **"Rule 462(b) Registration Statement"**), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the **"Act"**), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a **"Preliminary Prospectus"** ; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section (6) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the **"Registration Statement"** ; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section (c) hereof) is hereinafter called the "Pricing Prospectus"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the **"Prospectus"** ; any **"issuer free writing prospectus"** as defined in Rule 433 under the Act relating to the Shares is hereinafter called an **"Issuer Free Writing Prospectus** "); any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act is herein after called a **"Section 5(d) Communication"** ; and any Section 5(d) Communication that is a written communication within the meaning of Rule 405 under the Act is hereinafter called a **"Section 5(d) Writing"** ;

(b) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did 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, in the light of the circumstances under which they were made, not misleading; *provided* , *however* , that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. or Robert W. Baird & Co. Incorporated (collectively, the "Representatives") expressly for use therein;

(c) For the purposes of this Agreement, the **"Applicable Time"** is : m (Eastern time) on the date of this Agreement. The Pricing Prospectus, as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus listed on Schedule III(a) hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each such Issuer Free Writing Prospectus and each Section 5(d) Writing listed on Schedule III(b) hereto, each as supplemented by and taken together with the Pricing Prospectus as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in a Pricing Prospectus, an Issuer Free Writing Prospectus or Section 5(d) Writing in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. or Robert W. Baird & Co. Incorporated expressly for use therein;

(d) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, 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; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. or Robert W. Baird & Co. Incorporated expressly for use therein;

(e) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Pricing Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus; and, except as otherwise stated herein, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole (a **"Material Adverse Effect"**), otherwise than as set forth or contemplated in the Pricing Prospectus;

(f) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority to own its properties and conduct its business as described in the Pricing Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; and each significant (as such term is defined in Rule 1-02(w) of Regulation S-X under the Exchange Act) subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, except where failure to be so qualified or to be in good standing would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect;

(g) As of [ ], 2013, the Company has an authorized capitalization as set forth in the Pricing Prospectus and, after giving effect to the transactions described under, or contemplated in, “Restructuring Transactions” in the Pricing Prospectus and the issuance of the Firm Shares and the use of the net proceeds therefrom as described in the Pricing Prospectus, the Company would have an authorized capitalization as set forth under each of the pro forma and pro forma, as adjusted columns of the capitalization table in the section of the Pricing Prospectus entitled “Capitalization”; following the filing of the Company’s Amended and Restated Certificate of Incorporation with the State of Delaware Department of State all of the issued shares of capital stock of the Company (including the Shares) will have been duly and validly authorized and, when issued and delivered against payment of the consideration (as authorized by the Board of Directors) will be validly issued, fully paid and non-assessable and will conform to the description of the Common Stock contained in the Pricing Prospectus and Prospectus; and after giving effect to the IPO Restructuring Transactions described under “Restructuring Transactions” in the Pricing Prospectus, all of the issued shares of capital stock of the Company and each subsidiary of the Company will have been duly and validly authorized and issued, fully paid and non-assessable and (except for directors’ qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(h) The consolidated historical financial statements and schedules of (i) the Company and its consolidated subsidiaries and (ii) Vince, LLC included in the Preliminary Prospectus, the Pricing Prospectus, the Prospectus and the Registration Statement present fairly in all material respects the financial condition, results of operations and cash flows of the Company and its subsidiaries and Vince, LLC, respectively, as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Act and have been prepared in conformity with U.S. generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as otherwise noted therein). The selected financial and operating data set forth under the captions “Selected Consolidated Financial Data of AHC”, “Unaudited Pro Forma

Consolidated Financial Data of AHC" and "Supplemental Selected Historical Financial Data of Vince" in the Preliminary Prospectus, the Pricing Prospectus, the Prospectus and Registration Statement fairly present in all material respects, on the basis stated in the Preliminary Prospectus, the Pricing Prospectus, the Prospectus and the Registration Statement, the information included therein. The pro forma financial statements, data and notes thereto included in the Preliminary Prospectus, the Pricing Prospectus, the Prospectus and the Registration Statement include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts in the pro forma financial statements and data included in the Preliminary Prospectus, the Pricing Prospectus, the Prospectus and the Registration Statement, in each case, in all material respects. The pro forma financial statements and data included in the Preliminary Prospectus, the Pricing Prospectus, the Prospectus and the Registration Statement comply as to form in all material respects with the applicable accounting requirements of Regulation S-X under the Act and the pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements.

(i) The Company has not taken, directly or indirectly, any action that was designed to or that has constituted or that might reasonably be expected to cause or result in the manipulation of the price of any security of the Company to facilitate the sale of the Shares;

(j) The issue and sale of the Shares and the compliance by the Company with this Agreement and the consummation of the transactions herein contemplated, and the transactions described under "Restructuring Transactions" in the Pricing Prospectus, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries or Kellwood Company (the **"Predecessor"**) is a party or by which the Company, any of its subsidiaries or the Predecessor is bound or to which any of the property or assets of the Company, any of its subsidiaries or the Predecessor is subject, except (i) where such breach or violation would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (ii) as

disclosed in the Pricing Prospectus, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, any of its subsidiaries or the Predecessor or any of their properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, or the transactions described under "Restructuring Transactions" in the Pricing Prospectus, except the registration under the Act of the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(k) Neither the Company nor any of its subsidiaries is in violation of its Certificate of Incorporation or By-laws or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound;

(l) The statements set forth in the Pricing Prospectus and Prospectus under the caption "Description of Capital Stock of AHC", insofar as they purport to constitute a summary of the terms of the Common Stock, under the caption "Material U.S. Tax Considerations for Non-U.S. Holders of Common Stock", "Shares Eligible for Future Sale", "AHC Business", "Vince Business", "Risk Factors", "AHC Executive Compensation", "Vince Executive Compensation", "Description of Certain Indebtedness of AHC", "Description of Certain Indebtedness of Vince, LLC" and "Underwriting", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair;

(m) Other than as set forth in the Pricing Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and, to the best of the Company's knowledge, no such proceedings are threatened by governmental authorities or threatened by others;

(n) To the Company's knowledge, the delivery, sale, purchase or use of any products or services of the Company are not legally prohibited in any jurisdiction in which the Company currently operates its business or actively blocked by any governmental entity;

(o) The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Pricing Prospectus, will not be an "investment company", as such term is defined in the Investment Company Act of 1940, as amended (the **"Investment Company Act"**);

(p) At the time of filing the Initial Registration Statement the Company was not and is not an "ineligible issuer," as defined under Rule 405 under the Act;

(q) Pricewaterhouse Coopers LLP, who have certified certain financial statements of the Company and its subsidiaries, is an independent registered public accounting firm as required by the Act and the rules and regulations of the Commission thereunder;

(r) The Company and its subsidiaries own or possess, or can acquire on reasonable terms, all rights to licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names, patents and patent rights (collectively, the **"Intellectual Property"**) reasonably necessary for the operation of its business as described in the Pricing Prospectus, and the Company has not received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a Material Adverse Effect;

(s) No material labor dispute with the employees of the Company exists or, to the Company's knowledge, is imminent;

(t) Except as described in the Pricing Prospectus and the Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right (other than rights which have been waived in writing or otherwise deemed waived or satisfied) to require the Company to file a registration statement under the Securities Act with respect to any securities of

the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act;

(u) The Company has not sold or issued any shares of Common Stock during the six-month period preceding the date of the Prospectus, including any sales pursuant to Rule 144A under, or Regulations D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants;

(v) Since the date as of which information is given in the Pricing Prospectus and the Prospectus, the Company has not (i) issued or granted any securities, except in connection with the transactions described under “Restructuring Transactions” in the Pricing Prospectus, and other than pursuant to employee benefit plans, stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants; (ii) incurred any material liability or obligation, direct or contingent, other than obligations and liabilities that were incurred in the ordinary course of business; (iii) entered into any material transaction not in the ordinary course of business or (iv) declared or paid any dividend on its capital stock;

(w) The Company and its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risk and in such amounts as, in the Company’s reasonable judgment, are prudent and customary in the business in which it is engaged; and the Company has no reason to believe that it or such subsidiaries will not be able to renew such existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company;

(x) Except as described in the Pricing Prospectus and the Prospectus, the Company and its subsidiaries (i) are in compliance with all, and have not violated any, laws, regulations, ordinances, rules, orders, decrees, judgments, permits or other legal requirements of any governmental authority; including without limitation any international, national, state, provincial, regional or local authority, relating to the

protection of human health and safety as such relates to exposure to hazardous or toxic substances or wastes or pollutants or contaminants (**"Hazardous Substances"**), the environment, or natural resources, or to the generation, use, handling, transportation, treatment, storage or disposal of Hazardous Substances (**"Environmental Laws"**) applicable to such entity, which compliance includes, without limitation, obtaining, maintaining and complying with all permits and authorizations and approvals required by Environmental Laws to conduct their respective businesses, and (ii) have not received written notice, and no executive officer has received any oral notice of any actual or alleged violation of Environmental Laws by the Company or any of its subsidiaries, or of any potential liability on the part of the Company or any of its subsidiaries for or any other obligation concerning the presence, disposal or release of Hazardous Substances, except in the case of either clauses (i) or (ii), where the failure to comply with or the violation of such Environmental Laws, or such liability or obligation would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. There are no proceedings that are pending, or to the Company's knowledge, threatened against the Company or any of its subsidiaries under Environmental Laws in which a governmental authority is also a party, and the Company is not aware of any issues regarding compliance with Environmental Laws or Hazardous Substances, that could reasonably be expected to have a Material Adverse Effect on the Company and its subsidiaries and none of the Company or any of its subsidiaries anticipates incurring any material capital expenditures relating to compliance with Environmental Laws, except as disclosure in the Pricing Prospectus and the Prospectus;

(y) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that complies in all material respects with the applicable requirements of the Exchange Act and has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting is effective and the Company is not aware of any material weaknesses in its internal control over financial reporting;

(z) Since the date of the latest audited financial statements included in the Pricing Prospectus, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting;

(aa) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply in all material respects with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective;

(bb) The statistical and market-related data included under the captions "Prospectus Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations of AHC", "Supplemental Management's Discussion and Analysis of Financial Condition and Results of Operations of Vince, LLC", "AHC Business" and "Vince Business" in the Pricing Prospectus and the Prospectus are based on or derived from estimates and sources that the Company believes to be reliable and accurate in all material respects;

(cc) The Company has not, directly or indirectly, including through any subsidiary, extended or maintained credit, or arranged for the extension of credit, or renewed any extension of credit, in the form of a personal loan to or for any of its directors or executive officers;

(dd) Except as described in the Pricing Prospectus and the Prospectus, no relationship, direct or indirect, exists between or among the Company, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company, on the other hand, that is required by the Act to be described in the Pricing Prospectus and the Prospectus which is not so described;

(ee) Each of the Company and its subsidiaries has filed all federal, state, local and foreign income and franchise tax returns required to be filed through the date hereof, subject to permitted extensions, and have paid all taxes due thereon, except as may be being contested in good faith and by appropriate proceedings or where the failure to make such filings or payment would not reasonably be expected to result in a Material Adverse Effect. Except as disclosed in the

Pricing Prospectus and the Prospectus, no tax deficiency has been determined adversely to the Company or any of its subsidiaries and the Company does not have any knowledge of any tax deficiencies, except to the extent any such deficiency would not reasonably be expected to result in a Material Adverse Effect;

(ff) Neither the Company nor any of its subsidiaries or affiliates, nor any director, officer or employee, nor, to the Company's knowledge, any individual or entity (**" Person** ") acting on behalf of the Company, its subsidiaries or its affiliates has taken any action on behalf of or for the benefit of the Company or its subsidiaries in furtherance of an offer, payment, promise to pay or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any governmental official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to influence official action or secure an improper advantage to assist in obtaining or retaining business for the Company or its subsidiaries; and the Company and its affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures designed to promote and achieve compliance with such laws and with the representation and warranty contained herein;

(gg) The operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (signed into law October 26, 2001) (the **"USA PATRIOT Act** "), and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, **"Anti-Money Laundering Laws** ") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(hh)

(i) The Company represents that neither the Company nor any of its subsidiaries (collectively, the " **Entity** ") or, to the knowledge of the Entity, any director, officer, employee, agent, affiliate or Persons acting on behalf of the Entity, is a Person that is, or is owned or controlled by a Person that is:

(1) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control (**" OFAC** "), the United Nations Security Council (**"UNSC** "), the European Union (**"EU** "), Her Majesty's Treasury (**"HMT** ") or other relevant sanctions authority (collectively, **"Sanctions** "); nor

(2) located, organized or resident in a country or territory that is the subject of Sanctions (including without limitation, Belarus, Burma (Myanmar), Cote d'Ivoire (Ivory Coast), Cuba, Democratic Republic of the Congo, Iran, Iraq, Lebanon, Liberia, Libya, North Korea, Somalia, Sudan, Syria, Yemen or Zimbabwe);

(ii) The Entity represents and covenants that it will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(1) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(2) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise);

(iii) The Entity represents and covenants that, for the past 5 years, it has not knowingly engaged in, is 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;

(ii) There are no contracts or other documents of a character required to be disclosed in the Registration Statement, the Pricing Prospectus or the Prospectus or to be filed as an exhibit to the Registration Statement which are not described or filed as required. Each description of a contract, document or other agreement in the Registration Statement, the Pricing Prospectus and the Prospectus accurately reflects in all material respects the terms of the contract, document or other agreement;

(jj) Except as pre-approved in accordance with the requirements set forth in Section 10A of the Exchange Act, as amended, Pricewaterhouse Coopers LLP have not been engaged by the Company to perform any "prohibited activities" (as defined in such Section 10A);

(kk) Neither the Company nor any of its subsidiaries has debt securities or preferred stock rated by any "nationally recognized statistical rating organization" as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act; and

(ll) From the time of initial confidential submission of the Registration Statement relating to the Shares with the Commission (or, if earlier, the first date on which a Section 5(d) Communication was made) through the date hereof, the Company has been and is an "emerging growth company" as defined in Section 2(a)(19) of the Act (an **"Emerging Growth Company** ").

(2) Each of the Selling Stockholders severally represents and warrants to, and agrees with, each of the Underwriters and the Company that:

(a) All consents, approvals, authorizations and orders necessary for execution by such Selling Stockholder of this Agreement and the Power of Attorney hereinafter referred to, and for the sale and delivery of the Optional Shares have been obtained, except the registration under the Act of the Optional Shares, the approval by FINRA of the underwriting terms and arrangements and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters; and such Selling Stockholder has full right, power and authority to enter into this Agreement and the Power of Attorney to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder.

(b) The sale of the Optional Shares hereunder and the compliance by such Selling Stockholder with this Agreement and the Power of Attorney and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such action result in any violation of the provisions of the certificate of formation or limited liability company agreement of such Selling Stockholder or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or any of its subsidiaries or any property or assets of such Selling Stockholder; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental body or agency is required for the performance by such Selling Stockholder of its obligations under this Agreement and the Power of Attorney and the consummation by such Selling Stockholder of the transactions contemplated by this Agreement and the Power of Attorney in connection with the Optional Shares to be sold by such Selling Stockholder hereunder, except the registration under the Act of the Shares, the approval by FINRA of the underwriting terms and arrangements and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Optional Shares by the Underwriters;

(c) Such Selling Stockholder has, and immediately prior to the Second Time of Delivery (as defined in Section (5) hereof) such Selling Stockholder will have, good and valid title to, or a valid “security entitlement” within the meaning of Section 8-501 of the New York Uniform Commercial Code (“UCC”) in respect of, the Optional Shares, free and clear of all liens, encumbrances, equities or claims; and, upon payment therefor and delivery of such Optional Shares, as directed by the Representatives, to Cede & Co. (“Cede”) or such other nominee as may be designated by The Depository Trust Company (“DTC”), registration of such Optional Shares in the name of Cede or such other nominee, and the crediting of such Optional Shares 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

UCC then in effect in the UCC, to such Securities), (A) under Section 8-501 of the UCC, the Underwriters will acquire a valid "security entitlement" in respect of such Optional Shares 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 Optional Shares may be asserted against the Underwriters with respect to such security entitlement; for purposes of this representation, the Selling Stockholders may assume that when such payment, delivery and crediting occur, (I) such Optional Shares 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 and (III) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC;

(d) On or prior to the date of the Pricing Prospectus, such Selling Stockholder has executed and delivered to the Underwriters an agreement substantially in the form of Annex II hereto;

(e) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action that is designed to or that has constituted or might 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 Optional Shares;

(f) Each of the Registration Statement and Preliminary Prospectus did, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will, when they become effective or are filed with the Commission, as the case may be, conform in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The preceding sentence (A) is to the knowledge of such Selling Stockholder and (B) does not apply to statements in or omissions from any such document based upon written information furnished to the Company by any Underwriter through the Representatives specifically for use therein;

(g) In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated, such Selling Stockholder will deliver to you prior to or at the Second Time of Delivery a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof);

(h) Such Selling Stockholder has duly executed and delivered a Power of Attorney, in the form heretofore furnished to you (the " **Power of Attorney** "), appointing the persons indicated in Schedule II hereto, and each of them, as such Selling Stockholder's attorneys-in-fact (the " **Attorneys-in-Fact** ") with authority to execute and deliver this Agreement on behalf of such Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Selling Stockholders as provided in Section (3) hereof, to authorize the delivery of the Optional Shares to be sold by such Selling Stockholder hereunder and otherwise to act on behalf of such Selling Stockholder in connection with the transactions contemplated by this Agreement;

(i) The Optional Shares represented by the certificates held by such Selling Stockholder are subject to the interests of the Underwriters hereunder and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are to that extent irrevocable; the obligations of the Selling Stockholders hereunder shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in the case of a partnership or corporation, by the dissolution of such partnership or corporation, or by the occurrence of any other event; if any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership or corporation should be dissolved, or if any other such event should occur, before the delivery of the Optional Shares to be sold by such Selling Stockholder hereunder, certificates representing the Optional Shares to be sold by such Selling Stockholder hereunder shall be delivered by or on behalf of the Selling Stockholders in accordance with the terms and conditions of this Agreement; and actions taken by the Attorneys-in-Fact pursuant to the Powers of Attorney shall be as valid as if such death, incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the Attorneys-in-Fact shall have received notice of such death, incapacity, termination, dissolution or other event; and

(j) Such Selling Stockholder is not prompted to sell the Optional Shares to be sold by such Selling Stockholder hereunder by any material non-public information concerning the Company or any of its subsidiaries that is not disclosed in the Pricing Prospectus to sell the Optional Shares pursuant to this Agreement.

(3)

(a) Subject to the terms and conditions herein set forth, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of **$** [ ], the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto.

(b) Subject to the terms and conditions herein set forth, in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, each of the Selling Stockholders agrees, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from each of the Selling Stockholders, at a purchase price per share of $[ ], that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminated fractional shares) determined by multiplying such number of Optional Shares by a fraction the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Selling Stockholders, as and to the extent indicated in Schedule II hereto, hereby grant, severally and not jointly, to the Underwriters the right to purchase at their election up to [ ] Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares. Any such election to purchase Optional Shares shall be made in proportion to the number of Optional Shares to be sold by each Selling Stockholder. Any such election to purchase Optional Shares may be exercised only by written notice from the Representatives to the Company and the Attorneys-in-Fact,

given within a period of 30 calendar days after the date of this Agreement and setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by the Representatives but in no event earlier than the First Time of Delivery (as defined in Section (5) hereof) or, unless the Representatives and the Company and the Attorneys-in-Fact otherwise agree in writing, earlier than three or later than ten business days after the date of such notice

(4) Upon your instruction to the Company to issue the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

(5)

(a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as Goldman, Sachs & Co. may request upon at least forty-eight hours' prior notice to the Company and the Selling Stockholders shall be delivered by or on behalf of the Company and the Selling Stockholders to Goldman, Sachs & Co., through the facilities of the DTC, for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the accounts specified by the Company to Goldman, Sachs & Co. at least forty-eight hours in advance. The Company and the Selling Stockholders will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the applicable Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the **"Designated Office"**). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on [ ], 2013 or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by Goldman, Sachs & Co. in the written notice given by Goldman, Sachs & Co. of the Underwriters' election to purchase such Optional Shares, or such other time and date as Goldman, Sachs & Co. and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the **"First Time of Delivery"** , such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the **"Second Time of Delivery"** , and each such time and date for delivery is herein called a **"Time of Delivery"** .

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section (9) hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section (9) (k) hereof, will be delivered at the offices of Simpson Thacher & Bartlett LLP, 2475 Hanover Street, Palo Alto, California 94304 (the **"Closing Location"**), and the Shares will be delivered at the Designated Office, all at the applicable Time of Delivery. A meeting will be held at the Closing Location at [ ] p.m., New York City time, on the New York Business Day next preceding the applicable Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section (4), **"New York Business Day"** shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

(6) The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Time of Delivery which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish the Representatives with copies thereof; to file promptly all material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any

stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its reasonable best efforts to obtain the withdrawal of such order as soon as practicable;

(b) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be obligated to file any general consent or otherwise subject itself 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 subject;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus in order to comply with the Act, to notify the Representatives and upon request by the Representatives to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Shares

at any time nine months or more after the time of issue of the Prospectus, upon request by the Representatives but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as the Representatives may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act. 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 under the Act;

(d) To make generally available to its securityholders as soon as practicable, but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e)

(i) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus (the **"Company Lock-Up Period"**), not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose, except as provided hereunder, of any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of Common Stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, Common Stock or any such substantially similar securities (other than pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without your prior written consent. The foregoing sentence shall not apply to (1) the Shares to be sold hereunder, (2) any shares of Common Stock issued or options to purchase Common Stock or other equity securities granted pursuant to employee benefit plans of the Company as described in its Registration Statement and the Prospectus, (3) any shares of Common Stock or other equity securities issued pursuant to any non-employee director stock plan as described in the Prospectus or (4) the filing of (but not sales under) any registration statement on Form S-8 under the Act with respect to the foregoing clauses (2) and (3);

(ii) If each of the Representatives, in such Representative's sole discretion, agrees to release or waive the restrictions set forth in a lock-up letter described in Section (9)(i) hereof for an officer or director of the Company and provides 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 Annex I hereto through a major news service at least two business days before the effective date of the release or waiver.

(f) To furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail; provided however that the Company may satisfy the requirements of this subsection by making available such information on its website or filing such information through the Commission's Electronic Data Gathering, Analysis and Retrieval System (**"EDGAR"**);

(g) To furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission); provided however that the Company shall not be required to provide documents (1) that are available on the Company's website or available through EDGAR or (2) the provision of which would require public disclosure by the Company under Regulation FD;

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds";

(i) To use its reasonable best efforts to effect and maintain, subject to notice of issuance, the Shares on the New York Stock Exchange (the **"Exchange"**);

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act;

(l) Upon request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the Company's trademarks, servicemarks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the **"License"**); *provided, however* , that the License shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred; and

(m) To 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 Shares within the meaning of the Act and (ii) completion of the 180-day Lock-Up Period referred to in Section (e) hereof.

(7)

(a) The Company represents and agrees that, without the prior consent of Goldman, Sachs & Co., it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; each Selling Stockholder represents and agrees that, without the prior consent of the Company and Goldman, Sachs & Co., it has not and will not

make any offer relating to the Shares that would constitute a free writing prospectus; and each Underwriter represents and agrees that, without the prior consent of the Company and Goldman, Sachs & Co., it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus; any such free writing prospectus the use of which has been consented to by the Company and Goldman, Sachs & Co. is listed on Schedule III(a) hereto;

(b) The Company represents and agrees that (i) it has not engaged in, or authorized any other person to engage in, any Section 5(d) Communications, other than Section 5(d) Communications with the prior consent of Goldman, Sachs & Co. with entities that are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a) under the Act; and (ii) it has not distributed, or authorized any other person to distribute, any Section 5(d) Writings, other than those distributed with the prior written consent of Goldman, Sachs & Co. that are listed on Schedule III(b) hereto; and the Company reconfirms that the Underwriters have been authorized to act on its behalf in engaging in Section 5(d) Communications;

(c) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and the Company represents that it has satisfied and agrees that it will satisfy the conditions under Rule 433 under the Act to avoid a requirement to file with the Commission any electronic road show;

(d) Each Underwriter represents and agrees that any Section 5(d) Communications undertaken by it were with entities that were qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a) under the Act;

(e) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus or Section 5(d) Writing any event occurred or occurs as a result of which such Issuer Free Writing Prospectus or Section 5(d) Writing would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing,

not misleading, the Company will give prompt notice thereof to Goldman, Sachs & Co. and, if requested by Goldman, Sachs & Co., will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus, Section 5(d) Writing or other document which will correct such conflict, statement or omission; provided, however, that this representation and warranty shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. or Robert W. Baird & Co. Incorporated expressly for use therein.

(8) The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's and the Selling Stockholders' counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing, reproduction and filing of the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum and closing documents (including any compilations thereof); (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section (6) (b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and, up to an amount of $15,000, in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, any required review by the Financial Industry Regulatory Authority, Inc. (**"FINRA"**) of the terms of the sale of the Shares, up to an amount of $20,000; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar; (viii) fees and expenses of the Attorneys in Fact; (ix) all other costs and expenses incident to the performance of its and the Selling Stockholders' obligations hereunder which are not otherwise specifically provided for in this Section. Goldman Sachs & Co. agrees to pay New York State stock transfer tax and the Selling Stockholders agree to reimburse Goldman, Sachs & Co. for associated carrying costs if such tax payment is not rebated on the day of payment and for any portion of such tax payment not rebated. It is understood, however, that, except as provided in this Section, and Sections (10) and (13) hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer

taxes on resale of any of the Shares by them, any advertising expenses connected with any offers they may make and any travel expenses incurred by them in connection with any "road show" presentation to potential investors (except that expenses for a private jet, if used during the road show, shall be split between the Company and the Underwriters on a 50/50 basis).

(9) The obligations of the Underwriters hereunder **,** as to the Shares to be delivered at each Time of Delivery shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company and the Selling Stockholders herein are, at and as of the applicable Time of Delivery, true and correct, the condition that the Company and the Selling Stockholders shall have performed all of its and their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section (6)(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or, to the Company's knowledge, threatened by the Commission; no stop order suspending or preventing the use of the Prospectus or any Issuer Free Writing Prospectus shall have been initiated or, to the Company's knowledge, threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Simpson Thacher & Bartlett LLP, counsel for the Underwriters, shall have furnished to the Representatives such written opinion or opinions, dated the applicable Time of Delivery, in form and substance satisfactory to the Representatives, with respect to the issuance and sale of the Shares, the Registration Statement and the Prospectus as well as such other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Kirkland & Ellis LLP, counsel for the Company, shall have furnished to the Representatives their written opinion and negative assurance letter, dated the First Time of Delivery, in form and substance satisfactory to the Representatives and set forth in Annex III and Annex IV.

(d) Counsel for the Selling Stockholders, as indicated in Schedule II hereto, each shall have furnished to you their written opinion with respect to each of the Selling Stockholders for whom they are acting as counsel, dated the Second Time of Delivery, in form and substance satisfactory to you and set forth in Annex V;

(e) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Pricewaterhouse Coopers LLP shall have furnished to the Representatives a letter or letters, dated the respective dates of delivery thereof, in form and substance reasonably satisfactory to the Representatives;

(f) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Pricing Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in the Pricing Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(g) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal, New York or California State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in your judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(h) The Shares to be sold at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange;

(i) The Company shall have obtained and delivered to the Underwriters executed copies of an agreement from the parties listed on Schedule IV hereto, substantially to the effect set forth in Section (6)(e) hereof and on Annex II hereto in form and substance reasonably satisfactory to the Representatives;

(j) The Company shall have complied with the provisions of Section (6)(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement;

(k) The Company and each of the Selling Stockholders shall have furnished or caused to be furnished to the Representatives at such Time of Delivery certificates of officers of the Company and the Selling Stockholders, respectively, satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company and the Selling Stockholders herein at and as of such Time of Delivery, as to the performance by the Company and the Selling Stockholders of all of its and their respective obligations hereunder to be performed at or prior to such Time of Delivery as to such other matters as you may reasonably request, and the Company shall have furnished or caused to be furnished certificates as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as the Representatives may reasonably request;

(l) FINRA shall not have raised any objection with respect to the fairness or reasonableness of the underwriting or other arrangements of the transactions contemplated hereby; and

(m) At such Time of Delivery, the IPO Restructuring Transactions described under “Restructuring Transactions” in the Pricing Prospectus shall have been completed.

(10)

(a) The Company and each of the Selling Stockholders, jointly and severally, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any “issuer information” filed or required to be filed pursuant to Rule 433(d) under the Act, or any Section 5(d) Writing, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; *provided* , *however* , that the Company and the Selling Stockholders shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any Section 5(d) Writing, in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. or Robert W. Baird & Co. Incorporated expressly for use therein; *provided* , *further* , that the liability of any Selling Stockholder pursuant to this subsection (a) shall not exceed the product of the number of Shares sold by such Selling Stockholders and the initial public offering price of the Shares as set forth in the Prospectus, after deducting any underwriting discounts and commissions received by the Underwriters.

(b) Each Underwriter will indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or either Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any Section 5(d) Writing, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any Section 5(d) Writing, in reliance upon and in conformity with written information furnished to the Company by such Underwriter through Goldman, Sachs & Co. or Robert W. Baird & Co. Incorporated expressly for use therein; and will reimburse the Company and each Selling Stockholder for any legal or other expenses reasonably incurred by the Company or either Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified,

to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action 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.

(d) If the indemnification provided for in this Section (10) is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other, from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other, shall be deemed to be in

the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case, as set forth in the table on the cover page of the Prospectus. The relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other, shall be determined by reference to, among other things, whether the 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 Company and the Selling Stockholders on the one hand or the Underwriters on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) 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 subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include 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 subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company and the Selling Stockholders under this Section (10) shall be in addition to any liability which the Company and the Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer affiliate of any Underwriter; and the obligations of the Underwriters under this Section (10) shall be in addition to any

liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act.

(11)

(a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company and the Selling Stockholders that you have so arranged for the purchase of such Shares, or the Company or a Selling Stockholder notifies you that it has so arranged for the purchase of such Shares, you, the Company or the Selling Stockholders shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term “Underwriter” as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you, the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number

of shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you, the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company and the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Selling Stockholders to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter, the Company or the Selling Stockholders, except for the expenses to be borne by the Company and the Underwriters as provided in Section (8) hereof and the indemnity and contribution agreements in Section (10) hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(12) The respective indemnities, agreements, representations, warranties and other statements of the Company, the Selling Stockholders and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any of the Selling Stockholders or any officer or director or controlling person of the Company or any controlling person of any Selling Stockholder, and shall survive delivery of and payment for the Shares.

(13) If this Agreement shall be terminated pursuant to Section (11) hereof, neither the Company nor the Selling Stockholders shall then be under any liability to any Underwriter except as provided in Sections (8) and (10) hereof; but, if for any other reason, any Shares are not delivered by or on

behalf of the Company and each of the Selling Stockholders as provided herein, the Company will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company and the Selling Stockholders shall then be under no further liability to any Underwriter except as provided in Sections (8) and (10) hereof.

(14) In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives jointly or by Goldman, Sachs & Co. or Robert W. Baird & Co. Incorporated on behalf of the Representatives; and in all dealings with any Selling Stockholder hereunder, the Representatives and the Company shall be entitled to act and rely upon any request, statement, notice or agreement on behalf of such Selling Stockholder made or give by any or all of the Attorneys in Fact for such Selling Stockholder.

All statements, requests, notices and agreements hereunder shall be in writing, and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication, provide that, notices to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the Representatives in care of Goldman, Sachs & Co., 200 West Street, New York, New York 10282, Attention: Registration Department; if to any Selling Stockholder shall be delivered or sent by mail, telex or facsimile transmission to counsel for such Selling Stockholder at its address set forth in Schedule II hereto; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Chief Financial Officer; with a copy to Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, attention to Gerald T. Nowak, P.C. (facsimile (312) 862-2200); provided, however, that any notice to an Underwriter pursuant to Section (10)(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company or the Selling Stockholders by you upon request; provided, however, that notices under subsection (6)(e) and the lock-up letters referred to in subsection (9)(i) shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the Representatives at Goldman, Sachs & Co., 200 West Street, New York, New York 10282, Attention: Registration Department and Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Charley Weber, Maria Watts and Michael Wilcox. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA Patriot Act, the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company and the Selling Stockholders, which information may include the names and addresses of their respective clients as well as other information that will allow the Underwriters to properly identify their respective clients.

(15) This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and the Selling Stockholders, and, to the extent provided in Sections (10) and (12) hereof, the officers and directors of the Company and each person who controls the Company, any Selling Stockholder or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

(16) Time shall be of the essence of this Agreement. As used herein, the term “business day” shall mean any day when the Commission’s office in Washington, D.C. is open for business.

(17) The Company and the Selling Stockholders acknowledge and agree that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm’s-length commercial transaction between the Company and the Selling Stockholders, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company or any Selling Stockholder, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company or any Selling Stockholder with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or any Selling Stockholder on other matters) or any other obligation to the Company or any Selling Stockholder except the obligations expressly set forth in this Agreement and (iv) the Company and each Selling Stockholder has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company and each Selling Stockholder agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company or any Selling Stockholder, in connection with such transaction or the process leading thereto.

(18) This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

(19) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(20) The Company, each 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.

(21) This Agreement may be executed by any one or more of the parties hereto 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 instrument.

(22) Notwithstanding anything herein to the contrary, the Company and the Selling Stockholders are authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company and the Selling Stockholders relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, “tax structure” is limited to any facts that may be relevant to that treatment.

If the foregoing is in accordance with your understanding, please sign and return to us one for the Company and each of the Representatives plus one for each counsel counterparts hereof, and upon the acceptance hereof by the Representatives, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters, the Company and each of the Selling Stockholders. It is understood that acceptance by the Representatives of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company and the Selling Stockholders for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Any person executing and delivering this Agreement as Attorney in Fact for a Selling Stockholder represents and warrants that he or she has been duly appointed as Attorney in Fact by such Selling Stockholder pursuant to a validly existing and binding Power of Attorney that authorizes such Attorney in Fact to take such action.

Very truly yours,

Apparel Holding Corp.

By:_____
Name:
Title:

Sun Cardinal, LLC

By: _____
Name:
Title:

SCSF Cardinal, LLC

By: _____
Name:
Title:

[Signature Page to Underwriting Agreement]

Accepted as of the date hereof:

GOLDMAN, SACHS & CO.

By: _____
(Goldman, Sachs & Co.)

On behalf of each of the Underwriters

[Signature Page to Underwriting Agreement]

ROBERT W. BAIRD & CO. INCORPORATED

By: _____
Name:
Title:

On behalf of each of the Underwriters

[Signature Page to Underwriting Agreement]

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman, Sachs & Co.		
Robert W. Baird & Co. Incorporated		
Merrill Lynch, Pierce, Fenner & Smith Incorporated		
Barclays Capital Inc.		
J.P. Morgan Securities LLC		
Wells Fargo Securities, LLC		
KeyBanc Capital Markets Inc.		
Stifel, Nicolaus & Company, Incorporated		
William Blair & Company, L.L.C.		
Total		

[Signature Page to Underwriting Agreement]

SCHEDULE II

Sun Cardinal, LLC

SCSF Cardinal, LLC

Schedule III

(a) Issuer Free Writing Prospectuses:

(b) Additional Documents Incorporated by Reference:

Schedule IV

Annex I

FORM OF PRESS RELEASE

Vince Holding Corp.
[Date]

Vince Holding Corp. ("Vince") announced today that Goldman, Sachs & Co., the lead book-running manager in the recent public sale of **[ ]** shares of the Company's common stock, is **[** waiving **]/[** releasing **]** a lock-up restriction with respect to **[ ]** shares of the Company's common stock held by **[** certain officers or directors **]/[** an officer **]/[** a 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.

Form of K&E Opinion

Form of K&E Negative Assurance Letter

Form of Opinion from Selling Stockholders' Counsel

Exhibit 4.1

PROOF PROOF

NUMBER

SHARES

VINCE.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

SEE REVERSE FOR CERTAIN DEFINITIONS

COMMON STOCK

CUSIP 927190 10 8

THIS CERTIFIES THAT:

PROOF

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF $0.01 PAR VALUE EACH OF

VINCE HOLDING CORP.

transferable on the books of the Corporation by the holder thereof in person or by duly authorized attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended. This certificate is not valid until countersigned by the Transfer Agent.

WITNESS the facsimile seal of the Corporation and the signatures of its duly authorized officers.

DATED:

VINCE HOLDING CORP. CORPORATE SEAL 2008 DELAWARE

COUNTERSIGNED:

BROADRIDGE CORPORATE ISSUER SOLUTIONS, INC.
1717 ARCH ST., STE. 1300, PHILADELPHIA, PA 19103
TRANSFER AGENT

BY:

AUTHORIZED SIGNATURE

SECRETARY

PRESIDENT

Exhibit 5.1

KIRKLAND & ELLIS LLP
AND AFFILIATED PARTNERSHIPS

300 North LaSalle
Chicago, Illinois 60654

www.kirkland.com

November 12, 2013

Apparel Holding Corp.
1441 Broadway - 6th Floor
New York, New York 10018

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We are acting as special counsel to Apparel Holding Corp., a Delaware corporation to be renamed Vince Holding Corp. prior to the consummation of this offering (the " Company "), in connection with the proposed registration by the Company of shares of its common stock, par value $0.01 per share (the " Common Stock "), including shares of Common Stock to cover the exercise of an option to purchase additional shares, if any, pursuant to a Registration Statement on Form S-1 (Registration No. 333-191336), originally filed with the Securities and Exchange Commission (the " Commission ") on September 24, 2013 under the Securities Act of 1933, as amended (the " Act ") (such Registration Statement, as amended or supplemented, is hereinafter referred to as the " Registration Statement "). The shares of Common Stock to be issued and sold by the Company pursuant to the Registration Statement are referred to herein as the " Shares ."

In connection therewith, we have examined originals, or copies certified or otherwise identified to our satisfaction, of such documents, corporate records and other instruments as we have deemed necessary for the purposes of this opinion, including (i) the corporate and organizational documents of the Company, including the Amended and Restated Certificate of Incorporation of the Company (the " Amended and Restated Certificate ") to be filed with the Secretary of State of the State of Delaware prior to the sale of the Shares, (ii) minutes and records of the proceedings of the Company with respect to the issuance and sale of the Shares and (iii) the form of Underwriting Agreement in the form filed as Exhibit 1.1 to the Registration Statement (the " Underwriting Agreement "), filed with the Commission on November 12, 2013.

For purposes of this opinion, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as copies and the authenticity of the originals of all documents submitted to us as copies. We have also assumed the legal capacity of all natural persons, the genuineness of the signatures of persons signing all documents in connection with which this opinion is rendered, the authority of such persons signing on behalf of the parties thereto other than the Company and the due authorization, execution and delivery of all documents by the parties thereto other than the Company. We have not independently established or verified any facts relevant to the opinions expressed herein, but have relied upon statements and representations of officers and other representatives of the Company and others.

Based upon and subject to the foregoing qualifications, assumptions and limitations and the further limitations set forth below, we are of the opinion that upon filing of the Amended and Restated Certificate with the Secretary of State of the State of Delaware, the Shares will be duly authorized, and, when the Registration Statement becomes effective under the Act, the final Underwriting Agreement is duly executed and delivered by the parties thereto and the Shares are registered by the Company's transfer agent and delivered against payment of the agreed consideration therefor, all in accordance with the final Underwriting Agreement, the Shares will be validly issued, fully paid and non-assessable.

Our opinion expressed above is subject to the qualification that we express no opinion as to the applicability of, compliance with, or effect of any laws except the General Corporation Law of the State of Delaware (including the statutory provisions, all applicable provisions of the Delaware constitution and reported judicial decisions interpreting the foregoing).

We hereby consent to the filing of this opinion with the Commission as Exhibit 5.1 to the Registration Statement. We also consent to the reference to our firm under the heading "Legal Matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission. This opinion and consent may be incorporated by reference in a subsequent registration statement on Form S-1 filed pursuant to Rule 462(b) under the Act with respect to the registration of additional securities for sale in the offering contemplated by the Registration Statement and shall cover such additional securities, if any, registered on such subsequent registration statement.

We do not find it necessary for the purposes of this opinion, and accordingly we do not purport to cover herein, the application of the securities or "Blue Sky" laws of the various states to the issuance and sale of the Shares.

This opinion is limited to the specific issues addressed herein, and no opinion may be inferred or implied beyond that expressly stated herein. This opinion speaks only as of the date that the Registration Statement becomes effective under the Act and we assume no obligation to revise or supplement this opinion after the date of effectiveness should the General Corporation Law of the State of Delaware be changed by legislative action, judicial decision or otherwise after the date hereof.

Sincerely,

/s/ KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS LLP

Exhibit 10.4

TRANSFER AGREEMENT

THIS TRANSFER AGREEMENT (this " Agreement ") is made and entered into as of [ ] [ ], 2013, by and between Kellwood Company, LLC a Delaware limited liability company (" Transferor "), Vince Intermediate Holding, LLC, a Delaware limited liability company (" Transferee ") and solely with respect to Sections 2.04 and 6.01(a) hereof, Apparel Holding Corp., a Delaware corporation (to be renamed Vince Holding Corp., " Apparel Holding "). Transferor and Transferee are referred to collectively herein as the " Parties " and each as a " Party ". Capitalized terms used and not otherwise defined herein have the meanings assigned to such terms in ARTICLE I below.

WHEREAS, Transferor is the owner of 100% of the issued and outstanding equity interests (the " Equity Interests ") of Vince, LLC, a Delaware limited liability company (" Vince ");

WHEREAS, subject to the terms and conditions set forth in this Agreement, Transferor desires to transfer and convey to Transferee, and Transferee desires to receive from Transferor, all of the Equity Interests in exchange for Transferee's issuance of the promissory note to Transferor attached hereto as Exhibit A (the " Promissory Note ");

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 agree as follows:

ARTICLE I
DEFINITIONS

1.01 Definitions . The following terms have the meaning set forth below:

" 7.625% Notes " is defined in Section 6.01(b) .

" 12.875% Notes " is defined in Section 6.01(b) .

" Additional Sun Capital Contribution " is defined in Section 6.01(b) .

" Affiliate " of any particular Person means any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, "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, and such "control" will be presumed if any Person owns 10% or more of the voting capital stock or other ownership interests, directly or indirectly, of any other Person.

" Agreement " is defined in the Preamble.

" Apparel Holding " is defined in the Preamble.

" Closing " is defined in Section 3.01 .

" Electronic Delivery " is defined in Section 7.09 .

" Encumbrance " means a mortgage, charge, pledge, lien, claim, option, encumbrance, charge, agreement, voting trust, proxy, right of preemption, right of first refusal or any other security interest or transfer restriction of any kind.

" Escrow Agreement " is defined in Section 6.01(b) .

" Equity Interest " is defined in the Recitals.

" Initial Public Offering " is defined in Section 6.01(a) .

" IPO Proceeds " is defined in Section 2.04 .

" Kellwood Business " means the business of the Transferor immediately prior to the Closing, other than the Vince Business.

" Losses " means any loss, liability, demand, claim, action, cause of action, cost, damage, diminution in value, deficiency, tax, penalty, fine or expense, whether or not arising out of third party claims (including interest, penalties, reasonable attorneys' fees and expenses and all amounts paid in investigation, defense or settlement of any of the foregoing and the enforcement of any rights hereunder).

" Management Services Agreement " is defined in Section 6.01(b) .

" Party " is defined in the Preamble.

" Person " means an individual, a corporation, a limited liability company, an association, a joint-stock company, a business trust or other similar organization, a partnership, a joint venture, a trust, an unincorporated organization or a government or any agency, instrumentality or political subdivision thereof.

" Promissory Note " is defined in the Recitals.

" Specific Assets " means any tangible or intangible assets, such as, inter alia, customer and supplier contracts, equipment, drawings or intellectual property.

" Sun Capital " is defined in Section 6.01(b) .

" Sun Capital Management " is defined in Section 6.01(b) .

" Sun Term Loan A Agreements " is defined in Section 6.01(b) .

" Sun Term Loan Agreements " is defined in Section 6.01(b) .

" Sun Term B/C/D/E/F/G Loan Agreement " is defined in Section 6.01(b) .

" Transferee " is defined in the Preamble.

" Transferor " is defined in the Preamble.

" Vince " is defined in the Recitals.

" Vince Business " means the design, development, manufacturing, sourcing, marketing, licensing, distribution and sale of Vince branded apparel and related accessories through wholesale, retail stores, e-commerce and any other distribution channels.

ARTICLE II
THE TRANSACTION

2.01 Transfer of Equity Interests . On and subject to the terms and conditions of this Agreement, in exchange for the issuance of the Promissory Note by Transferee for the benefit of Transferor, (i) Transferor hereby assigns, conveys, sells, transfers and delivers to Transferee, all rights, title and interest in and to the Equity Interests, free and clear of any Encumbrances and (ii) Transferee hereby accepts the Equity Interests from Transferor, free and clear of any Encumbrances.

2.02 Deliveries by Transferee . At the Closing, Transferee shall deliver (a) the Promissory Note duly executed by Transferee and (b) such documents relating to the transactions contemplated by this Agreement as Transferor may reasonably request.

2.03 Deliveries by Transferor . At the Closing, Transferor shall deliver (a) the Equity Interests, and all certificates reflecting ownership thereof, if any, free and clear of any Encumbrances, duly endorsed in blank or accompanied by duly executed unit powers, with appropriate transfer stamps, if any, affixed thereto and (b) such other documents relating to the transactions contemplated by this Agreement as Transferee or its counsel may reasonably request.

2.04 Deliveries by Apparel Holding . Immediately after the closing of the Initial Public Offering (as defined below), Apparel Holding shall deliver the net proceeds from the Initial Public Offering (after giving effect to fees and expenses related thereto, including any underwriting discount, the " IPO Proceeds ") to Transferee.

ARTICLE III
CLOSING OF THE TRANSACTION

3.01 The Closing . The closing of the transactions contemplated hereby (the " Closing ") shall take place at the offices of Kirkland & Ellis LLP in Chicago, Illinois at 8 a.m. on the date hereof, or at such other place or on such other date and time as may be mutually agreeable to the Parties.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF TRANSFEROR

Transferor hereby represents to Transferee that:

4.01 Ownership . The Equity Interests are owned of record and beneficially by Transferor and Transferor has good and marketable title to the Equity Interests, free and clear of all Encumbrances, other than pursuant to applicable securities laws. Other than the Equity Interests, there are no issued or outstanding equity interests or other securities of Vince, nor any rights or options to subscribe for or to purchase equity interests or other securities of Vince.

4.02 Authorization; No Breach . The execution, delivery, and performance of this Agreement and all other agreements contemplated hereby to which Transferor is a party have been duly authorized by Transferor. This Agreement and all other agreements contemplated hereby each constitutes a valid and binding obligation of Transferor, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors' rights generally and limitations on the availability of equitable remedies. The execution and delivery by Transferor of this Agreement and all other agreements contemplated hereby to which Transferor is a party, and the fulfillment of and compliance with the respective terms hereof and thereof by Transferor, do not and shall not (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in the creation of any Encumbrance upon Transferor's or Vince's equity interests or assets pursuant to, (iv) give any third party the right to modify, terminate, or accelerate any obligation under, (v) result in a violation of, or (vi) require any authorization, consent, approval, exemption, or other action by or notice to any court or administrative or governmental body pursuant to, its or Vince's operating agreement or any material law, statute, rule, or regulation to which Transferor or Vince is subject, or any material agreement, instrument, order, judgment, or decree to which Transferor or Vince is subject, except (A) where the failure to obtain such authorization, consent, approval, exemption, or other action by or notice to any third party under any agreement or instrument would not reasonably be expected to have a material adverse effect on the Vince Business and (B) (ii) for any such occurrence arising in connection with indebtedness that is to be repaid, refinanced, repurchased or discharged in connection with the consummation of the Initial Public Offering (as defined below).

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF TRANSFEREE

Transferee hereby represents to Transferor that:

5.01 Authorization; No Breach . The execution, delivery, and performance of this Agreement and all other agreements contemplated hereby to which Transferee is a party have been duly authorized by Transferee. This Agreement and all other agreements contemplated hereby each constitutes a valid and binding obligation of Transferee, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws affecting creditors' rights generally and limitations on the availability of equitable remedies. The execution and delivery by Transferee of this Agreement and all other agreements contemplated hereby to which Transferee is a party, and the fulfillment of and compliance with the respective terms hereof and thereof by Transferee, do not and shall not (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under, (iii) result in the creation of any Encumbrance upon Transferee's equity interests or assets pursuant to, (iv) give any third party the right to modify, terminate, or accelerate any obligation under, (v) result in a violation of, or (vi) require any authorization, consent, approval, exemption, or other action by or notice to any court or administrative or

governmental body pursuant to, its operating agreement or any material law, statute, rule, or regulation to which Transferee is subject, or any material agreement, instrument, order, judgment, or decree to which Transferee is subject.

ARTICLE VI
ADDITIONAL AGREEMENTS

6.01 Post-Closing Transaction .

(a) Apparel Holding hereby covenants and agrees that immediately following the consummation of the initial public offering of its common stock pursuant to an effective registration statement under the Securities Act of 1933, as amended (the " Initial Public Offering "), it shall contribute the IPO Proceeds to Transferee. Transferee hereby covenants and agrees to pay to Transferor, using (i) all but $5.0 million of the IPO Proceeds and (ii) $[ ] million of net borrowings under its new term loan facility, immediately upon receipt of the IPO Proceeds, the principal amount outstanding under the Promissory Note, in full satisfaction thereof by wire transfer of immediately available funds in accordance with instructions provided by Transferor to Transferee in writing not less than two (2) business days prior to the Closing.

(b) Transferor hereby covenants and agrees that immediately following the receipt of the principal amount outstanding under the Promissory Note from Transferee, Transferor shall use such amounts to (i) immediately repay all amounts outstanding under the following instruments (including accrued and unpaid interest thereon and all fees, expenses related thereto), after giving effect to the contribution of certain indebtedness under the Sun Term Loan Agreements (as defined below) to be made by Sun Capital Partners, Inc. (" Sun Capital ") or its affiliates immediately prior to the consummation of the transactions contemplated by that certain Contribution Agreement by and between Apparel Holding and Transferee (the " Additional Sun Capital Contribution "): (A) Transferor's $55 million term loan facility with Cerberus Business Finance, LLC, dated as of October 19, 2011 (as amended or supplemented); (B) that certain Fifth Amended and Restated Sun Term B/C/D/E/F/G Loan Agreement between Transferor, Sun Kellwood Finance, LLC, SCSF Kellwood Finance, LLC and the other Borrowers party thereto, dated as of June 28, 2013 (as amended or supplemented, the " Sun Term Loan B/C/D/E/F/G Agreement "); and (C) that certain Sun Term A Loan Agreement between Transferor, Sun Kellwood Finance, LLC, SCSF Kellwood Finance, LLC and the other Borrowers party thereto, dated as of October 19, 2011 (as amended or supplemented, the " Sun Term Loan A Agreement " and collectively with the Sun Term Loan B/C/D/E/F/G Agreement, the " Sun Term Loan Agreements "); (ii) redeem at par all of the Transferor's Second-Priority Senior Secured Payment-In-Kind Notes due 2014 (the " 12.875% Notes ") by (A) immediately issuing an unconditional redemption notice with respect to all issued and outstanding 12.875% Notes and (B) immediately depositing with the trustee of the indenture governing the 12.875% Notes an amount sufficient to redeem all issued and outstanding 12.875% Notes (including all accrued and unpaid interest thereon) in accordance with the terms of such indenture and the redemption notice; and (iii) immediately pay (A) that certain debt recovery bonus to Jill Granoff, as contemplated by the terms of her employment agreement, dated as of May 4, 2012 (as amended or supplemented) and (B) the restructuring fee payable to Sun Capital Management V, LLC (" Sun Capital Management ") pursuant to that Management Services Agreement, dated as of May 29, 2008 (as amended or supplemented, the " Management Services Agreement "), by and between Sun Capital Management and Transferor in connection with the consummation of the transactions related to the Initial Public Offering and in accordance with the terms of the Management Services Agreement.

Additionally, Transferor may, but is not obligated to, use such amounts to repurchase its 7.625% Debentures due October 5, 2017 (the " 7.625% Notes ") and Transferor's 3.5% Convertible Senior Debentures due June 15, 2034 on or after the closing of the Initial Public Offering. In the event the tender offer for the 7.625% Notes is to be consummated after the closing of the Initial Public Offering, Transferor shall escrow an amount necessary to purchase the 7.625% Notes which may be tendered in the tender offer at the closing of the tender offer with U.S. Bank National Association, as escrow agent, in accordance with the terms of the escrow agreement (substantially in the form attached hereto as Exhibit B, the " Escrow Agreement ") until the earlier of (i) the closing of the tender offer; and (ii) the three-month anniversary of the closing of the Initial Public Offering and Transferee agrees to issue a Joint Written Direction (as defined in the Escrow Agreement) to the extent necessary to affect any payments, whether in whole or in part, with respect to the foregoing clauses (i) through (ii), as reasonably requested by Transferor. Any amounts remaining in the escrow account after the termination of the Escrow Agreement shall be returned to the Transferor.

(c) Transferor hereby further covenants and agrees that immediately following the receipt of the principal amount outstanding under the Promissory Note from Transferee and in no event later than the business day on which the Initial Public Offering is consummated, Transferor shall refinance its $155 million revolving credit facility with Wells Fargo Bank National Association, dated as of October 19, 2011 (as amended or supplemented, the "Wells Fargo Facility") to remove Vince, LLC as a guarantor or obligor thereunder.

6.02 Further Assurances .

(a) Upon the request of either Party, the other Party shall, without further consideration, execute and deliver, or cause to be executed and delivered, such other instruments of conveyance, transfer, assignment and confirmation, and shall take, or cause to be taken, such further or other actions as the other Party may deem necessary or desirable to carry out the intent and purposes of this Agreement and to consummate and give effect to the transactions contemplated hereby.

6.03 Indemnity .

(a) Transferee shall indemnify Transferor and hold it harmless against any Losses which Transferor may suffer, sustain or become subject to the extent relating to the Vince Business (including Losses of Transferor relating to Section 9 of the Escrow Agreement to the extent such Losses relate to acts or omissions of the Transferee).

(b) Transferor shall indemnify Transferee and hold it harmless against (i) any Losses which Transferee or Vince may suffer, sustain or become subject to the extent relating to (A) the Kellwood Business (including Losses of Transferee relating to Section 9 of the Escrow Agreement to the extent such Losses relate to acts or omissions of the Transferor) or (B) any failure by Transferor to fully perform its obligations under Section 4 of that certain Contribution and Acceptance Agreement by and between Transferor and Vince dated September 1, 2012 and (ii) any Losses which Transferee or Vince may suffer, sustain or become subject to relating to any failure by Transferor to perform its obligations under Section 6.01(b) or Transferor's inability to remove Vince as an obligor or guarantor under the Wells Fargo Facility.

ARTICLE VII
MISCELLANEOUS

7.01 Assignment .

(a) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by a Party without the prior written consent of the other Party.

(b) Either Party may assign in whole or in part its rights and obligations pursuant to this Agreement and all other agreements, documents and instruments executed and/or delivered in connection herewith to one or more of its affiliates. Either Party may assign this Agreement, all other agreements, documents and instruments executed and/or delivered in connection herewith, and its rights and obligations hereunder and thereunder in connection with a merger or consolidation involving such Party or in connection with a sale of stock (or other ownership interests) or assets of such Party. Either Party may assign any or all of its rights pursuant to this Agreement, including its rights to indemnification, and all other agreements, documents and instruments executed and/or delivered in connection herewith, to any of its lender(s) as collateral security.

7.02 Survival . All representations and warranties and covenants contained herein or made in writing by any Party in connection herewith shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, regardless of any investigation made by a Party or on its behalf.

7.03 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 or the application of any such provision to any person or circumstance shall be held to be prohibited by or invalid, illegal or unenforceable under applicable law in any respect by a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

7.04 Interpretation . The headings and captions used in this Agreement and the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any capitalized term used in any Schedule attached hereto and not otherwise defined therein shall have the meaning set forth in this Agreement. The use of the word “including” herein shall mean “including without limitation.” The word “or” is used in the inclusive sense of “and/or”.

7.05 Construction . The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

7.06 Amendment and Waiver . Except as provided herein, any provision of this Agreement may be amended or waived only in a writing signed by the Parties. No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default.

7.07 Complete Agreement . This Agreement and the other agreements, instruments, and documents contemplated hereby or executed in connection herewith contain the complete agreement between the Parties and supersede any prior understandings, agreements or representations by or between the Parties, written or oral, which may have related to the subject matter hereof in any way (including any letter of intent or non-binding terms of sale).

7.08 No Third-Party Beneficiaries . This Agreement is for the sole benefit of the Parties hereto and their permitted assigns and nothing herein expressed or implied, shall give or be construed to give any Person, other than the parties hereto and such permitted assigns, any legal or equitable rights hereunder.

7.09 Electronic Delivery; Counterparts . This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an " Electronic Delivery ") shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party, each other Party shall re-execute the original form of this Agreement and deliver such form to all other parties. No Party shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

7.10 Governing Law . All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal Law of the State of Delaware without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware.

7.11 WAIVER OF TRIAL BY JURY . EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (I) THIS AGREEMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR

(II) THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

* * *

IN WITNESS WHEREOF, the Parties hereto have executed this Transfer Agreement as of the date first above written.

TRANSFEROR:

KELLWOOD COMPANY, LLC

By: _____
Name:
Title:

TRANSFEREE:

VINCE INTERMEDIATE HOLDING, LLC

By: _____
Name:
Title:

Acknowledged and Agreed with respect to Sections 2.04 and 6.01(a) only:

APPAREL HOLDING:

APPAREL HOLDING CORP.

By: _____
Name:
Title:

Signature Page to Transfer Agreement

Exhibit A

Form of Promissory Note

See attached. *(Exhibit 10.5)*

Exhibit B

Form of Escrow Agreement

See attached. *(Exhibit 10.65)*

Exhibit 10.38

$175,000,000

CREDIT AGREEMENT

among

VINCE, LLC

and

VINCE INTERMEDIATE HOLDING, LLC,

as Borrowers,

VINCE HOLDING CORP.,

as a Guarantor

The Several Lenders from Time to Time Parties Hereto,

BANK OF AMERICA, N.A.,

as Administrative Agent,

J.P. MORGAN SECURITIES LLC,

as Syndication Agent,

BANK OF AMERICA, N.A.,

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

and

J.P. MORGAN SECURITIES LLC

as Joint Lead Arrangers and Joint Bookrunners,

and

CANTOR FITZGERALD SECURITIES,

as Documentation Agent

Dated as of [•], 2013

TABLE OF CONTENTS

SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT dated as of [•], 2013, among VINCE, LLC, a Delaware limited liability company (" Vince "), VINCE INTERMEDIATE HOLDING, LLC, a Delaware limited liability company (" Intermediate Holdings " and, together with Vince, each a " Borrower " and collectively, the " Borrowers "), VINCE HOLDING CORP., a Delaware corporation (" Holdings "), the several banks and other financial institutions or entities from time to time parties to this Agreement (the " Lenders "), BANK OF AMERICA, N.A., as Administrative Agent, J.P. MORGAN SECURITIES LLC, as syndication agent (in such capacity, the " Syndication Agent "), BANK OF AMERICA, N.A., MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and J.P. MORGAN SECURITIES LLC, as Joint Lead Arrangers and Joint Bookrunners, and CANTOR FITZGERALD SECURITIES, as documentation agent (in such capacity, the " Documentation Agent ").

The parties hereto hereby agree as follows:

SECTION 1.

DEFINITIONS

1.1 Defined Terms . As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

" ABL Facility ": that certain revolving ABL Credit Agreement dated as of the Closing Date among Vince, as the borrower, Intermediate Holdings and Holdings, each as a guarantor, Bank of America, N.A., as administrative agent and issuing bank, the lenders party thereto and the other agents, arrangers and bookrunners identified therein, as Amended or Refinanced from time to time.

" ABL Intercreditor Agreement ": the Intercreditor Agreement substantially in the form of Exhibit K, as it may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

" ABL Indebtedness ": Indebtedness incurred from time to time under the ABL Facility.

" ABL Obligations ": as defined in the ABL Intercreditor Agreement.

" ABR ": for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus $1/2$ of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" and (c) except during a Eurodollar Unavailability Period, the Eurodollar Rate plus 100 basis points. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate. Any change in such "prime rate" announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

" ABR Loans ": Term Loans the rate of interest applicable to which is based upon the ABR.

" Accounting Changes ": as defined in Section 10.16.

" Administrative Agent ": Bank of America, as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors and permitted assigns.

" Affiliate ": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly to direct or cause the direction of the management and policies of such Person, in either case whether by contract or otherwise.

" Affiliated Lender Assignment and Assumption ": as defined in Section 2.28(f).

" Agreed Purposes ": as defined in Section 10.14.

" Agreement ": this Credit Agreement, as amended, Amended or Refinanced, supplemented or otherwise modified from time to time.

" Amended or Refinanced ": in respect of any obligation, or the agreement or contract pursuant to which such obligation is incurred, (a) such obligation (or any portion thereof) or related agreement or contract as extended, renewed, defeased, amended, amended and restated, supplemented, modified, restructured, consolidated, refinanced, replaced, refunded or repaid from time to time and (b) any other obligation issued in exchange or replacement for or to refinance such obligation, in whole or in part, whether with same or different lenders, arrangers and/or agents and whether with a larger or smaller aggregate principal amount and/or a longer or shorter maturity, in each case to the extent not prohibited under the terms of the Loan Documents then in effect. " Amend or Refinance " and " Amendment or Refinancing " shall have correlative meanings.

" Annual Operating Budget ": as defined in Section 6.2(c).

" Anti-Money Laundering Laws ": any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to a Loan Party, its Subsidiaries or Affiliates, related to terrorism financing or money laundering including any applicable provision of Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (Title III of Pub. L. 107-56) and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act", 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

" Applicable Margin ": for any day, with respect to each Type of Term Loan, the following rates per annum, based upon the Consolidated Net Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.2(b):

Consolidated Net Total Leverage Ratio	Applicable Margin for Eurodollar Loans	Applicable Margin for ABR Loans
Greater than 2.25 to 1.00	5.00%	4.00%
Less than or equal to 2.25 to 1.00	4.75%	3.75%

Changes in the Applicable Margin resulting from changes in the Consolidated Net Total Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.2(b) and shall remain in effect until the next change to be effected pursuant to this paragraph. If the Compliance Certificate referred to above is not delivered within the applicable time period for delivery thereof specified in Section 6.2(b), then, until such Compliance Certificate is delivered, the Consolidated Net Total Leverage Ratio as at the end of the fiscal period that would

have been covered thereby shall for the purposes of this definition be deemed to be greater than 2.25 to 1.00. During the continuation of any Event of Default, the Applicable Margin will be 5.00% in the case of Eurodollar Loans and 4.00% in the case of ABR Loans. In the event that any Compliance Certificate delivered pursuant to Section 6.2(b) is shown to be, or is acknowledged in writing to be, inaccurate, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period than the Applicable Margin applied for such period, then (i) the Borrowers shall promptly deliver to the Administrative Agent a corrected Compliance Certificate for such Applicable Period and (ii) the Borrowers shall promptly (and, in any event, within 10 days after such inaccuracy is discovered) pay to the Administrative Agent, for the benefit of the Lenders, the accrued additional interest owing as a result of such higher Applicable Margin for such period. Nothing in this paragraph shall limit the right of Administrative Agent or any Lender under Section 8.

" Applicable Threshold Price ": as defined in Schedule 2.27.

" Approved Fund ": as defined in Section 10.6(b).

" Asset Sale ": any Disposition of Property or series of related Dispositions of Property by the Borrowers or any Subsidiary Guarantor (excluding (i) any such Disposition permitted by clause (a), (b), (c) (except as it relates to Section 7.4(d)), (d), (f), (g), (h), (i), (j), (k), (l), (n), (o), (p), (q) and (r) of Section 7.5) and (ii) any such Disposition which is a Recovery Event) which yields Net Cash Proceeds to any Loan Party (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of $2,000,000.

" Assignee ": as defined in Section 10.6(b).

" Assignment and Assumption ": an Assignment and Assumption, substantially in the form of Exhibit D-1.

" Auction ": as defined in Section 2.27(a).

" Auction Amount ": as defined in Schedule 2.27(a).

" Auction Assignment and Assumption ": as defined in Schedule 2.27(a).

" Auction Manager ": as defined in Section 2.27(a).

" Auction Notice ": as defined on Schedule 2.27(a).

" Available Excess Amount ": the sum of, without duplication, (a) $2,000,000; (b) the aggregate cumulative amount, not less than zero, of Excess Cash Flow, commencing with the fiscal year ending on or around January 31, 2015, that is not required pursuant to the provisions of Section 2.12(c) to be applied to the prepayment of Term Loans, less the aggregate cumulative amount, if any, referred to in Section 2.12(c)(ii); (c) the Net Cash Proceeds received after the Closing Date from any Equity Issuance; (d) Declined Amounts; (e) without duplication of any amounts that otherwise increased the amount available for Investments pursuant to Section 7.7, 100.0% of the aggregate amount received by a Borrower or any Restricted Subsidiary of a Borrower in cash and Cash Equivalents from: (i) the sale (other than to a Borrower or any such Restricted Subsidiary) of any Equity Interests of an Unrestricted Subsidiary or any minority Investments, (ii) any dividend or other distribution by an Unrestricted Subsidiary or received in respect of any minority Investments, or (iii) any interest, returns of principal, repayments and similar payments by such Unrestricted Subsidiary or received in respect of any minority

Investments; (f) in the event any Unrestricted Subsidiary has been re-designated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, a Borrower or a Restricted Subsidiary, the fair market value of the Investments of the Borrowers and the Restricted Subsidiaries in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable); and (g) an amount equal to any returns in cash and Cash Equivalents (including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) actually received by a Borrower or any Restricted Subsidiary in respect of any Investments made pursuant to Section 7.7(p), and, in each case of clause (e), (f) and (g), not to exceed the original amount of such Investment; less, in each case, the amount that has been previously expended pursuant to Section 7.6(c), Section 7.7(p) or Section 7.8(a).

" Bank of America ": Bank of America, N.A. and its successors.

" Benefitted Lender ": as defined in Section 10.7(a).

" Board ": the Board of Governors of the Federal Reserve System of the United States (or any successor).

" Borrower ": as defined in the preamble of this Agreement.

" Borrower Intellectual Property ": as defined in Section 4.9

" Borrowing Date ": any Business Day specified by the Borrowers as a date on which the Borrowers request the relevant Lenders to make Term Loans hereunder.

" Business ": the business and any services, activities or businesses incidental or directly related or similar to any line of business engaged in by the Borrowers and their Restricted Subsidiaries as of the Closing Date or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

" Business Day ": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

" Cap ": as defined in Section 2.28.

" Capital Expenditures ": for any period, with respect to any Person, the aggregate of all cash expenditures by such Person for the acquisition or leasing (pursuant to a capital lease but excluding any amount representing capitalized interest) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) which are required to be capitalized under GAAP on a balance sheet of such Person; provided that in any event the term "Capital Expenditures" shall exclude: (i) any Permitted Acquisition and any other Investment permitted hereunder; (ii) expenditures to the extent financed with any Reinvestment Deferred Amount; (iii) expenditures for leasehold improvements for which such Person is reimbursed or receives a credit; (iv) expenditures to the extent they are made with the proceeds of equity contributions (other than in respect of Disqualified Capital Stock) made to the Borrowers after the Closing Date; (v) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment solely to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time; (vi) expenditures that are accounted for as

capital expenditures by Holdings or any Restricted Subsidiary and that actually are paid for by a Person other than Holdings or any Restricted Subsidiary and for which neither Holdings nor any Restricted Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such Person or any other Person (whether before, during or after such period); (vii) expenditures that constitute operating lease expenses in accordance with GAAP; (viii) any capitalized interest expense reflected as additions to property, plant or equipment in the consolidated balance sheet of Holdings and the Restricted Subsidiaries; and (ix) any non-cash compensation or other non-cash costs reflected as additions to property, plant or equipment in the consolidated balance sheet of Holdings and the Restricted Subsidiaries.

" Capital Lease Obligations ": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

" Capital Stock ": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation).

" Cash Equivalents ": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of one year or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-2 by S&P or P-2 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within one year from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory the securities of which state, commonwealth, territory, political subdivision, taxing authority (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of any of clauses (a) through (f) of this definition; (h) money market funds that (i) purport to comply generally with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P or Aaa by Moody's or carrying an equivalent rating by a nationally recognized rating agency, and (iii) have portfolio assets of at least $5,000,000,000; or (i) in the case of Foreign Subsidiaries, (i) such local currencies in those countries in which such Foreign Subsidiary transacts business from time to time in the ordinary course of business and (ii) investments of comparable tenor and credit quality to those described above customarily utilized in the countries in which such Foreign Subsidiaries operate for short-term cash management purposes.

" Certificated Security ": as defined in the Guarantee and Collateral Agreement.

" CFC ": any Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

" CFC Holdco ": any Domestic Subsidiary that has no material assets other than the Capital Stock of and, if applicable, Indebtedness of one or more Foreign Subsidiaries that are CFCs.

" Change in Law ": the occurrence, after the date of this Agreement, of any of the following: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the official administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

" Chattel Paper ": as defined in the Guarantee and Collateral Agreement.

" Closing Date ": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied and the initial Term Loans hereunder shall have been funded, which date is [•], 2013.

" Code ": the Internal Revenue Code of 1986, as amended from time to time.

" Collateral ": the meaning assigned to such term in the Guarantee and Collateral Agreement.

" Commitment ": as to any Lender, the sum of the Initial Term Commitments and the New Term Loan Commitments (if any) of such Lender, as increased or reduced from time to time pursuant to this Agreement, including in connection with Sections 2.24, 2.26, 2.27, 2.28, 2.29 and 10.06.

" Committed Reinvestment Amount ": as defined in the definition of "Reinvestment Prepayment Amount".

" Commonly Controlled Entity ": an entity, whether or not incorporated, that is under common control with Holdings within the meaning of Section 4001 of ERISA.

" Commonly Controlled Plan ": as defined in Section 4.12(b).

" Compliance Certificate ": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

" Confidential Information ": as defined in Section 10.14.

" Confidential Information Memorandum ": the Confidential Information Memorandum dated October 2013 and furnished to the Lenders.

" Consolidated Current Assets ": at any date, all amounts (other than cash and Cash Equivalents) that would, in conformity with GAAP, be set forth opposite the caption "total current assets" (or any like caption) on a consolidated balance sheet of Holdings, the Borrowers and their Restricted Subsidiaries at such date.

" Consolidated Current Liabilities ": at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of Holdings, the Borrowers and their Restricted Subsidiaries at such date, but excluding (a) the current portion of any Indebtedness of Holdings, the Borrowers and their Restricted Subsidiaries and (b) without duplication, all Indebtedness consisting of ABL Indebtedness, to the extent otherwise included therein.

" Consolidated EBITDA ": of any Person for any period, Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax (or any alternative tax in lieu thereof) expense (including state franchise and similar taxes), (b) Consolidated Net Interest Expense of such Person and its Restricted Subsidiaries, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including commitment and administrative fees and charges with respect to the ABL Facility, the Term Facilities, any Junior Indebtedness and any Permitted Amendment or Refinancing of any of the foregoing), (c) depreciation and amortization expense, (d) amortization or impairment of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary, unusual or non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business), (f) stock-option based and other equity-based compensation expenses, (g) transaction costs, fees and expenses (including those relating to the transactions contemplated hereby and by the ABL Facility (including any Amendments or Refinancings or waivers of the Loan Documents and/or ABL Facility), and those payable in connection with the sale of Capital Stock (including any secondary or follow-on offerings), the incurrence, repayment, redemption, repurchase or defeasance of Indebtedness permitted under Section 7.2, any Disposition of Property permitted under Section 7.5 or any recapitalization or any Permitted Acquisition or other Investment permitted under Section 7.7 or any other Specified Transaction (in each case whether or not successful)), including the IPO, (h) [reserved], (i) expenses or losses with respect to liability or casualty events and proceeds from any business interruption insurance, in each case, to the extent covered by insurance and actually reimbursed or otherwise paid, or, so long as Holdings has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed or otherwise paid by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed or otherwise paid within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed or otherwise paid within such 365 days) (in the case of this clause (i) to the extent not reflected as revenue or income in such statement of such Consolidated Net Income), (j) to the extent actually reimbursed, expenses incurred to the extent covered by indemnification provisions in any agreement in connection with any Investment, Permitted Acquisition or any sale, conveyance, transfer or other Disposition of assets permitted under this Agreement, (k) any call premium, tender premium, original issue discount or expenses associated with the repurchase, redemptions, defeasance or repayment of Indebtedness, (l) the amount of any restructuring charges or reserves (which, for the avoidance of doubt, shall include retention, severance, systems establishment cost, excess pension charges, contract termination costs, future lease commitments, costs to consolidate facilities and relocate employees, costs related to the winddown of leases and costs related to store closures) deducted in such period in computing Consolidated Net Income, (m) any non-cash charges, expenses or losses (including any impairment charges and the impact of purchase accounting, including, but not limited to, the amortization of inventory step-up) reducing Consolidated Net Income for such period (excluding any such charge that represents an accrual or reserve for a cash expenditure for a future period, other than straight-line rent expense determined in accordance with GAAP) and (n) one-time costs

and expenses related to the replacement of services provided to the Borrowers on the Closing Date under the terms of the Shared Services Agreement, minus , to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (b) any non-cash items increasing Consolidated Net Income for such Person for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges made in any prior period or which will result in the receipt of cash in a future period or the amortization of lease incentives) all as determined on a consolidated basis; provided that for purposes of calculating Consolidated EBITDA of Holdings, the Borrowers and their Restricted Subsidiaries for any period, (A) the Consolidated EBITDA of any Person acquired by Holdings, the Borrowers or their Restricted Subsidiaries during such period shall be included on a pro forma basis for such period to give effect to any Specified Transaction (but assuming the consummation of such acquisition and the incurrence or assumption of any Indebtedness in connection therewith occurred on the first day of such period, and assuming any synergies and cost savings to the extent certified by Holdings as having been determined in good faith to be reasonably anticipated to be realizable within 12 months following such Specified Transaction and provided that the aggregate amount of synergies and cost savings included in Consolidated EBITDA for any period of four consecutive fiscal quarters shall not exceed 10% of Consolidated EBITDA for such four fiscal quarter period (before to giving effect to such adjustment)), (B) the Consolidated EBITDA of any Person Disposed of by Holdings, the Borrowers or their Restricted Subsidiaries during such period shall be excluded for such period (assuming the consummation of such Disposition and the repayment of any Indebtedness in connection therewith occurred on the first day of such period), (C) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any income (loss) for such period attributable to the early extinguishment of (i) Indebtedness, (ii) obligations under any Hedge Agreements or (iii) other derivative instruments, (D) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any net after-tax gain or loss resulting from Hedge Agreement or other derivative instruments and the application of Statement of Financial Accounting Standards No. 133 and International Accounting Standard No. 39 and their respective related pronouncements and interpretations, and (E) any gains or losses attributable to foreign currency translations, including those relating to mark-to-market of Indebtedness denominated in foreign currencies resulting from the application of GAAP, including FAS No. 52. For purposes of determining compliance with the financial covenant set forth in Section 7.1 only (and not any other provision of this Agreement, including any such other provision that utilizes a calculation of Consolidated EBITDA), any cash common equity contribution made by Holdings to the Borrowers, after the end of any fiscal quarter and on or prior to the day that is 10 Business Days after the day on which financial statements are required to be delivered for such fiscal quarter (it being understood that each such contribution shall be credited with respect to only one fiscal quarter; provided that such credit shall be effective as to such fiscal quarter for all periods in which such fiscal quarter is included) will, at the request of the Borrowers, be deemed to increase, dollar for dollar, Consolidated EBITDA for such fiscal quarter for the purposes of determining compliance with such financial covenant at the end of such fiscal quarter and applicable subsequent periods (any such equity contribution so included in the calculation of Consolidated EBITDA, a " Specified Equity Contribution "); provided that (a) in each four fiscal quarter period there shall be at least two fiscal quarters in which no Specified Equity Contribution is made, (b) no more than five Specified Equity Contributions shall be made in the aggregate during the term of this Agreement and (c) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause Holdings to be in compliance with the financial covenant set forth in Section 7.1; provided , further that (A) any reduction in Indebtedness with the proceeds of any Specified Equity Contribution shall be ignored for purposes of determining compliance the financial covenant set forth in Section 7.1 and any cash or Cash Equivalents held as a result of a Specified Equity Contribution shall be disregarded for purposes of calculating the Consolidated Net Total Leverage Ratio and (B) all Specified Equity

Contributions shall be disregarded for the purposes of determining financial ratio-based conditions (other than compliance with the financial covenant set forth in Section 7.1 as described above in this paragraph) or any baskets with respect to the covenants contained in the Term Facilities.

" Consolidated Net Income ": of any Person for any period, the consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that in calculating Consolidated Net Income of Holdings, the Borrowers and their consolidated Restricted Subsidiaries for any period, there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Borrowers or any of their Subsidiaries and (b) the income (or deficit) of any Person (other than a Restricted Subsidiary) in which Holdings, the Borrowers or any of their Restricted Subsidiaries has an ownership interest, except, in each case to the extent that any such income is actually received by Holdings, the Borrowers or such Restricted Subsidiary in the form of dividends or similar distributions (which dividends and distributions shall be included in the calculation of Consolidated Net Income). Notwithstanding the foregoing, the effect of any non-cash items resulting from any amortization, write-up, write-down or write-off of assets or liabilities (including intangible assets, goodwill, deferred financing costs and the effect of straight-lining of rents as a result of purchase accounting adjustments) in connection with any future Permitted Acquisition or Investment permitted under Section 7.7, Disposition, merger, consolidation or similar transaction or any other non-cash impairment charges incurred subsequent to the Closing Date resulting from the application at SFAS Nos. 141, 142 or 144 (excluding any non-cash item to the extent that it represents an accrual of or reserve for cash expenditures in any future period except to the extent such item is subsequently reversed) shall be excluded from Consolidated Net Income.

" Consolidated Net Interest Expense ": of any Person for any period, (a) total cash interest expense (including that attributable to Capital Lease Obligations) of such Person and its Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Subsidiaries, minus (b) the sum of (i) total cash interest income of such Person and its Subsidiaries for such period, in each case determined in accordance with GAAP plus (ii) one-time financing fees (to the extent included in such Person's consolidated interest expense for such period), including those paid in connection with the transactions occurring on the Closing Date or in connection with any Amendment or Refinancing hereof. For purposes of the foregoing, interest expense of any Person shall be determined after giving effect to any net payments made or received by such Person with respect to interest rate Hedge Agreements (other than early termination payments) permitted hereunder.

" Consolidated Net Total Leverage ": at any date, the aggregate principal amount of all Funded Debt of Holdings, the Borrowers and their Restricted Subsidiaries at such date, minus unrestricted cash and Cash Equivalents held by Holdings, the Borrowers and their Restricted Subsidiaries on such date, in each case determined on a consolidated basis in accordance with GAAP.

" Consolidated Net Total Leverage Ratio ": as at any date, the ratio of (a) Consolidated Net Total Leverage on such day to (b) Consolidated EBITDA of Holdings, the Borrowers and their Restricted Subsidiaries for the period of four consecutive fiscal quarters Most Recently Ended on or prior to such date.

" Consolidated Net Total Secured Leverage ": at any date, the aggregate principal amount of all Funded Debt of Holdings, the Borrowers and their Restricted Subsidiaries that is secured by a Lien on property of Holdings, the Borrowers or any of their Restricted Subsidiaries, including all Capital Lease Obligations, at such date, minus cash and Cash Equivalents held by Holdings, the Borrowers and their Restricted Subsidiaries on such date, in each case determined on a consolidated basis in accordance with GAAP.

" Consolidated Net Total Secured Leverage Ratio ": as at any date, the ratio of (a) Consolidated Net Total Secured Leverage on such day to (b) Consolidated EBITDA of Holdings, the Borrowers and their Restricted Subsidiaries for the period of four consecutive fiscal quarters Most Recently Ended on or prior to such date.

" Consolidated Working Capital ": at any date, the difference of (a) Consolidated Current Assets on such date less (b) Consolidated Current Liabilities on such date, without regard to any changes as a result of the effect of fluctuations in the amount of accrued or contingent obligations, assets or liabilities under Hedge Agreements.

" Continuing Directors ": the directors of Holdings on the Closing Date, and each other director if, in each case, such other director's nomination for election to the board of directors of Holdings is recommended by at least a majority of the then Continuing Directors or such other director receives the affirmative vote or consent of, or is appointed or otherwise approved by, the Sponsor in his or her election by the shareholders of Holdings.

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

" Credit Agreement Refinancing Indebtedness ": (a) Permitted First Priority Refinancing Debt, (b) Permitted Second Priority Refinancing Debt, (c) Permitted Unsecured Refinancing Debt or (d) Indebtedness incurred pursuant to a Refinancing Amendment, in each case, issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to Amend or Refinance, in whole or part, existing Term Loans (including any successive Credit Agreement Refinancing Indebtedness) (" Refinanced Debt "); provided that (i) such Amended or Refinanced Indebtedness is in an original aggregate principal amount (or accreted value, if applicable) not greater than the aggregate principal amount (or accreted value, if applicable) of the Refinanced Debt except by an amount equal to unpaid accrued interest and premium (including tender premiums and make whole amounts) thereon plus other reasonable and customary fees and expenses (including upfront fees, original issue discount and defeasance costs) in connection with such Amendment or Refinancing, (ii) such Indebtedness has a later maturity and a Weighted Average Life to Maturity equal to or greater than the Refinanced Debt, and (iii) such Refinanced Debt shall be repaid, defeased or satisfied and discharged with 100% of the Net Cash Proceeds of the applicable Credit Agreement Refinancing Indebtedness and all accrued interest, fees and premiums (if any) in connection therewith shall be paid, on the date such Credit Agreement Refinancing Indebtedness is issued, incurred or obtained.

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

" Declined Amounts ": as defined in Section 2.12(e).

" Default ": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

" Defaulting Lender ": any Lender who meets any part of the definition of Lender Default; *provided* that nothing in this definition shall affect the rights of the Borrowers under Section 2.24.

" Derivatives Counterparty ": as defined in Section 7.6.

" Discount Range ": as defined in Schedule 2.27.

" Disposition ": with respect to any Property, any sale, sale and leaseback, assignment, conveyance, transfer or other effectively complete disposition thereof. The terms " Dispose " and " Disposed of " shall have correlative meanings. For the avoidance of doubt, it is understood and agreed that Holdings, the Borrowers and any Restricted Subsidiary may, in the ordinary course of business, grant licenses to Intellectual Property owned or developed by, or licensed to, such entity and that, for purposes of this Agreement and the other Loan Documents, such licenses shall not constitute a "Disposition" of such Intellectual Property; provided that the terms of such licenses shall not restrict the ability of the Administrative Agent to exercise rights and remedies accorded to the Administrative Agent under the Loan Documents and applicable Requirements of Law as a creditor of the Loan Parties with respect to the realization on the Collateral.

" Disqualified Capital Stock ": Capital Stock that (a) requires the payment of any dividends (other than dividends payable solely in shares of Qualified Capital Stock), (b) matures or is mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise (including as the result of a failure to maintain or achieve any financial performance standards), prior to the date that is 91 days after the final scheduled maturity date of the Term Loans (other than (i) upon payment in full of the Obligations (other than indemnification and other contingent obligations not yet due and owing) or (ii) if the issuer has the option to settle for Qualified Capital Stock (and cash in lieu of fractional shares thereof in de minimis amounts) or (c) are convertible or exchangeable, automatically or at the option of any holder thereof, into any Indebtedness, Capital Stock or other assets other than Qualified Capital Stock; *provided* that if such Capital Stock is issued pursuant to a plan for the benefit of employees of Holdings, the Borrowers or the Restricted Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by the Borrowers or its Restricted Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

" Disqualified Institution ": (a) those banks, financial institutions and other entities designated in writing by the Borrowers to the Administrative Agent prior to the Closing Date, in each case, together with their respective Affiliates, and (b) any corporate competitors of the Borrowers and their Restricted Subsidiaries and the Affiliates of such corporate competitors (other than bona fide debt funds or investors) designated in writing by the Borrowers to the Administrative Agent from time to time. The Administrative Agent will make the list of Disqualified Institutions available to any Lender upon request.

" Documentation Agent ": as defined in the preamble hereto.

" Dollars " and " $ ": dollars in lawful currency of the United States.

" Domestic Subsidiary ": any direct or indirect Restricted Subsidiary organized under the laws of United States, any state thereof or the District of Columbia (excluding, for the avoidance of doubt, any Subsidiary organized under the laws of Puerto Rico or any other territory), other than (i) a Domestic Subsidiary of a Foreign Subsidiary that is a CFC or (ii) any CFC Holdco.

" Economic Sanctions Laws ": any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to a Loan Party, its Subsidiaries or Affiliates relating to economic sanctions and terrorism financing, including any applicable provisions of the Trading with the Enemy Act (50 U.S.C. App. §§ 5(b) and 16, as amended), the International Emergency Economic Powers Act, (50 U.S.C. §§ 1701-1706, as amended) and Executive Order 13224 (effective September 24, 2001), as amended.

" Embargoed Person ": any party that (i) is publicly identified on the most current list of "Specially Designated Nationals and Blocked Persons" published by the U.S. Treasury Department's Office of Foreign Assets Control (" OFAC ") or (ii) resides, is organized or chartered, or has a place of business in a country or territory that is the subject of OFAC sanctions programs.

" Environmental Laws ": any and all applicable laws, rules, orders, regulations, statutes, ordinances, codes or decrees (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, provincial, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, as has been, is now, or at any time hereafter is, in effect.

" Environmental Liability ": any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses (including reasonable fees and expenses of attorneys and consultants) or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the Release of any Materials of Environmental Concern or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

" Equity Issuance ": any issuance by Holdings of its Qualified Capital Stock in a public or private offering, other than any Specified Equity Contribution.

" ERISA ": the Employee Retirement Income Security Act of 1974, as amended from time to time.

" Eurocurrency Reserve Percentage ": for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurodollar Rate for each outstanding Eurodollar Loan shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Percentage.

" Eurodollar Base Rate ": the meaning specified in the definition of Eurodollar Rate.

" Eurodollar Loan ": Term Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

" Eurodollar Rate ": for any Interest Period with respect to a Eurodollar Loan, a rate per annum equal determined by the Administrative Agent pursuant to the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Percentage}}$$

Where,

" Eurodollar Base Rate " means, (x) for such Interest Period with respect to a Eurodollar Loan, the rate per annum equal to (A) the British Bankers Association LIBOR Rate as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) (" BBA LIBOR "), at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, or (B) if such published rate is not available at such time for any reason, then the "Eurodollar Base Rate" for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Loan being made, continued or converted by Bank of America and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period or (y) for any interest rate calculation with respect to an ABR Loan, the rate per annum equal to (i) BBA LIBOR, at approximately 11:00 a.m., London time two Business Days prior to the date of determination (provided that if such day is not a Business Day in London, the next preceding Business Day) for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the ABR Loan being made, continued or converted by Bank of America and with a term equal to one month would be offered by Bank of America's London Branch to major banks in the London interbank Eurodollar market at their request at the date and time of determination."

Notwithstanding any provision to the contrary in this Agreement, the applicable Eurodollar Rate shall at no time be less than 1.00% per annum.

" Eurodollar Unavailability Period ": any period of time during which a notice delivered to the Borrowers in accordance with Section 2.17 shall remain in force and effect.

" Event of Default ": any of the events specified in Section 8; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

" Excess Cash Flow ": for any fiscal year of Holdings, the difference, if any, of (a) the sum, without duplication, of (i) Consolidated Net Income for such fiscal year, (ii) the amount of all non-cash charges (including depreciation, amortization and deferred tax expense) deducted in arriving at such Consolidated Net Income, (iii) the amount of the decrease, if any, in Consolidated Working Capital for such fiscal year, (iv) the aggregate net amount of non-cash loss on the Disposition of Property by Holdings, the Borrowers and their Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income and (v) the net increase during such fiscal year (if any) in deferred tax liabilities or decrease in deferred tax assets (in each case to the extent reflected in Consolidated Net Income and not included in Consolidated Working Capital) of Holdings minus (b) the sum, without duplication (including, in the case of clauses (ii) and (viii) below, duplication across periods; provided that all or any portion of the amounts referred to in clauses (ii) and (viii) below with respect to a period may be applied in the determination of Excess Cash Flow for any subsequent period to the extent such amounts did not previously result in a reduction of Excess Cash Flow in any prior period), of (i) the amount of all non-cash gains or credits included in arriving at such Consolidated Net Income (including, without limitation, credits included in the calculation of deferred tax assets and liabilities), (ii) the aggregate amount actually paid by Holdings, the Borrowers and their Restricted Subsidiaries in cash during such fiscal year on account of Capital

Expenditures and Permitted Acquisitions (other than to the extent any such Capital Expenditure or Permitted Acquisition is made with the proceeds of new long-term Indebtedness or an Equity Issuance or with the proceeds of any Reinvestment Deferred Amount), (iii) the aggregate amount of (A) all regularly scheduled principal payments of Indebtedness and (B) all voluntary prepayments of Indebtedness (other than, in the case of this clause (B), the Term Loans, any Permitted First Priority Refinancing Debt and under the ABL Facility), in each case, of Holdings, the Borrower and its Restricted Subsidiaries made during such fiscal year (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder and other than to the extent any such prepayments are the result of the incurrence of additional indebtedness), (iv) the amount of the increase, if any, in Consolidated Working Capital for such fiscal year, (v) the aggregate net amount of non-cash gain on the Disposition of Property by Holdings, the Borrowers and their Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent included in arriving at such Consolidated Net Income, (vi) transaction costs, fees and expenses (including those relating to the transactions contemplated hereby and by the ABL Facility (including any Amendment or Refinancings or waivers of the Loan Documents and/or ABL Facility), and those payable in connection with the sale of Capital Stock, the incurrence, repayment, redemption, repurchase or defeasance of Indebtedness permitted under Section 7.2, any Disposition of Property permitted under Section 7.5 or any recapitalization or any Permitted Acquisition or other Investment permitted under Section 7.7 or any other Specified Transaction (in each case whether or not successful)), to the extent that such expenditures are not expensed during such period, (vii) purchase price adjustments paid or received in connection with any Permitted Acquisition or any Investment permitted by Section 7.7, (viii) the net amount of Investments made during such period pursuant to paragraphs (d), (f), (h), (l), (p), (r) and (y) of Section 7.7 or committed during such period to be used to make Investments pursuant to such paragraphs of Section 7.7 which have been actually made or for which a binding agreement exists as of the time of determination of Excess Cash Flow for such period (the " Contract Consideration ") and to the extent that such Investments were financed with internally generated cash flow of Holdings, the Borrowers or the Restricted Subsidiaries; provided that to the extent the aggregate amount of cash actually expended in connection with such binding agreement is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of the next Excess Cash Flow period, (ix) the amount (determined by Holdings) of such Consolidated Net Income which is mandatorily prepaid or reinvested pursuant to Section 2.12(b) (or as to which a waiver of the requirements of such Section applicable thereto has been granted under Section 10.1) prior to the date of determination of Excess Cash Flow for such fiscal year as a result of any Asset Sale or Recovery Event, (x) the aggregate amount actually paid by Holdings in cash during such fiscal year made pursuant to the Tax Receivable Agreement, to the extent that such payments are not expensed, (xi) any call premium, tender premium or expenses associated with the repurchase or repayment of Indebtedness and (xii) the net decrease during such fiscal year (if any) in deferred tax liabilities or increase in deferred tax assets (in each case to the extent reflected in Consolidated Net Income and not included in Consolidated Working Capital) of Holdings.

" Excess Cash Flow Application Date ": as defined in Section 2.12(c).

" Excess Cash Flow Percentage ": 50%; provided that the Excess Cash Flow Percentage for any fiscal year shall be reduced to (a) 25% if the Consolidated Net Total Leverage Ratio as of the last day of such fiscal year is not greater than 2.50 to 1.00 and (b) 0% if the Consolidated Net Total Leverage Ratio as of the last day of such fiscal year is not greater than 2.00 to 1.00.

" Excluded Subsidiary ": (a) any Subsidiary that is not directly or indirectly a wholly owned Subsidiary of Holdings, (b) any Immaterial Subsidiary, (c) any Subsidiary that is prohibited by applicable Requirements of Law or, to the extent mutually agreed the same would prevent the granting thereof, Contractual Obligations that are in existence on the Closing Date or at the time of acquisition of such Subsidiary and not entered into in contemplation thereof from guaranteeing the Obligations or if

guaranteeing the Obligation would require governmental (including regulatory) consent, approval, license or authorization (unless such consent, approval license or authorization has been obtained), (d) any Foreign Subsidiary, (e) any CFC Holdco or any Domestic Subsidiary of a Foreign Subsidiary that is a CFC, (f) any Unrestricted Subsidiaries, (g) captive insurance companies and (h) any other Subsidiary with respect to which, in the reasonable judgment of the Administrative Agent and the Borrowers, the burden or cost or other consequences of providing a guarantee of the Obligations shall be excessive in view of the benefits to be obtained by the Lenders therefrom.

" Excluded Swap Obligations ": with respect to any Guarantor, any obligation (a " Swap Obligation ") to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the Guarantee Obligation of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee Obligation with respect thereto) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason not to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 2.8 of the Guarantee and Collateral Agreement) at the time the Guarantee Obligation of such Guarantor or the grant of such security interest would otherwise have become effective with respect to such related Swap Obligation but for such Guarantor's failure to constitute an "eligible contract participant" under the Commodity Exchange Act or any such rule, regulation or order at such time.

" Excluded Taxes ": any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Term Loan or Loan Document); (b) in the case of a Recipient, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Term Loan or Commitment pursuant to a law in effect on the date on which (i) such Recipient acquires such interest in the Term Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.24) or (ii) such Recipient changes its lending office, except in each case to the extent that, pursuant to Section 2.20(a), amounts with respect to such Taxes were payable either to such Recipient's assignor immediately before such Recipient became a party hereto or to such Recipient immediately before it changed its lending office; (c) Taxes attributable to such Recipient's failure to comply with Section 2.20(d), (e), (f) or (g); and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

" Existing New Term Loan Tranche ": as defined in Section 2.26.

" Existing Term Loan Tranche ": as defined in Section 2.26.

" Existing Tranche ": any Existing Term Loan Tranche or Existing New Term Loan Tranche, as the context may require.

" Expiration Time ": as defined in Schedule 2.27.

" Extended Loans ": collectively, the Extended Term Loans and Extended New Term Loans, or any of them as the context may require.

" Extended New Term Loans ": as defined in Section 2.26.

" Extending Term Lender ": as defined in Section 2.26.

" Extended Term Loans ": as defined in Section 2.26.

" Extended Term Maturity Date ": with respect to any Extended Term Loans, the date specified in the applicable Extension Amendment.

" Extension ": any establishment of Extended Loans pursuant to Section 2.26 and the applicable Extension Amendment.

" Extension Amendment ": as defined in Section 2.26.

" Extension Election ": as defined in Section 2.26.

" Extension Request ": as defined in Section 2.26.

" Extension Series ": as defined in Section 2.26.

" FATCA ": Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version to the extent such version is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471 (b) (1) of the Code.

" Federal Funds Effective Rate ": for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

" First Lien Intercreditor Agreement ": a " *pari passu* " intercreditor agreement among the Administrative Agent, the administrative agent under the ABL Facility and one or more Senior Representatives for holders of Permitted First Priority Refinancing Debt in form and substance reasonably satisfactory to the Administrative Agent.

" Flood Insurance Laws ": collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statue thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto and (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto.

" Foreign Disposition " as defined in Section 2.12(g).

" Foreign Recovery Event " as defined in Section 2.12(g).

" Foreign Subsidiary ": any Restricted Subsidiary that is not a Domestic Subsidiary.

" Foreign Subsidiary Excess Cash Flow " as defined in Section 2.12(f).

" FRB ": the Board of Governors of the Federal Reserve System of the United States.

" Funded Debt ": with respect to any Person, all Indebtedness of such Person of the types described in clauses (a), (c) and (e) of the definition of "Indebtedness".

" Funding Office ": the office specified from time to time by the Administrative Agent as its funding office by notice to the Borrowers and the Lenders.

" GAAP ": generally accepted accounting principles in the United States as in effect from time to time.

" Governmental Authority ": any nation or government, any state, province or other political subdivision thereof and any governmental entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and, as to any Lender, any securities exchange and any self regulatory organization (including the National Association of Insurance Commissioners).

" Guarantee and Collateral Agreement ": the Guarantee and Collateral Agreement to be executed and delivered by Holdings, the Borrowers and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

" Guarantee Obligation ": as to any Person (the " guaranteeing person "), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a guarantee, reimbursement, counterindemnity or similar obligation, in either case guaranteeing or by which such Person becomes contingently liable for any Indebtedness, net worth, working capital earnings, leases, dividends or other distributions upon the stock or equity interests (the " primary obligations ") of any other third Person (the " primary obligor ") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided , however , that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business, guarantees of operating leases in the ordinary course of business, and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets or any Investment permitted under this Agreement. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrowers in good faith.

" Guarantors ": the collective reference to Holdings and the Subsidiary Guarantors.

" Hedge Agreements ": all interest rate swaps, caps or collar agreements or similar arrangements entered into by the Borrowers or their Subsidiaries providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations or the price of commodities, raw materials, utilities and energy, either generally or under specific contingencies.

" Holdings ": Vince Holding Corp., a Delaware corporation.

" Immaterial Subsidiary ": on any date, any Subsidiary of the Borrowers that (i) had less than 3% of consolidated assets and 3% of annual consolidated revenues of Holdings, the Borrowers and their Restricted Subsidiaries as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such date and (ii) has been designated as such by the Borrowers in a written notice delivered to the Administrative Agent (other than any such Subsidiary as to which the Borrowers has revoked such designation by written notice to the Administrative Agent); provided that at no time shall all Immaterial Subsidiaries so designated by the Borrowers have in the aggregate consolidated assets or annual consolidated revenues (as reflected on the most recent financial statements delivered pursuant to Section 6.1 prior to such time) in excess of 3% of consolidated assets or annual consolidated revenues, respectively, of Holdings, the Borrowers and their Restricted Subsidiaries.

" Increased Amount Date ": as defined in Section 2.25.

" Indebtedness ": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of Property or services (other than (i) trade payables, current accounts and similar obligations incurred in the ordinary course of such Person's business and not more than 90 days past due (unless being contested in good faith by appropriate proceedings) and (ii) earn-outs and other contingent payments in respect of acquisitions except to the extent that the liability on account of any such earn-out or contingent payment becomes fixed), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property, in which case only the lesser of the amount of such obligation and the fair market value of such Property shall constitute Indebtedness), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit or similar facilities, (g) all obligations of such Person in respect of Disqualified Capital Stock, except for agreements with directors, officers and employees to acquire such Capital Stock upon the death or termination of employment of such director, officer or employee, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (f) above, other than guarantees of operating leases in the ordinary course of business, and (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on Property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation (and in the event such Person has not assumed or become liable for payment of such obligation, only the lesser of the amount of such obligation and the fair market value of such Property shall constitute Indebtedness). The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

" Initial Term Commitment ": as to any Lender, the obligation of such Lender, if any, to make an Initial Term Loan to the Borrowers in a principal amount not to exceed the amount set forth under the heading "Initial Term Commitment" opposite such Lender's name on the Lender Addendum delivered by such Lender, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto. The original aggregate amount of the Initial Term Commitments is $175,000,000.

" Initial Term Facility ": the Initial Term Commitments and the Initial Term Loans made thereunder.

" Initial Term Loan ": as defined in Section 2.1.

" Insolvency ": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

" Insolvent ": pertaining to a condition of Insolvency.

" Instrument ": as defined in the Guarantee and Collateral Agreement.

" Intellectual Property ": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, domain names, patents, trademarks, trade names, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

" Interest Payment Date ": (a) with respect to any ABR Loan, (i) the last Business Day of each March, June, September and December to occur while such ABR Loan is outstanding and the final maturity date of such ABR Loan, (b) with respect to any Eurodollar Loan, (i) the last day of the Interest Period applicable to the borrowing of which such Loan is a part (provided , that in the case of a Eurodollar Loan with an Interest Period of more than three months' duration, the Interest Payment Date shall be each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period) and (ii) the applicable maturity date and (c) as to any Term Loan, the date of any repayment or prepayment made in respect thereof.

" Interest Period ": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six or (with the consent of each affected Lender) twelve months thereafter, as selected by the Borrowers in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six or (with the consent of each affected Lender) twelve months thereafter, as selected by the Borrowers by irrevocable notice to the Administrative Agent not later than 1:00 P.M., New York City time, on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the date final payment is due on the Term Loans shall end on such due date; and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

" Intermediate Holdings ": Vince Intermediate Holding, LLC, a Delaware limited liability company and as of the Closing Date, a wholly-owned subsidiary of Holdings.

" Investments ": as defined in Section 7.7.

" IPO ": the initial public offering of the common stock of Holdings, pursuant to the Registration Statement on Form S-1, filed with the SEC on September 24, 2013, as amended.

" Joinder Agreement ": an agreement substantially in the form of Exhibit H.

" Joint Lead Arrangers ": Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities.

" Junior Indebtedness ": as defined in Section 7.2(m).

" Kellwood Intercompany Note ": [the note dated [•] to [•] in an aggregate outstanding principal amount immediately prior to the Closing Date equal to $[•]].

" Latest Maturity Date " shall mean, at any date of determination, the latest maturity date applicable to any Term Loan hereunder at such time, including the latest maturity date of any Initial Term Loan, Extended Term Loan, New Term Loan or Other Term Loan, in each case as extended in accordance with this Agreement from time to time.

" Lender Addendum ": with respect to any initial Lender, a Lender Addendum, substantially in the form of Exhibit I, to be executed and delivered by such Lender on the Closing Date as provided in Section 10.19.

" Lender Default ": (i) the refusal (which may be given verbally or in writing that has not been retracted) or failure of any Lender to make available its portion of any incurrence of Term Loans (unless the subject of a good faith dispute) which refusal or failure is not cured within one Business Day after the date of such refusal or failure; (ii) the failure of any Lender to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute or subsequently cured pursuant to Section 2.24; or (iii) a Lender is deemed insolvent or such Lender becomes subject to a Lender-Related Distress Event.

" Lender-Related Distress Event ": with respect to any Lender or any Person that directly or indirectly controls such Lender (each, a " Distressed Person "), as the case may be, a voluntary or involuntary case with respect to such Distressed Person under the Bankruptcy Code of the United States or any similar bankruptcy laws or other applicable insolvency laws of its jurisdiction of formation is commenced, or a custodian, conservator, receiver or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets, or such Distressed Person or any Person that directly or indirectly controls such Distressed Person is subject to a forced liquidation, merger, sale or other change of control supported in whole or in part by guaranties or other support of (including without

limitation the nationalization or assumption of ownership or operating control by) the U.S. government or other governmental authority, or such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any governmental authority having regulatory authority over such Distressed Person or its assets to be, insolvent, bankrupt, or deficient in meeting any capital adequacy or liquidity standard of any such governmental authority.

" Lenders ": as defined in the preamble hereto.

" Lien ": any mortgage, pledge, hypothecation, collateral assignment, encumbrance, lien (statutory or other), charge or other security interest or any other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing). For the avoidance of doubt, it is understood and agreed that Holdings, the Borrowers and any Restricted Subsidiary may, as part of its business, grant licenses to Intellectual Property owned or developed by, or licensed to, such entity. For purposes of this Agreement and the other Loan Documents, such licensing activity shall not constitute a "Lien" on such Intellectual Property.

" Loan Documents ": the collective reference to this Agreement, the Security Documents, the Applications, the Notes (if any), any Joinder Agreement, any Extension Amendment, any Refinancing Amendment, the ABL Intercreditor Agreement, the First Lien Intercreditor Agreement (if any) and the Second Lien Intercreditor Agreement (if any), and any Amendment or Refinancing to any of the foregoing.

" Loan Parties ": Holdings, the Borrowers and each Subsidiary Guarantor.

" Management Investors ": the directors and other employees of Holdings and its Subsidiaries.

" Material Adverse Effect ": a material adverse effect on (a) the business, assets, financial condition or results of operations of the Loan Parties and their subsidiaries, taken as a whole, (b) the ability of the Borrowers and the Guarantors (taken as a whole) to perform their obligations under any Loan Document and (c) the rights and remedies of the Lenders and the Administrative Agent under the Term Facility (other than any material adverse effect on the rights and remedies of the Lenders or the Administrative Agent that may result from the failure of the Administrative Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Loan Documents or to file Uniform Commercial Code financing statements or continuation statements or equivalent filings).

" Material Subsidiary ": any Subsidiary that is not an Immaterial Subsidiary.

" Materials of Environmental Concern ": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity and any other substances that are defined as hazardous or toxic under any Environmental Law, that are regulated pursuant to any Environmental Law.

" Moody's ": Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

" Mortgage ": any mortgage, deed of trust, hypothec or other similar document made by any Loan Party in favor of, or for the benefit of, the Administrative Agent for the benefit of the Secured Parties, in form and substance reasonably satisfactory to the Administrative Agent and the Borrowers (taking into account the law of the jurisdiction in which such mortgage, deed of trust, hypothec or similar document is to be recorded), as the same may be amended, supplemented or otherwise modified from time to time.

" Most Recently Ended ": with respect to any period, the most recently ended period for which the financial statements required by Section 6.1(a) or Section 6.1(b) , as applicable, are then available.

" Multiemployer Plan ": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

" Net Cash Proceeds ": (a) in connection with any Disposition or any Recovery Event (without regard to the minimum amount set forth in the definition thereof), the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Disposition or Recovery Event received by any Loan Party, net of attorneys' fees, accountants' fees, investment banking fees, consulting fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such Disposition or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred by any Loan Party in connection therewith and net of taxes paid or reasonably estimated to be payable by any Loan Party as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (b) in connection with any Equity Issuance or other issuance or sale of debt securities or instruments or the incurrence of Funded Debt, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, consulting fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

" New Term Lender ": a Lender that has a New Term Loan.

" New Term Loan Commitments ": as defined in Section 2.25.

" New Term Loans ": any loan made by any New Term Lender pursuant to Section 2.25.

" New Term Loan Maturity Date ": the date on which a New Term Loan matures.

" Non-Excluded Taxes ": all Taxes imposed on any amounts payable by or on account of any Loan Party hereunder or under any Loan Document other than Excluded Taxes.

" Non-Guarantor Subsidiary ": any Subsidiary of the Borrowers which is not a Subsidiary Guarantor.

" Non-Recourse Debt ": Indebtedness (a) no default with respect to which would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of Holdings, the Borrowers or any of the Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity, and (b) as to which the lenders or holders thereof have been notified in writing that they will not have any recourse to the capital stock or assets of Holdings, the Borrowers or any of the Restricted Subsidiaries (other than the Capital Stock of an Unrestricted Subsidiary which is the issuer or a guarantor or the direct or indirect parent of the issuer or guarantor of such indebtedness).

" Non-U.S. Lender ": any Lender or any Transferee that is not a "United States person" within the meaning of Code Section 7701(a)(30).

" Note ": any promissory note evidencing any Term Loan.

" Obligations ": the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Term Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Loan Parties, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Term Loans and all other obligations and liabilities of the Loan Parties to the Administrative Agent or to any Lender (or, in the case of Specified Hedge Agreements of the Borrowers or any of their Subsidiaries to the Administrative Agent, any Lender or any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, any Specified Hedge Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to the Administrative Agent or any Lender that are required to be paid by the Borrowers pursuant hereto) or otherwise; provided that (a) obligations of the Borrowers or any of its Subsidiaries under any Specified Hedge Agreement shall be secured and guaranteed pursuant to the Security Documents only to the extent that, and for so long as, the other Obligations are so secured and guaranteed, (b) any release of Collateral or Guarantors effected in the manner permitted by this Agreement (including any release which is automatically permitted) shall not require the consent of holders of obligations under Specified Hedge Agreements and (c) the Obligations shall exclude all Excluded Swap Obligations.

" OFAC ": as defined in the definition of "Embargoed Person.

" Other Taxes ": any and all present or future stamp or documentary Taxes or any other excise or property Taxes assessed by any federal, state, local or foreign Governmental Authority having the power to impose such Tax arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

" Other Term Loan Commitments ": one or more Tranches of term loan commitments hereunder that result from a Refinancing Amendment entered into after the Closing Date.

" Other Term Loans ": one or more Tranches of Term Loans that result from a Refinancing Amendment entered into after the Closing Date.

" Participant ": as defined in Section 10.6(c).

" PBGC ": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

" Permitted Acquisition ": (i) any acquisition (including, if applicable, in the case of any Intellectual Property, by way of license) approved by the Required Lenders or (ii) any acquisition of a majority controlling interest in the Capital Stock, or all or substantially all of the assets, of any Person, or of all or substantially all of the assets constituting a division, product line or business line of any Person, or a purchase or acquisition of a real estate portfolio or stores from any other Person (each, an " Acquisition "), if such Acquisition described in this clause (ii) complies with the following criteria:

(a) no Event of Default shall be in effect immediately prior to and after giving effect to such Acquisition; provided that, with respect to an Acquisition being financed with the proceeds of a New Term Loan Commitment, the condition set forth in this clause (a) shall only be required to be satisfied on the date on which definitive agreements with respect to such Acquisition are entered into, assuming that such New Term Loan Commitment is established, and the Loans thereunder made, on such date, the proceeds thereof are applied on such date and such Acquisition closes on such date;

(b) after giving effect to the consummation of such Acquisition and to the incurrence of any Indebtedness associated therewith, Holdings shall be in compliance with Section 7.1 for the Most Recently Ended period of four consecutive fiscal quarters of Holdings; provided that, with respect to an Acquisition being financed with the proceeds of a New Term Loan Commitment, the condition set forth in this clause (b) shall only be required to be satisfied on the date on which definitive agreements with respect to such Acquisition are entered into, assuming that such New Term Loan Commitment is established, and the Loans thereunder made, on such date, the proceeds thereof are applied on such date and such Acquisition closes on such date;

(c) any Person or assets or division acquired is, at the time of such Acquisition, and shall be in the same business or lines of business, or business reasonably related, ancillary or complementary thereto, in which the Borrowers and/or their Subsidiaries are engaged as of the Closing Date;

(d) such Acquisition shall have been approved or recommended by the board of directors or similar governing body of the Person acquired;

(e) in the event the purchase price for the Acquisition exceeds $15,000,000, prior to the consummation of such Acquisition, the Administrative Agent shall have received at least two Business Days prior to the consummation of such Acquisition (i) a certificate, signed by a financial officer of Holdings, evidencing compliance with clause (b) of this definition, together with all relevant financial information with respect to the acquired assets, including, without limitation, the aggregate consideration for such Acquisition and any other information reasonably requested by the Administrative Agent to demonstrate such compliance, and (ii) the then current drafts of the documentation to be executed in connection with such Acquisition (with final copies of such documentation to be delivered to the Administrative Agent promptly upon becoming available), including all schedules and exhibits thereto; and

(f) such Person shall have become a Restricted Subsidiary and, if such Person shall be a wholly-owned Domestic Subsidiary (and not an Immaterial Subsidiary after giving pro forma effect to such Acquisition and not otherwise an Excluded Subsidiary), a Guarantor and the provisions of Section 6.8 shall have been complied with to the reasonable satisfaction of the Administrative Agent; provided that, notwithstanding the foregoing, the aggregate consideration expended in respect of Persons that shall not become Guarantors or wholly owned Subsidiaries may not exceed $15,000,000.

" Permitted Amendment or Refinancing " shall mean, with respect to any Person, any Amendment or Refinancing of any Indebtedness of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so Amended or Refinanced except (i) by an amount equal to unpaid accrued interest and premium (including tender premiums and make whole amounts) thereon plus other reasonable and customary fees and expenses (including upfront fees, original issue discount and defeasance costs) incurred in connection with such Amendment or Refinancing and (ii) by an amount equal to

any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Amendment or Refinancing in respect of Indebtedness permitted pursuant to Section 7.2(c), the Indebtedness resulting from such Amendment or Refinancing has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being Amended or Refinanced, (c) other than with respect to a Permitted Amendment or Refinancing in respect of Indebtedness permitted pursuant to Section 7.2(c), at the time thereof, no Event of Default shall have occurred and be continuing, (d) if such Indebtedness being Amended or Refinanced is Indebtedness permitted pursuant to Section 7.2(d), 7.2(j), 7.2(m) or 7.2(o), (i) to the extent such Indebtedness being Amended or Refinanced is subordinated in right of payment or in lien priority to the Obligations, the Indebtedness resulting from such Amendment or Refinancing is subordinated in right of payment or in lien priority, as applicable, to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being Amended or Refinanced, (ii) the terms and conditions of any such Amended or Refinanced Indebtedness under Section 7.2(m) shall be usual and customary for high yield securities of the type issued, (iii) the other terms and conditions (including, if applicable, as to collateral but excluding as to subordination, pricing, premiums and optional prepayment or optional redemption provisions) of any such Amended or Refinanced Indebtedness, taken as a whole, are not materially less favorable to the Loan Parties or the Lenders than the terms and conditions of the Indebtedness being Amended or Refinanced, taken as a whole (provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrowers has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and conditions satisfy the requirements of clause (ii) and this clause (iii) unless the Administrative Agent notifies the Borrowers within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees)) and (iv) the obligors (including any guarantors) in respect of the Indebtedness resulting from such modification, refinancing, refunding, renewal, replacement or extension shall be the same as the obligors (including any guarantors) of the Indebtedness being Amended or Refinanced, (e) in the case of any Permitted Amendment or Refinancing that is secured (including in respect of the ABL Facility), such Permitted Amendment or Refinancing is secured only by all or any portion of the collateral securing the Indebtedness being Amended or Refinanced and (f) in the case of any Permitted Amendment or Refinancing that is guaranteed (including in respect of the ABL Facility), such Permitted Amendment or Refinancing is guaranteed only by the Guarantors guaranteeing the Indebtedness being Amended or Refinanced. When used with respect to any specified Indebtedness, “Permitted Amendment or Refinancing” shall mean the Indebtedness incurred to effectuate a Permitted Amendment or Refinancing of such specified Indebtedness.

“ Permitted First Priority Refinancing Debt ”: any secured Indebtedness incurred by the Borrowers in the form of one or more series of senior secured notes; provided that (i) such Indebtedness may only be secured by assets consisting of Collateral on a *pari passu* basis (but without regard to the control of remedies) with the Obligations and may not be secured by any property or assets of Holdings, the Borrowers or any Restricted Subsidiary other than the Collateral, (ii) such Indebtedness constitutes Credit Agreement Refinancing Indebtedness, (iii) such Indebtedness does not mature or have scheduled amortization or payments of principal and is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (except customary asset sale or change of control provisions), in each case prior to the then Latest Maturity Date, (iv) such Indebtedness is not at any time guaranteed by any Subsidiaries other than Subsidiaries that are Guarantors, (v) the other terms and conditions of such Indebtedness (excluding pricing, premiums and optional prepayment or optional redemption provisions) are customary market terms for securities of such type (provided that such terms shall in no event include any financial maintenance covenants) and, in any event, when taken as a whole, are not more favorable to the investors providing such Indebtedness than the terms and conditions of the applicable Refinanced

Debt (except with respect to any terms (including covenants) and conditions contained in such Indebtedness that are applicable only after the then Latest Maturity Date) (provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrowers has determined in good faith that such terms and conditions satisfy the requirement of this clause (v) shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Borrowers within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees)), (vi) no Default shall exist immediately prior to or after giving effect to such incurrence, (vii) the security agreements relating to such Indebtedness are substantially the same as the applicable Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent) and (viii) a Senior Representative acting on behalf of the holders of such Indebtedness shall have become party to or otherwise subject to the provisions of (1) the ABL Intercreditor Agreement and (2) the First Lien Intercreditor Agreement; provided that if such Indebtedness is the initial Permitted First Priority Refinancing Debt incurred by the Borrowers, then the Borrowers, Holdings, the Subsidiary Guarantors, the Administrative Agent and the Senior Representative for such Indebtedness shall have executed and delivered the First Lien Intercreditor Agreement. Permitted First Priority Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

" Permitted Investors ": the collective reference to (i) the Sponsor and Sponsor Affiliates, (ii) the Management Investors, (iii) any Permitted Transferees of any of the foregoing Persons, (iv) other co-investors of Holdings as of the Closing Date, and (v) any "group" (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act or any successor provision) of which any of the foregoing are members; provided that in the case of such "group" and without giving effect to the existence of such "group" or any other "group," such Persons specified in clauses (i), (ii) or (iii) above, collectively, have beneficial ownership, directly or indirectly, of more than 50% of the total voting power of the voting stock of Holdings held by such "group," and provided further, that, in no event shall the Sponsor own a lesser percentage of voting stock than any other Person or group referred to in clauses (ii), (iii) and (iv).

" Permitted Second Priority Refinancing Debt ": secured Indebtedness incurred by the Borrowers in the form of one or more series of second lien secured notes or second lien secured loans; provided that (i) such Indebtedness may only be secured by assets consisting of Collateral on a second lien, subordinated basis to the Obligations, the obligations in respect of any Permitted First Priority Refinancing Debt and the obligations in respect of the ABL Facility and may not be secured by any property or assets of Holdings, the Borrowers or any Restricted Subsidiary other than the Collateral, (ii) such Indebtedness constitutes Credit Agreement Refinancing Indebtedness, (iii) such Indebtedness does not mature or have scheduled amortization or payments of principal and is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (except customary asset sale or change of control provisions), in each case prior to the date that is ninety-one (91) days after the then Latest Maturity Date, (iv) such Indebtedness is not at any time guaranteed by any Subsidiaries other than Subsidiaries that are Guarantors, (v) the other terms and conditions of such Indebtedness (excluding pricing, premiums and optional prepayment or optional redemption provisions) are customary market terms for Indebtedness of such type and, in any event, when taken as a whole, are not more favorable to the investors or lenders providing such Indebtedness than the terms and conditions of the applicable Refinanced Debt (except with respect to any terms (including covenants) and conditions contained in such Indebtedness that are applicable only after the then Latest Maturity Date) (provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrowers

has determined in good faith that such terms and conditions satisfy the requirement of this clause (v) shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Borrowers within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees)), (vi) the security agreements relating to such Indebtedness reflect the second lien nature of the security interests and are otherwise substantially the same as the applicable Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (vii) no Default shall exist immediately prior to or after giving effect to such incurrence and (viii) a Senior Representative acting on behalf of the holders of such Indebtedness shall have become party to or otherwise subject to the provisions of (1) the ABL Intercreditor Agreement and (2) the Second Lien Intercreditor Agreement; provided that if such Indebtedness is the initial Permitted Second Priority Refinancing Debt incurred by the Borrowers, then the Borrowers, Holdings, the Subsidiary Guarantors, the Administrative Agent and the Senior Representative for such Indebtedness shall have executed and delivered the Second Lien Intercreditor Agreement. Permitted Second Priority Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

" Permitted Seller Note ": a promissory note containing subordination and other related provisions reasonably acceptable to the Administrative Agent, representing Indebtedness of the Borrowers or any of its Subsidiaries incurred in connection with any acquisition permitted under Section 7.7(f) and payable to the seller in connection therewith.

" Permitted Transferee ": (a) in the case of the Sponsor, (i) any Sponsor Affiliate, (ii) any managing director, general partner, limited partner, director, officer or employee of the Sponsor or any Sponsor Affiliate (collectively, the " Sponsor Associates "), (iii) the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of any Sponsor Associate and (iv) any trust, the beneficiaries of which, or a corporation or partnership, the stockholders or partners of which, include only a Sponsor Associate, his or her spouse, parents, siblings, members of his or her immediate family (including adopted children and step children) and/or direct lineal descendants; and (b) in the case of any Management Investor, (i) his or her executor, administrator, testamentary trustee, legatee or beneficiaries, (ii) his or her spouse, parents, siblings, members of his or her immediate family (including adopted children and step children) and/or direct lineal descendants or (iii) a trust, the beneficiaries of which are a corporation or partnership, the stockholders or partners of which, include only a Management Investor and his or her spouse, parents, siblings, members of his or her immediate family (including adopted children) and/or direct lineal descendants.

" Person ": an individual, partnership, corporation, limited liability company, unlimited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

" Plan ": at a relevant time, any employee benefit plan as defined in Section 3(3) of ERISA and in respect of which Holdings, the Borrowers or any of their Restricted Subsidiaries is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

" Pledged Securities ": as defined in the Guarantee and Collateral Agreement.

" Pledged Stock ": as defined in the Guarantee and Collateral Agreement.

" Prime Rate ": as defined in the definition of "ABR".

" Property ": any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

" Qualifying Bid ": as defined in Schedule 2.27.

" Qualified Capital Stock ": any Capital Stock that is not Disqualified Capital Stock.

" Recipient ": the Administrative Agent, any Lender or any other recipient (including, for the avoidance of doubt, any Transferee) of any payment to be made by or on account of any obligation of any Loan Party hereunder.

" Recovery Event ": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of Holdings, a Borrower or any Subsidiary Guarantor, in an amount for each such event exceeding $2,000,000.

" Refinancing Amendment ": an amendment to this Agreement executed by each of (a) Holdings, (b) the Borrowers, (c) the Administrative Agent, (d) each Additional Lender and (e) each existing Lender that agrees to provide any portion of the Credit Agreement Refinancing Indebtedness being incurred pursuant thereto, in accordance with Section 2.29.

" Register ": as defined in Section 10.6(b)(iv).

" Registered Equivalent Notes ": with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933, substantially identical notes (having the same Guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

" Regulation U ": Regulation U of the Board as in effect from time to time.

" Reinvestment Deferred Amount ": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by a Borrower or any Subsidiary Guarantor for its own account in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.12 as a result of the delivery of a Reinvestment Notice. Notwithstanding anything to the contrary contained herein, in no event shall the aggregate Reinvestment Deferred Amount, solely to the extent such Reinvestment Deferred Amount is derived from the proceeds of Asset Sales and excluding any Recovery Amounts, exceed $25,000,000 over the life of the Term Facility.

" Reinvestment Event ": any Asset Sale or Recovery Event in respect of which a Loan Party has delivered a Reinvestment Notice.

" Reinvestment Notice ": a written notice signed on behalf of Holdings, a Borrower or any Subsidiary Guarantor by a Responsible Officer stating that Holdings, such Borrower or such Subsidiary Guarantor (directly or indirectly through a Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire assets useful in its (or such Subsidiary's) business.

" Reinvestment Prepayment Amount ": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount committed to be expended prior to the relevant Reinvestment Prepayment Date (a " Committed Reinvestment Amount "), or actually expended prior to such date, in each case to acquire assets useful in the business.

" Reinvestment Prepayment Date ": with respect to any Reinvestment Event, the earlier of (i) the date occurring 12 months after such Reinvestment Event and (ii) with respect to any portion of a Reinvestment Deferred Amount, the date on which Holdings, a Borrower or a Subsidiary Guarantor shall have determined not to acquire assets useful in its or such Subsidiary's business with such portion of such Reinvestment Deferred Amount.

" Release ": any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure or facility.

" Reorganization ": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

" Reply Amount ": as defined in Schedule 2.27.

" Reply Price ": as defined in Schedule 2.27.

" Reportable Event ": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived by the PBGC in accordance with the regulations thereunder.

" Representatives ": as defined in Section 10.14.

" Repricing Transaction ": (1) the incurrence by Holdings, a Borrower or any of its Restricted Subsidiaries of any Indebtedness (including, without limitation, any new or additional term loans under this Agreement (including Other Term Loans), whether incurred directly or by way of the conversion of Term Loans into a new tranche of replacement term loans under this Agreement) that is broadly marketed or syndicated to banks and other institutional investors in financings similar to the facilities provided for in this Agreement (i) having an "effective" yield for such Indebtedness that is less than the "effective" yield for Term Loans being refinanced or prepaid (with the comparative determinations to be made in the reasonable judgment of the Administrative Agent consistent with generally accepted financial practices, after giving effect to, among other factors, margin, upfront or similar fees or "original issue discount", in each case, shared with all lenders or holders of such Indebtedness or Term Loans, as the case may be, but excluding the effect of any arrangement, structuring, syndication or other fees payable in connection therewith that are not shared with all lenders or holders of such Indebtedness or Term Loans, as the case may be, and without taking into account any fluctuations in Eurodollar Rate or ABR or comparable rate), but excluding Indebtedness incurred in connection with a Change of Control, and (ii) the proceeds of which are used to prepay (or, in the case of a conversion, deemed to prepay or replace), in whole or in part, outstanding principal of Term Loans or (2) any effective reduction in the Applicable Rate for Term Loans (e.g., by way of amendment, waiver or otherwise) (with such determination to be made in the reasonable judgment of the Administrative Agent, consistent with generally accepted financial practices). Any such determination by the Administrative Agent as contemplated by preceding clauses (1) and (2) shall be conclusive and binding on all Lenders holding Term Loans.

" Required Lenders ": at any time, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans then outstanding.

" Requirement of Law ": as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

" Responsible Officer ": the chief executive officer, president, chief financial officer (or similar title), chief operating officer, controller or treasurer (or similar title) of Holdings or either Borrower, as applicable, or (with respect to Section 6.7) any Restricted Subsidiary and, with respect to financial matters, the chief financial officer (or similar title) or treasurer (or similar title) of Holdings or either Borrower, as applicable.

" Restricted Payments ": as defined in Section 7.6.

" Restricted Subsidiary ": any Subsidiary of Vince which is not an Unrestricted Subsidiary.

" Return Bid ": as defined in Schedule 2.27.

" S&P ": Standard & Poor's Ratings Services or any successor to the rating agency business thereof.

" SEC ": the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

" Second Lien Intercreditor Agreement ": a "junior lien" intercreditor agreement among the Administrative Agent and one or more Senior Representatives for holders of Permitted Second Priority Refinancing Debt, in form and substance reasonably satisfactory to the Administrative Agent.

" Secured Parties ": collectively, the Lenders, the Administrative Agent, any other holder from time to time of any of the Obligations (in their capacities as holders thereof) and, in each case, their respective successors and permitted assigns.

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

" Security Documents ": the collective reference to the Guarantee and Collateral Agreement, the ABL Intercreditor Agreement, the First Lien Intercreditor Agreement (if any), the Second Lien Intercreditor Agreement (if any) and all other security documents (including any Mortgages) hereafter delivered to the Administrative Agent (or any agent thereof or trustee appointed by the Administrative Agent) purporting to grant a Lien on any Property of any Loan Party to secure the Obligations.

" Senior Representative ": with respect to any series of Permitted First Priority Refinancing Debt or Permitted Second Priority Refinancing Debt, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

" Shared Services Agreement ": that certain Shared Services Agreement dated as of the Closing Date by and among Kellwood Company, LLC and Vince, as amended, modified, extended, restated, replaced, or supplemented from time to time.

" Single Employer Plan ": any Plan that is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

" Solvent ": with respect to any Person, as of any date of determination, (a) on a going concern basis the amount of the "fair value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable law, the amount of "contingent liabilities" at any time shall be the amount thereof which, can reasonably be expected to become actual or matured liabilities.

" Specified Equity Contribution ": as defined in the definition of Consolidated EBITDA.

" Specified Hedge Agreement ": any Hedge Agreement (including all agreements listed on Schedule 7.15 , even if entered into prior to the Closing Date) (a) entered into by (i) a Borrower or any of its Restricted Subsidiaries and (ii) the Administrative Agent, a Joint Lead Arranger, any Lender or any affiliate of any thereof at the time such Hedge Agreement was entered into, as counterparty and (b) that has been designated by such Lender counterparty and Holdings, by notice to the Administrative Agent, as a Specified Hedge Agreement. The designation of any Hedge Agreement as a Specified Hedge Agreement shall not create in favor of the Administrative Agent, the Joint Lead Arranger or the Lender or affiliate thereof that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Guarantee and Collateral Agreement.

" Specified Transaction ": (a) any Investment that results in a Person becoming a Restricted Subsidiary or an Unrestricted Subsidiary, any Permitted Acquisition or any Disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary of the Borrowers, any Investment constituting an acquisition of assets constituting a business unit, line of business or division of another Person or any Disposition of a business unit, line of business or division of the Borrowers or a Restricted Subsidiary, any designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary, in each case whether by merger, consolidation, amalgamation or otherwise or (b) any incurrence or repayment of Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit), Restricted Payment, and New Term Loan Commitments that by the terms of this Agreement requires such test to be calculated on a "pro forma basis" or after giving "pro forma effect."

" Sponsor ": Sun Capital Partners V, L.P. and any Affiliates thereof (but excluding any portfolio companies of the foregoing).

" Sponsor Affiliate " shall mean the collective reference to any entities (other than a portfolio company) controlled directly or indirectly by the Sponsor.

" Subsidiary ": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a direct or indirect Subsidiary or Subsidiaries of Vince.

" Subsidiary Guarantors ": each wholly owned Domestic Subsidiary (other than any Excluded Subsidiary). For the avoidance of doubt, the Borrowers may cause any Restricted Subsidiary that is not a Subsidiary Guarantor to guarantee the Obligations by causing such Restricted Subsidiary to become a party to the Guarantee and Collateral Agreement, unless and until such time as such Restricted Subsidiary is released from all of its obligations under the Guarantee and Collateral Agreement in accordance with the terms and provisions of Sections 10.15 (a)(ii)(B) or 10.15(b) hereof.

" Syndication Agent ": as defined in the preamble hereto.

" Tax Receivable Agreement ": that certain Tax Receivable Agreement dated as of the Closing Date by and between Holdings, the stockholders party thereto and Sun Cardinal LLC, as stockholder representative.

" Taxes ": all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments or other similar fees or charges in the nature of a tax, levy, et cetera, imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

" Term Facility ": the Commitments and the Term Loans made thereunder.

" Term Lender ": each Lender that has a Commitment or that holds a Term Loan.

" Term Loan ": the Initial Term Loans, any Extended Term Loans, any New Term Loans and any Other Term Loans, collectively.

" Term Maturity Date ": means (a) as to any Initial Term Loan that has not been extended pursuant to Section 2.26, the sixth anniversary of the Closing Date, (b) as to any New Term Loan that has not been extended pursuant to Section 2.26, the New Term Loan Maturity Date, (c) as to any Other Term Loans, the final maturity date as specified in the applicable Refinancing Amendment.

" Term Percentage ": as to any Term Lender at any time, the percentage which the sum of such Lender's Commitments then constitutes of the aggregate Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender's Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding).

" Tranche ": as defined in Section 2.25.

" Transferee ": any Assignee or Participant.

" Type ": as to any Term Loan, its nature as an ABR Loan or a Eurodollar Loan.

" United States ": the United States of America.

" Unrestricted Subsidiary ": (i) any Subsidiary of Vince designated as such and listed on Schedule 4.14 on the Closing Date and (ii) any Subsidiary of Vince that is designated by a resolution of the board of directors of Vince as an Unrestricted Subsidiary, but only to the extent that, in the case of each of clauses (i) and (ii), such Subsidiary: (a) has no Indebtedness other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with Holdings, a Borrower or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Holdings, such Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Borrowers; (c) is a Person with respect to which none of Holdings, a Borrower or a Restricted Subsidiary has any direct or indirect obligation (x) to subscribe for additional Capital Stock or warrants, options or other rights to acquire Capital Stock or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and (d) has not guaranteed or otherwise provided credit support at the time of such designation for any Indebtedness of Holdings, a Borrower or any Restricted Subsidiary. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes hereof. Subject to the foregoing, the board of directors of Vince may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary or any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that (i) such designation shall only be permitted if no Default or Event of Default would be in existence following such designation and Holdings would be in compliance with Section 7.1 on the date of such designation after giving pro forma effect to such designation, (ii) any designation of an Unrestricted Subsidiary as a Restricted Subsidiary shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary and (iii) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall be deemed to be an Investment in an Unrestricted Subsidiary and shall reduce amounts available for Investments in Unrestricted Subsidiaries permitted by Section 7.7 in an amount equal to the fair market value of the Subsidiary so designated as of the time of designation; provided that Vince may subsequently redesignate any such Unrestricted Subsidiary as a Restricted Subsidiary so long as Vince does not subsequently re-designate such Restricted Subsidiary as an Unrestricted Subsidiary for a period of the succeeding four fiscal quarters.

" U.S. Lender ": as defined in Section 2.20(e).

" U.S. Tax Compliance Certificate ": as defined in section 2.20(d)(ii).

" Vehicles ": all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state or province.

" Vince ": Vince, LLC, a Delaware limited liability company and wholly-owned subsidiary of Intermediate Holdings.

" Weighted Average Life to Maturity " shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being Amended or Refinanced (the " Applicable Indebtedness "), the effects of any amortization of or prepayments made on such Applicable Indebtedness prior to the date of the applicable Amendment or Refinancing shall be disregarded.

1.2 Other Definitional Provisions .

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to Holdings, the Borrowers and the Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, except as otherwise specifically prescribed herein, (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (iii) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as Amended or Refinanced, amended, supplemented, restated or otherwise modified from time to time, (iv) references to any Requirement of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law (including by succession of comparable successor laws), and (v) any term referred herein by cross-reference to a defined term in the ABL Facility shall be deemed to be a cross-reference to a defined term in the ABL Facility or a comparable term in an Amendment or Refinancing thereof.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Annex, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The term “license” shall include sub-license.

(e) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(f) All references to any Person shall be constructed to include such Person’s successors and assigns (subject to any restriction on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all of the functions thereof.

(g) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including.”

(h) All references to “knowledge” of any Loan Party or a Restricted Subsidiary of Holdings means the actual knowledge of a Responsible Officer.

(i) For purposes of determining compliance with Article VII with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness or Investment is incurred (so long as such Indebtedness or Investment, at the time incurred, made or acquired, was permitted hereunder).

(j) All certifications to be made hereunder by an officer or representative of a Loan Party shall be made by such person in his or her capacity solely as an officer or a representative of such Loan Party, on such Loan Party’s behalf and not in such Person’s individual capacity.

1.3 Pro Forma Calculations .

(a) Notwithstanding anything to the contrary herein, the Consolidated Net Total Leverage Ratio and the Consolidated Net Total Secured Leverage Ratio shall be calculated in the manner prescribed by this Section 1.3; *provided* that notwithstanding anything to the contrary in clause (b), (c) or (d) of this Section 1.3, when calculating the Consolidated Net Total Leverage Ratio for purposes of (i) the Excess Cash Flow Percentage and (ii) determining actual compliance (and not compliance on a pro forma basis) with Section 7.1, the events described in this Section 1.3 that occurred subsequent to the end of the applicable period shall not be given pro forma effect.

(b) For purposes of calculating the Consolidated Net Total Leverage Ratio and the Consolidated Net Total Secured Leverage Ratio, Specified Transactions (and the incurrence or repayment of any Indebtedness in connection therewith) that have been made (i) during the applicable period and (ii) subsequent to such period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a pro forma basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable period. If since the beginning of any applicable period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into Holdings or any of its Restricted Subsidiaries since the beginning of such period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.3, then the Consolidated Net Total Leverage Ratio and the Consolidated Net Total Secured Leverage Ratio shall be calculated to give pro forma effect thereto in accordance with this Section 1.3.

(c) Whenever pro forma effect is to be given to a Specified Transaction, the pro forma calculations shall be made in good faith by a Responsible Officer of Holdings and include, for the avoidance of doubt, the amount of cost savings and synergies projected by Holdings in good faith to be reasonably anticipated to be realizable within 12 months after the closing date of such Specified Transaction (*provided* that to the extent any such operational changes are not associated with a transaction, such changes shall be limited to those for which all steps have been taken for realizing such savings and are factually supportable, reasonably identifiable and supported by an officer's certificate delivered to the Administrative Agent) (calculated on a pro forma basis as though such cost savings and synergies had been realized on the first day of such period as if such cost savings and synergies were realized during the entirety of such period) relating to such Specified Transaction, net of the amount of actual benefits realized during such period from such actions; *provided* that any increase in Consolidated EBITDA as a result of cost savings and synergies shall be subject to the limitations set forth in the definition of Consolidated EBITDA.

(d) In the event that a Borrower or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Indebtedness included in the calculations of the Consolidated Net Total Leverage Ratio and the Consolidated Net Total Secured Leverage Ratio, as the case may be (in each case, other than Indebtedness incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), (i) during the applicable period and (ii) subsequent to the end of the applicable period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then the Consolidated Net Total Leverage Ratio and the Consolidated Net Total Secured Leverage Ratio shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, to the extent required, as if the same had occurred on the last day of the applicable period.

SECTION 2.

AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Commitments . Subject to the terms and conditions hereof, each Term Lender severally agrees to make a term loan (each, an " Initial Term Loan " and collectively, the " Initial Term Loans ") in Dollars to the Borrowers on the Closing Date in an amount not to exceed the amount of the Initial Term Commitment of such Lender. The Initial Term Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrowers and notified to the Administrative Agent in accordance with Sections 2.2 and 2.13.

2.2 Procedure for Term Loan Borrowing . The Borrowers shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 10:00 A.M., New York City time, on the day of the anticipated Closing Date) requesting that the Term Lenders make the Term Loans on the Closing Date and specifying the amount to be borrowed. The Initial Term Loans made on the Closing Date shall initially be ABR Loans unless the initial Term Lenders and the Administrative Agent otherwise agree. Upon receipt of such notice the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 3:00 P.M., New York City time, on the Closing Date each Term Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. The Administrative Agent shall credit the account designated in writing by the Borrowers to the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Term Lenders in immediately available funds.

2.3 Amortization . The Term Loan of each Term Lender shall be payable in equal consecutive quarterly installments, commencing on March 31, 2014, on the last Business Day of each March, June, September and December following the Closing Date in an amount equal to one quarter of one percent (0.25%) of the Term Loans funded on the Closing Date (as adjusted to reflect any prepayments thereof), with the remaining balance thereof payable on the Term Maturity Date.

2.4 [Reserved] .

2.5 [Reserved] .

2.6 [Reserved] .

2.7 [Reserved] .

2.8 Repayment of Term Loans .

(a) The Borrowers hereby, jointly and severally, unconditionally promise to pay to the Administrative Agent for the account of the appropriate Term Lender, the principal amount of each outstanding Term Loan of such Term Lender made to the Borrowers in installments in accordance with the amortization schedule set forth in Section 2.3 (or on such earlier date on which the Term Loans become due and payable pursuant to Section 8). The Borrowers hereby further agree, jointly and severally, to pay interest on the unpaid principal amount of the Term Loans made to the Borrowers from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.15.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrowers to such Lender resulting from each Term Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent, on behalf of the Borrowers, shall maintain the Register pursuant to Section 10.6(b)(iv), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Term Loan made hereunder and any Note evidencing such Term Loan, the Type of such Term Loan and each Interest Period applicable thereto, (ii) the amount of any principal, interest and fees, as applicable, due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrowers and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.8(c) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrowers therein recorded (absent manifest error); provided , however , that the failure of the Administrative Agent or any Lender to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrowers to repay (with applicable interest) the Term Loans made to the Borrowers by such Lender in accordance with the terms of this Agreement.

(e) Any Lender may request that the Term Loans made by it be evidenced by a promissory note. In such event, the Borrowers shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Term Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.6) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

2.9 Fees, etc . The Borrowers, jointly and severally agree to pay to the Joint Lead Arrangers, the Administrative Agent and the Documentation Agent, for their respective accounts, such fees in the amounts and on the dates as set forth in any fee agreements with the Joint Lead Arrangers, the Administrative Agent or the Documentation Agent, as the case may be.

The Borrowers, jointly and severally agree to pay to the Administrative Agent for the benefit of each Lender on the Closing Date "original issue discount" or upfront fees, as determined by the Lead Arrangers, in an amount equal to 1.00% of Term Loans funded by each Lender.

2.10 [Reserved] .

2.11 Optional Prepayments .

(a) The Borrowers may at any time and from time to time prepay the Term Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 1:00 P.M., New York City time, three Business Days prior thereto, in the case of Eurodollar Loans, and no later than 1:00 P.M., New York City time, one Business Day prior thereto, in the case of ABR Loans, which notice shall specify (i) the date and amount of prepayment and (ii) whether the prepayment is of Eurodollar Loans or ABR Loans; provided that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrowers shall also pay any amounts owing pursuant to Section 2.21. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein (provided that such notice may be

conditioned on receiving the proceeds of any Amendment or Refinancing of Indebtedness, any Equity Issuance, the consummation of a Change of Control or the Disposition of Property), together with accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans shall be in an aggregate principal amount of (i) $1,000,000 or a whole multiple of $100,000 in excess thereof (in the case of prepayments of ABR Loans) or (ii) $1,000,000 or a whole multiple of $500,000 in excess thereof (in the case of prepayments of Eurodollar Loans), and in each case shall be subject to the provisions of Section 2.18.

(b) In the event that, on or prior to the first anniversary of the Closing Date, the Borrowers (x) make any prepayment of Term Loans in connection with any Repricing Transaction, or (y) effect any amendment of this Agreement having the effect of a Repricing Transaction, the Borrowers shall pay to the Administrative Agent, for the ratable account of each of the Lenders, (I) in the case of clause (x), a prepayment premium of 1% of the aggregate principal amount of the Term Loans being prepaid and (II) in the case of clause (y), a payment equal to 1% of the aggregate principal amount of the applicable Term Loans outstanding immediately prior to such amendment.

2.12 Mandatory Prepayments .

(a) Unless the Required Lenders shall otherwise agree, if any Indebtedness (excluding any Indebtedness incurred in accordance with Section 7.2) shall be incurred by a Borrower or any of its Restricted Subsidiaries an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of receipt of such Net Cash Proceeds toward the prepayment of the Term Loans as set forth in Section 2.12(d).

(b) Unless the Required Lenders shall otherwise agree, if on any date a Borrower or any Subsidiary Guarantor shall for its own account receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered in respect thereof, such Net Cash Proceeds shall be applied on such date toward the prepayment of the Term Loans as set forth in Section 2.12(d); provided that notwithstanding the foregoing, on the date (the " Trigger Date ") that is six months after the applicable Reinvestment Prepayment Date, the Term Loans shall be prepaid as set forth in Section 2.12(d) by an amount equal to the portion of any Committed Reinvestment Amount with respect to the relevant Reinvestment Event not actually expended by such Trigger Date; provided further that such Net Cash Proceeds may be applied, along with such prepayment of Term Loans (to the extent the Borrowers elect, or are required by the terms thereof), to purchase, redeem or repay any Permitted First Priority Refinancing Debt, pursuant to the agreements governing such other Indebtedness, on not more than a pro rata basis with respect to such prepayments of Term Loans.

(c) Unless the Required Lenders shall otherwise agree, if, for any fiscal year of Holdings commencing with the fiscal year ending on or nearest to January 31, 2015, there shall be Excess Cash Flow, the Borrowers shall, on the relevant Excess Cash Flow Application Date, apply an amount equal to (i) the Excess Cash Flow Percentage of such Excess Cash Flow minus (ii) the sum of (A) the aggregate amount of all prepayments or cash collateralization of ABL Indebtedness during such fiscal year or, at the Borrowers' option and without duplication across fiscal years, after such fiscal year but prior to the Excess Cash Flow Application Date, to the extent accompanied by permanent optional reductions of the commitments under the ABL Facility and (B) all optional prepayments of the Term Loans during such fiscal year or, at the Borrowers' option and without duplication across fiscal years, after such fiscal year but prior to the Excess Cash Flow Application Date, pursuant to Section 2.11(a) and Section 2.27 and all optional prepayments or repurchases of Permitted First Priority Refinancing Debt during such fiscal year or, at the Borrowers' option and without duplication across fiscal years, after such fiscal year but prior to the Excess Cash Flow Application Date (with the amount of Term Loans prepaid pursuant to Section 2.27 or Permitted First Priority Refinancing Debt being prepaid or repurchased being

equal to the lesser of the aggregate principal amount thereof and the cash purchase price therefor), in each case other than to the extent any such prepayment is funded with the proceeds of new long-term Indebtedness, toward the prepayment of the Term Loans as set forth in Section 2.12 (d). Each such prepayment shall be made on a date (an " Excess Cash Flow Application Date ") no later than ten Business Days after the date on which the financial statements of Holdings referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders.

(d) Amounts to be applied in connection with prepayments pursuant to Section 2.12 shall be applied to the prepayment of the Term Loans in accordance with Section 2.18(b) until paid in full. The application of any prepayment pursuant to Section 2.12 shall be made, first , to ABR Loans and, second , to Eurodollar Loans. Each prepayment of the Term Loans under Section 2.12 shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(e) Notwithstanding anything to the contrary in Section 2.12(d), 2.18 or 10.7, with respect to the amount of any mandatory prepayment described in Section 2.12 that is allocated to Term Loans (which, for avoidance of doubt, includes any New Term Loans) (such amounts, the " Prepayment Amount "), at any time when Term Loans remain outstanding, the Borrowers will, in lieu of applying such amount to the prepayment of Term Loans as provided in paragraph (d) above, on the date specified in Section 2.12 for such prepayment, give the Administrative Agent telephonic notice (promptly confirmed in writing) requesting that the Administrative Agent prepare and provide to each Term Lender (which, for avoidance of doubt, includes each New Term Lender) a notice (each, a " Prepayment Option Notice ") as described below. As promptly as practicable after receiving such notice from the Borrowers, the Administrative Agent will send to each Term Lender a Prepayment Option Notice, which shall be in the form of Exhibit J (or such other form approved by the Administrative Agent), and shall include an offer by the Borrowers to prepay on the date (each a " Mandatory Prepayment Date ") that is ten Business Days after the date of the Prepayment Option Notice, the relevant Term Loans of such Lender by an amount equal to the portion of the Prepayment Amount indicated in such Lender's Prepayment Option Notice as being applicable to such Lender's Term Loans. On the Mandatory Prepayment Date, the Borrowers shall pay to the relevant Term Lenders the aggregate amount necessary to prepay that portion of the outstanding relevant Term Loans in respect of which such Lenders have accepted (it being understood that any Lender's failure to object prior to the relevant Mandatory Prepayment Date shall be deemed as an acceptance by such Lender of such Prepayment Option Notice and the amount to be prepaid in respect of Term Loans held by such Lender) prepayment as described above; provided that, following such offer and application, any amount remaining unapplied shall be offered by the Administrative Agent ratably to the Term Lenders not so declining such prepayment as a further prepayment hereunder (with such Lenders having the right to accept or decline such further prepayment at the time and in the manner specified by the Administrative Agent) and, to the extent such Term Lenders decline to accept further prepayment, any amount remaining unapplied (collectively, the " Declined Amounts ") shall be returned to the Borrowers. Notwithstanding anything herein to the contrary, the Lenders shall not be permitted to decline proceeds from any Credit Agreement Refinancing Indebtedness.

(f) Notwithstanding any other provisions of this Section 2.12, (i) to the extent that the repatriation to the United States of any Excess Cash Flow attributable to Foreign Subsidiaries (" Foreign Subsidiary Excess Cash Flow ") would be (x) prohibited or delayed by applicable local law or (y) restricted by applicable organizational documents or (z) prohibited, delayed or restricted any agreement permitted by Section 7.13, an amount equal to the portion of such Foreign Subsidiary Excess Cash Flow that would be so affected were the Borrowers to attempt to repatriate such cash will not be required to be applied to repay Term Loans at the times provided in this Section 2.12 so long, but only so long, as the applicable local law or applicable organizational documents would not otherwise permit repatriation to the United States (the Borrowers hereby agree to use all commercially reasonable efforts to overcome or eliminate any such restrictions on repatriation, even if the Borrowers do not intend to

actually repatriate such cash, so that an amount equal to the full amount of such Foreign Subsidiary Excess Cash Flow will otherwise be subject to repayment under this Section 2.12), and if within one year following the date on which the respective prepayment would otherwise have been required such repatriation of any of such affected Foreign Subsidiary Excess Cash Flow is permissible under the applicable local law or applicable organizational documents (even if such cash is actually not repatriated), an amount equal to the amount of the Foreign Subsidiary Excess Cash Flow that could be repatriated will be promptly (and in any event not later than two Business Days) applied (net of an amount equal to the additional taxes that would be payable or reserved against as a result of a repatriation and any additional costs that would be incurred as a result of a repatriation, whether or not a repatriation actually occurs) by the Borrowers to the repayment of the Term Loans pursuant to this Section 2.12 and (ii) to the extent that the Borrowers have determined in good faith that repatriation of any Foreign Subsidiary Excess Cash Flow would have adverse tax cost consequences with respect to such Foreign Subsidiary Excess Cash Flow, an amount equal to such Foreign Subsidiary Excess Cash Flow that would be so affected will not be subject to repayment under this Section 2.12; *provided* that for purposes of this Section 2.12, Excess Cash Flow shall be deemed allocable to each Foreign Subsidiary, with respect to any period, in an amount equal to (i) the Consolidated EBITDA of such Foreign Subsidiary for such period, divided by (ii) the Consolidated EBITDA of Holdings and its Restricted Subsidiaries for such period (it being understood and agreed for the avoidance of doubt that such allocation shall exclude any reduction from interest and principal payments in respect of the Obligations). For the avoidance of doubt, nothing in this Agreement requires, or is intended to require, any actual repatriation of any Foreign Subsidiary Excess Cash Flow.

(g) Notwithstanding any other provisions of this Section 2.12, (i) to the extent that the repatriation to the United States of any or all of the Net Cash Proceeds of any disposition by a Foreign Subsidiary (" Foreign Disposition ") or the Net Cash Proceeds of any Recovery Event incurred by a Foreign Subsidiary (" Foreign Recovery Event ") would be (x) prohibited or delayed by applicable local law, (y) restricted by applicable organizational documents or any agreement permitted by Section 7.12 or 7.13 or (z) subject to other onerous organizational or administrative impediments, an amount equal to the Net Cash Proceeds that would be so affected were the Borrowers to attempt to repatriate such cash will not be required to be applied to repay Term Loans at the times provided in this Section 2.12 so long, but only so long, as the applicable local law, applicable organizational documents or other impediment would not otherwise permit repatriation to the United States (the Borrowers hereby agree to use all commercially reasonable efforts to overcome or eliminate any such restrictions on or impediments to repatriation even if the Borrowers do not intend to actually repatriate such cash, so that an amount equal to the full amount of such Net Cash Proceeds will otherwise be subject to repayment under this Section 2.12), and if within one year following the date on which the respective prepayment would otherwise have been required such repatriation of any of such affected Net Cash Proceeds is permissible under the applicable local law or applicable organizational documents or the impediment to such repatriation has ceased to exist, even if such cash is not actually repatriated at such time, an amount equal to the amount of the Net Cash Proceeds will be promptly (and in any event not later than two Business Days) applied (net of an amount equal to the additional taxes that would be payable or reserved against and any additional costs that would be incurred as a result of a repatriation, whether or not a repatriation actually occurs) by the Borrowers to the repayment of the Term Loans pursuant to this Section 2.12 and (ii) to the extent that the Borrowers have determined in good faith that repatriation of any of or all the Net Cash Proceeds of any Foreign Disposition or Foreign Recovery Event would have adverse tax cost consequences with respect to such Net Cash Proceeds, an amount equal to such Net Cash Proceeds that would be so affected will not be subject to repayment under this Section 2.12. For the avoidance of doubt, nothing in this Agreement requires, or is intended to require, any actual repatriation of any Foreign Subsidiary's Net Cash Proceeds.

2.13 Conversion and Continuation Options .

(a) The Borrowers may elect from time to time to convert Eurodollar Loans made to the Borrowers to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 1:00 P.M., New York City time, on the second Business Day preceding the proposed conversion date; provided that if any Eurodollar Loan is so converted on any day other than the last day of the Interest Period applicable thereto, the Borrowers shall also pay any amounts owing pursuant to Section 2.21. The Borrowers may elect from time to time to convert ABR Loans made to the Borrowers to Eurodollar Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 1:00 P.M., New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor); provided that no ABR Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Required Lenders have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such by the Borrowers giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term “Interest Period” set forth in Section 1.1 and no later than 1:00 P.M., New York City time, on the third Business Day preceding the proposed continuation date, of the length of the next Interest Period to be applicable to such Term Loans; provided that if any Eurodollar Loan is so continued on any day other than the last day of the Interest Period applicable thereto, the Borrowers shall also pay any amounts owing pursuant to Section 2.21 and; provided , further , that no Eurodollar Loan may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuations and; provided , further , that if the Borrowers shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Term Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.14 Minimum Amounts and Maximum Number of Eurodollar Tranches . Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations and optional prepayments of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each tranche of Eurodollar Loans shall be equal to a minimum of $1,000,000 or a whole multiple of $500,000 in excess thereof and (b) no more than ten tranches of Eurodollar Loans shall be outstanding at any one time.

2.15 Interest Rates and Payment Dates .

(a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) If all or a portion of the principal amount of any Term Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2%, and (ii) if all or a portion of any interest payable on any Term Loan or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise, but after giving effect to any applicable

grace period therefor), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans plus 2%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after and before judgment).

(d) Interest shall be payable by the Borrowers in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand.

2.16 Computation of Interest and Fees .

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrowers and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Term Loan resulting from a change in the ABR or the Eurocurrency Reserve Percentage shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrowers and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be presumptively correct in the absence of manifest error. The Administrative Agent shall, at the request of the Borrowers, deliver to the Borrowers a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.15(a) and Section 2.15(b).

2.17 Inability to Determine Rates.

If the Required Lenders determine that for any reason in connection with any request for a Term Loan or a conversion to or continuation thereof that (i) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Term Loan, (ii) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Loan or in connection with a ABR Loan, or (iii) the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Loan or in connection with a Eurodollar Loan does not adequately and fairly reflect the cost to such Lenders of funding such Term Loan, the Administrative Agent will promptly so notify the Borrowers and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Loans and ABR Loans as to which the interest rate is determined with reference to the Eurodollar Rate shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice (any such time period, the " Eurodollar Unavailability Period "). Upon receipt of such notice, the Borrowers may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Loans or, failing that, will be deemed to have converted such request into a request for ABR Loans in the amount specified therein.

2.18 Pro Rata Treatment and Payments .

(a) Each borrowing by the Borrowers from the Lenders hereunder shall be made pro rata according to the respective Term Percentages of the relevant Lenders. Each payment (other than prepayments, to the extent expressly provided for herein) in respect of principal or interest in respect of the Term Loans and each payment in respect of fees payable hereunder shall be applied to the amounts of such obligations owing to the Term Lenders, pro rata according to the respective amounts then due and owing to such Lenders.

(b) Each optional prepayment of the Term Loans shall be applied to the remaining installments thereof as specified by the Borrowers. Each mandatory prepayment on account of principal of and interest on the Term Loans pursuant to Section 2.12 shall be applied to any installments thereof (1) in direct order of maturity of the remaining installments under the Term Facility for the next eight (8) amortization payments following the relevant prepayment event, and (2) thereafter, ratably to remaining installments . Amounts repaid or prepaid on account of the Term Loans may not be reborrowed.

(c) Notwithstanding anything to the contrary contained herein, the provisions of the preceding Sections 2.18(a) and (b) shall be subject to (i) the express provisions of this Agreement which require, or permit, differing payments to be made to non-Defaulting Lenders as opposed to Defaulting Lenders, (ii) the express provisions of this Agreement which permit disproportionate payments with respect to various of the Tranches as, and to the extent, provided herein, and (iii) the express provisions of Sections 2.24, 2.25, 2.26, 2.27, 2.28 and 2.29, which permit disproportionate payments with respect to the Loans as, and to the extent, provided therein.

(d) All payments (including prepayments) by the Borrowers hereunder, whether on account of principal, interest, fees or otherwise, shall be made in Dollars without setoff or counterclaim and shall be made prior to 2:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the relevant Lenders, at the Funding Office, in immediately available funds. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be presumptively correct in the absence of manifest error. If such Lender’s share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall give notice of such fact to the Borrowers and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans, on demand, from the Borrowers. Nothing herein shall be deemed to limit the rights of the Administrative Agent or the Borrowers against any Defaulting Lender.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrowers prior to the date of any payment due to be made by the Borrowers hereunder that the Borrowers will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrowers is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the relevant Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrowers within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each relevant Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrowers.

2.19 Requirements of Law .

(a) If any Change in Law:

(i) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurodollar Rate hereunder;

(ii) shall subject any Lender to any additional Taxes with respect to any Loan Document or any Term Loan made pursuant to this Agreement (except for Non-Excluded Taxes or Other Taxes, which are indemnified under Section 2.20, and any Excluded Tax); or

(iii) shall impose on such Lender any other condition not otherwise contemplated hereunder;

and the result of any of the foregoing is to increase the cost to such Lender by an amount which such Lender reasonably deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans (in each case hereunder), or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrowers shall promptly pay such Lender within ten Business Days after the Borrowers' receipt of a reasonably detailed invoice therefor (showing with reasonable detail the calculations thereof), any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify the Borrowers (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that any Change in Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority first made, in each case, subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such Change in Law (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrowers (with a copy to the Administrative Agent) of a reasonably detailed written request therefor (consistent with the detail provided by such Lender to similarly situated borrowers), the Borrowers shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender to the Borrowers (with a copy to the Administrative Agent) shall be presumptively correct in the absence of manifest error. Notwithstanding anything to the contrary in this Section, the Borrowers shall not be required to compensate a Lender pursuant to this Section for any amounts incurred more than nine months prior to the date that such Lender notifies the Borrowers of such Lender's intention to claim compensation therefor; provided that if the Change in Law giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrowers pursuant to this Section shall survive the termination of this Agreement and the payment of the Obligations.

2.20 Taxes .

(a) All payments made by or on account of any Loan Party under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes unless required by applicable Requirements of Law. If any Taxes are required to be withheld by any applicable withholding agent from any amounts payable by or on account of any Loan Party under any Loan Document, (i) the applicable withholding agent shall make such deductions, (ii) the applicable withholding agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Requirements of Law, and (iii) to the extent the deduction is on account of Non-Excluded Taxes or Other Taxes, the amounts so payable by the applicable Loan Party to the Administrative Agent or such Lender shall be increased to the extent necessary such that the Administrative Agent or such Lender (after deduction or withholding of all Non-Excluded Taxes and Other Taxes) receives an amount equal to the sum it would have received had no such deductions or withholdings been made.

(b) Without limiting the provisions of paragraph (a) above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Requirements of Law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by any Loan Party pursuant to this Section 2.20, as promptly as possible thereafter the Borrowers shall send to the Administrative Agent for the account of the Administrative Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrowers showing payment thereof if such receipt is obtainable, or, if not, other reasonable evidence of payment. The Borrowers shall indemnify the Administrative Agent and the Lenders for any Non-Excluded Taxes payable in connection with any payments made by any Loan Party under any Loan Document and any Other Taxes (including Non-Excluded Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.20), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided , however , that if an indemnitee does not notify the Borrowers of any indemnification claim under this Section 2.20(c) within 180 days after such indemnitee has received written notice of the claim of a taxing authority giving rise to such indemnification claim, the Borrowers shall not be required to indemnify such indemnitee for any incremental interest or penalties resulting from such indemnitee's failure to notify the Borrowers within such 180 day period. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf, shall be conclusive absent manifest error.

(d) Each Non-U.S. Lender shall deliver to the Borrowers and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) whichever of the following is applicable:

(i) two accurate and complete original, signed copies of IRS Form W-8BEN (or any successor or other applicable form) claiming eligibility for benefits of an income tax treaty to which the United States is a party or IRS Form W-ECI (or any successor or other applicable form),

(ii) in the case of a Non-U.S. Lender claiming exemption from United States federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit F (a " U.S. Tax Compliance Certificate ") and two accurate and complete original, signed copies of IRS Form W-8BEN, or any subsequent versions or successors to such forms, in each case properly completed and duly executed by such Non-U.S. Lender,

(iii) to the extent a Non-U.S. Lender is not the beneficial owner (for example, where the Non-U.S. Lender is a partnership or a participating Lender), two accurate and complete original, signed copies of IRS Form W-8IMY (or any successor or other applicable form) of the Non-U.S. Lender, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, U.S. Tax Compliance Certificate, IRS Form W-8IMY, as applicable, or any other required information (or any successor or other applicable forms) from each beneficial owner that would be required under this Section 2.20 if such beneficial owner were a Lender (provided that, if the Non-U.S. Lender is a partnership for U.S. federal income Tax purposes (and not a participant Lender), and one or more beneficial owners are claiming the portfolio interest exemption, the U.S. Tax Compliance Certificate may be provided by such Non-U.S. Lender on behalf of such beneficial owners, provided such certificates are duly executed and properly completed originals), or

(iv) any other form prescribed by applicable requirements of U.S. federal income Tax law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax duly completed together with such supplementary documentation as may be prescribed by applicable Requirements of Law to permit the Borrowers and the Administrative Agent to determine the withholding or deduction required to be made.

Forms described in this Section 2.20(d) shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence, invalidity or expiration of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrowers and the Administrative Agent in writing at any time such Non-U.S. Lender determines that it is no longer in a position to provide any previously delivered certificate to the Borrowers and the Administrative Agent (or any other form of certification adopted by the United States taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to Section 2.20(d) that such Non-U.S. Lender is not legally eligible to deliver.

(e) Each Lender or Transferee that is a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a " U.S. Lender ") shall deliver to the Borrowers and the Administrative Agent two accurate and complete original, signed copies of IRS Form W-9, or any subsequent versions or successors to such form. Such forms shall be delivered by each U.S. Lender on or before the date it becomes a party to this Agreement. In addition, each U.S. Lender shall deliver such forms promptly upon the obsolescence, invalidity or expiration of any form previously delivered by such U.S. Lender. Each U.S. Lender shall promptly notify the Borrowers and the Administrative Agent in writing at any time it determines that such U.S. Lender is no longer in a position to provide any previously delivered certifications to the Borrowers (or any other form of certification adopted by the United States taxing authorities for such purpose). Where a Participant has delivered an IRS Form W-8 to

a U.S. Lender pursuant to Section 2.12(d), such U.S. Lender shall deliver to the Borrowers and the Administrative Agent two accurate and complete original, signed copies thereof on or before the date such Participant purchases the related participation.

(f) If a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrowers and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers or the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers or the Administrative Agent as may be necessary for the Borrowers or the Administrative Agent to comply with their obligations under FATCA, to determine whether such Recipient has complied with such Lender's obligations under FATCA or to determine, if necessary, the amount to deduct and withhold from such payment. Solely for the purposes of this Section 2.02(f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) On or before the date the Administrative Agent (or any successor thereto) becomes a party to this Agreement, the Administrative Agent shall provide to the Borrowers two accurate and complete original, signed copies of IRS Form W-9. In addition, the Administrative Agent (or any successor thereto) shall deliver such forms promptly upon the obsolescence, invalidity or expiration of any form previously delivered.

(h) If the Administrative Agent or any Recipient determines, in good faith, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to Section 2.19 or this Section 2.20, it shall promptly pay over such refund to the Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section 2.20 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Recipient and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrowers, upon the request of the Administrative Agent or such Recipient, agree to repay the amount paid over to the Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Recipient in the event the Administrative Agent or such Recipient is required to repay such refund to such Governmental Authority; provided , further , that the Borrowers shall not be required to repay to the Administrative Agent or the Recipient an amount in excess of the amount paid over by such party to the Borrowers pursuant to this Section. This paragraph shall not be construed to require the Administrative Agent or any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrowers or any other Person.

(i) The agreements in this Section 2.20 shall survive the termination of this Agreement and the payment of the Obligations.

2.21 Indemnity . The Borrowers agree to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense (other than lost profits, including the Applicable Margin) that such Lender may actually sustain or incur as a consequence of (a) default by the Borrowers in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrowers have given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrowers in making any prepayment of or conversion from Eurodollar Loans after the Borrowers have given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment, conversion or continuation of Eurodollar Loans on a day that is not the last day of an Interest

Period with respect thereto. A reasonably detailed certificate as to (showing in reasonable detail the calculation of) any amounts payable pursuant to this Section submitted to the Borrowers by any Lender shall be presumptively correct in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Obligations.

2.22 Illegality . Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof, in each case, first made after the date hereof, shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, such Lender shall promptly give notice thereof to the Administrative Agent and the Borrowers, and (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert ABR Loans to Eurodollar Loans shall be suspended during the period of such illegality and (b) such Lender's Term Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Term Loans or within such earlier period as required by law.

If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrowers shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.21.

2.23 Mitigation of Costs; Change of Lending Office . Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.19, 2.20(a), 2.20(c) or 2.22 with respect to such Lender, it will, if requested by the Borrowers, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Term Loans affected by such event with the object of avoiding the consequences of such event; provided that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no material economic, legal or regulatory disadvantage and; provided , further , that nothing in this Section shall affect or postpone any of the obligations of the Borrowers or the rights of any Lender pursuant to Section 2.19, 2.20(a), 2.20 (c) or 2.22.

2.24 Replacement of Lenders . The Borrowers shall be permitted to replace with a financial institution, or prepay all the outstanding Loans of, any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.19, 2.20 or 2.21 (to the extent a request made by a Lender pursuant to the operation of Section 2.21 is materially greater than requests made by other Lenders) or gives a notice of illegality pursuant to Section 2.22, (b) defaults in its obligations to make Term Loans hereunder or is a Defaulting Lender, or (c) that has refused to consent to any waiver or amendment with respect to any Loan Document that requires such Lender's consent and has been consented to by the Required Lenders; provided that (i) any such replacement does not conflict with any Requirement of Law, (ii) the replacement financial institution shall purchase, or the Borrowers shall prepay, at par, all Term Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (iii) the Borrowers shall be liable to such replaced Lender under Section 2.21 (as though Section 2.21 were applicable) if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (iv) any replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent to the extent that an assignment to such replacement financial institution of the rights and obligations being acquired by it would otherwise require the consent of the Administrative Agent pursuant to Section 10.6(c), (v) any replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6, (vi) the Borrowers shall pay all additional amounts (if any) required pursuant to Section 2.19 or 2.20, as the case may be, in respect of any period prior to the date on which such replacement shall be consummated, (vii) if applicable, the replacement financial institution shall consent to such amendment or waiver and (viii) any such replacement shall not be deemed to be a waiver of any rights that the Borrowers, the Administrative Agent or any other Lender shall have against the replaced Lender. If a Defaulting Lender

cures all the Lender Defaults that caused such Lender to become a Defaulting Lender either (a) within three Business Days after the Borrowers notifies such Defaulting Lender that the Borrowers intends to replace such Defaulting Lender in accordance with this Section 2.24 or (b) if the Borrowers has not elected to remove such Defaulting Lender pursuant to this Section 2.24, at any time after such Lender becomes a Defaulting Lender, then three Business Days after such Defaulting Lender cures all existing Lender Defaults (to the reasonable satisfaction of the Administrative Agent, each Issuing Lender and the Borrowers) with respect to such Lender, it shall be deemed not to be a Defaulting Lender, all such Lender's rights to payment under the Loan Documents shall be restored and the Borrowers shall no longer have the right to remove such Lender pursuant to this Section 2.24; provided that if such Lender commits one or more additional Lender Defaults after the date that such Lender was reinstated as a non-Defaulting Lender in accordance with this Section 2.24, the prior written consent of the Required Lenders shall be required to restore such Lender as a non-Defaulting Lender even after the cure of all such subsequent Lender Defaults.

2.25 Incremental Term Loans . The Borrowers may by written notice to the Administrative Agent elect to request the establishment of one or more new term loan commitments (the " New Term Loan Commitments ") hereunder, in an aggregate amount for all such New Term Loan Commitments not in excess of the greater of (a) $50.0 million and (b) an unlimited amount, so long as in the case of this clause (b), after giving effect to such New Term Loans, the Consolidated Net Total Secured Leverage Ratio on a pro forma basis (but without netting the cash proceeds of such New Term Loans for purposes of determining the Consolidated Net Total Secured Leverage Ratio) shall be equal to or less than 3.00 to 1.00, plus, in each case, in the case of New Term Loans that serve to effectively extend the maturity of any then outstanding Term Loans, an amount equal to the portion of such then outstanding Term Loans to be replaced with such New Term Loans. Each such notice shall specify the date (each, an " Increased Amount Date ") on which the Borrowers propose that the New Term Loan Commitments shall be effective, which shall be a date not less than five (5) Business Days after the date on which such notice is delivered to Administrative Agent unless the Administrative Agent otherwise agrees; provided that any Lender offered or approached to provide all or a portion of any New Term Loan Commitments may elect or decline, in its sole discretion, to provide such New Term Loan Commitment. Such New Term Loan Commitments shall become effective as of such Increased Amount Date; provided that (1) no Event of Default shall exist or would exist after giving effect thereto and Holdings shall be in pro forma compliance with Section 7.1 on such Increased Amount Date after giving effect to such New Term Loan Commitments and to the making of any Tranche of New Term Loans pursuant thereto and after giving effect to any Permitted Acquisition, Investment permitted by Section 7.7 or redemption, repurchase, defeasance, repayment or refinancing of Indebtedness consummated in accordance therewith (but without netting the cash proceeds of such New Term Loans for purposes of determining the Consolidated Net Total Leverage Ratio) (provided that to the extent the proceeds of such New Term Loans will be used to consummate a Permitted Acquisition or Investment permitted by Section 7.7, the conditions set forth in clause (1) above shall only be required to be satisfied on the date on which definitive agreements with respect to such Permitted Acquisition or Investment permitted by Section 7.7 are entered into, assuming that such New Term Loan Commitments are established, and the Loans thereunder made, on such date, the proceeds thereof are applied on such date and such Permitted Acquisition or Investment permitted by Section 7.7 closes on such date); (2) the interest rate margins applicable to any New Term Loan will be determined by the Borrowers and the Lenders providing such New Term Loan and such interest rate margins (which shall be deemed to include original issue discount (based on a four (4) year average life to maturity or, if less, the remaining life to maturity) and upfront fees, but exclude arrangement, commitment, structuring and underwriting fees and any amendment fees paid or payable to the Joint Lead Arrangers or the Documentation Agent (or their respective affiliates) in their capacities as such in connection with the existing Initial Term Facility or to one or more arrangers (or its affiliates) in their capacities as such applicable to the New Term Loans or New Term Loan Commitments or any other or other fees payable in connection with the existing Initial Term Facility or the New Term Loans or New

Term Loan Commitments that are not paid generally to Lenders providing the existing Initial Term Loan Facility or such New Term Loans) will not be more than 0.50% higher than the interest margins applicable to the existing Initial Term Facility, unless the interest rate margins with respect to the existing Initial Term Facility are increased by an amount equal to the difference between the interest rate margins with respect to the New Term Loans and the corresponding interest rate margins on the existing Initial Term Facility, minus 0.50%, provided , that if the lowest permissible Eurodollar Rate is greater than 1.00% for such New Term Loans, the difference between such "floor" and 1.00%, in the case of the Eurodollar Rate for such New Term Loans, shall be equated to interest rate margin for purposes of this clause (3) and to the extent the provisions of this clause (3) would require the interest rate margins applicable to the existing Initial Term Loans to be increased, such increase shall first be applied to the "floors" in respect of the existing Initial Term Loans; (4) the proceeds of any New Term Loans shall be used for general corporate purposes of the Borrowers and their Subsidiaries (including Permitted Acquisitions and Investments permitted by Section 7.7); (5) the New Term Loans shall rank *pari passu* in right of payment and of Collateral with the existing Initial Term Loans; (6) in the case of any New Term Loans, the maturity date thereof shall not be earlier than the Term Maturity Date applicable to Initial Term Loans and the Weighted Average Life to Maturity shall be equal to or greater than the Weighted Average Life to Maturity of the Initial Term Loans that are not New Term Loans; (7) all terms and documentation with respect to any New Term Loans which differ from those with respect to the Initial Term Loans shall be reasonably satisfactory to the Administrative Agent, except as set forth in clauses (3) and (6) above; (8) such New Term Loan Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrowers, the Administrative Agent and one or more New Term Lenders; and (9) the Borrowers shall deliver or cause to be delivered any customary legal opinions or other documents reasonably requested by Administrative Agent in connection with any such transaction. Any New Term Loans made on an Increased Amount Date that have terms and provisions that differ from those of the Initial Term Loans, as applicable, outstanding on the date on which such New Term Loans are made shall be designated as a separate tranche (a " Tranche ") of Term Loans, as applicable, for all purposes of this Agreement.

On any Increased Amount Date on which any New Term Loan Commitments become effective, subject to the foregoing terms and conditions, each lender with a New Term Loan Commitment (each, a " New Term Lender ") shall become a Lender hereunder with respect to such New Term Loan Commitment.

The terms and provisions of the New Term Loan Commitments of any Tranche shall be, except as otherwise set forth in the relevant Joinder Agreement, identical to those of the applicable Term Loans and for purposes of this Agreement, any New Term Loans or New Term Loan Commitments shall be deemed to be Term Loans and Term Loan Commitments. Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to effect the provisions of this Section 2.25.

2.26 Extended Term Loans .

(a) Notwithstanding anything to the contrary in this Agreement, subject to the terms of this Section 2.26, the Borrowers may at any time and from time to time when no Event of Default then exists request that all or a portion of Initial Term Loans or New Term Loans (each, an " Existing Term Loan Tranche " and " Existing New Term Loan Tranche ", respectively), together with any related outstandings, be converted to extend the scheduled maturity date(s) of any payment of principal with respect to all or any portion of the principal amount (and related outstandings) of such Term Loans, New Term Loans (any such Term Loans which have been so converted, " Extended Term Loans " and " Extended New Term Loans ", respectively) and to provide for other terms consistent with this Section 2.26.

In order to establish any Extended Loans, the Borrowers shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Tranche) (each, an " Extension Request ") setting forth the proposed terms of the Extended Loans to be established, which shall (x) be identical as offered to each Lender under the relevant Existing Tranche (other than the proposed interest rates and fees payable) and (y) be identical to the Term Loans under the relevant Existing Tranche from which such Extended Loans are to be converted, except that: (i) all or any of the scheduled amortization payments of principal of the Extended Term Loans may be delayed to later dates than the scheduled amortization payments of principal of the Term Loans of such Existing Term Loan Tranche, to the extent provided in the applicable Extension Amendment; (ii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Loans); (iii) Extended Term Loans may have mandatory prepayment terms which provide for the application of proceeds from mandatory prepayment events to be made first to prepay the Term Loans under the relevant Existing Tranche from which such Extended Loans have been converted before applying any such proceeds to prepay such Extending Term Loans; and (iv) Extended Term Loans may have optional prepayment terms (including call protection and terms which allow Term Loans under the relevant Existing Tranche from which such Extended Term Loans have been converted to be optionally prepaid prior to the prepayment of such Extended Term Loans) as may be agreed by the Borrowers and the Lenders thereof; provided that no Extended Term Loans may be optionally prepaid prior to the date on which all Term Loans with an earlier final stated maturity (including Term Loans under the Existing Term Loan Tranche from which such Term Loans were converted) are repaid in full, unless such optional prepayment is accompanied by a pro rata optional prepayment of such other Term Loans; provided , however, that (A) in no event shall the final maturity date of any Extended Loans of a given Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of any other Term Loans hereunder and (B) the Weighted Average Life to Maturity of any Extended Loans of a given Extension Series at the time of establishment thereof shall be no shorter than the remaining Weighted Average Life to Maturity of any other Term Loans then outstanding. Any Extended Loans converted pursuant to any Extension Request shall be designated a series (each, an " Extension Series ") of Extended Loans, as applicable, for all purposes of this Agreement; provided that any Extended Loans converted from an Existing Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Extension Series with respect to such Existing Tranche.

(b) The Borrowers shall provide the applicable Extension Request at least five (5) Business Days prior to the date on which Lenders under the Existing Term Loan Tranche are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.26. No Lender shall have any obligation to agree to have any of its Term Loans of any Existing Tranche converted into Extended Loans pursuant to any Extension Request. Any Lender (i) (each, an " Extending Term Lender ") wishing to have all or a portion of its Term Loans under the Existing Term Loan Tranche subject to such Extension Request converted into Extended Term Loans shall notify the Administrative Agent (each, an " Extension Election ") on or prior to the date specified in such Extension Request of the amount of its Term Loans under the applicable Existing Tranche which it has elected to request be converted into Extended Loans (subject to any minimum denomination requirements imposed by the Administrative Agent). Any Lender that does not respond to the Extension Request on or prior to the date specified therein shall be deemed to have rejected such Extension. In the event that the aggregate principal amount of Term Loans under the respective Existing Term Loan Tranche, subject to Extension Elections relating to a particular Extension Request, exceeds the amount of Extended Term Loans requested pursuant to such Extension Request, Term Loan of such Existing Term Loan Tranche shall either (i) be converted to Extended Term Loan of such Existing Term Loan Tranche, on a pro rata basis based on the aggregate principal amount of Term Loan of such Existing Term Loan Tranche included in

each such Extension Elections or (ii) to the extent such option is expressly set forth in the respective Extension Request, the Borrowers shall have the option to increase the amount of Extended Term Loans so that such excess does not exist.

(c) Extended Term Loans shall be established pursuant to an amendment (each, a " Extension Amendment ") to this Agreement among the Borrowers, the Administrative Agent and each Extending Term Lender, providing an Extended Term Loan thereunder which shall be consistent with the provisions set forth in Section 2.26(a) above (but which shall not require the consent of any other Lender). The Administrative Agent shall promptly notify each relevant Lender as to the effectiveness of each Extension Amendment. After giving effect to the Extension, the Commitments shall cease to be a part of the Tranche they were a part of immediately prior to the Extension and shall be a new Tranche hereunder.

(d) With respect to any Extension consummated by the Borrowers pursuant to this Section 2.26, such Extension shall not constitute voluntary or mandatory payments or prepayments for purposes of this Agreement. The Administrative Agent and the Lenders hereby consent to each Extension and the other transactions contemplated by this Section 2.26 (including, for the avoidance of doubt, payment of any interest or fees in respect of any Extended Term Loan on such terms as may be set forth in the Extension Request) and hereby waive the requirements of any provision of this Credit Agreement (including, without limitation, Sections 2.11, 2.12, 2.18 or 10.7) or any other Loan Document that may otherwise prohibit any Extension or any other transaction contemplated by this Section 2.26, provided that such consent shall not be deemed to be an acceptance of the Extension Request.

(e) Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of any Extended Loans incurred pursuant thereto, (ii) modify the scheduled repayments with respect to any Existing Term Loan Tranche subject to an Extension Election to reflect a reduction in the principal amount of the Term Loans thereunder in an amount equal to the aggregate principal amount of the Extended Term Loans converted pursuant to the applicable Extension (with such amount to be applied ratably to reduce scheduled repayments of such Term Loans), (iii) make such other changes to this Agreement and the other Loan Documents consistent with the provisions and intent of Section 2.10, (iv) establish new Tranches or sub-Tranches in respect of Term Loans so extended and such technical amendments as may be necessary in connection with the establishment of such new Tranches or sub-Tranches, in each case on terms consistent with this Section 2.26, and (v) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to effect the provisions of this Section 2.26, and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Extension Amendment. Notwithstanding the foregoing, the Administrative Agent shall have the right (but not the obligation) to seek the advice or concurrence of the Required Lenders with respect to any matter contemplated by this Section 2.26 and, if the Administrative Agent seeks such advice or concurrence, the Administrative Agent shall be permitted to enter into such amendments with the Borrowers in accordance with any instructions actually received by such Required Lenders and shall also be entitled to refrain from entering into such amendments with the Borrowers unless and until it shall have received such advice or concurrence; provided , however , that whether or not there has been a request by the Administrative Agent for any such advice or concurrence, all such amendments entered into with the Borrowers by the Administrative Agent hereunder shall be binding and conclusive on the Lenders. Without limiting the foregoing, in connection with any Extension, the respective Loan Parties shall (at their expense) amend (and the Administrative Agent is hereby directed to amend) any Mortgage that has a maturity date prior to the Latest Maturity Date so that such maturity date is extended to the Latest Maturity Date (or such later date as may be advised by local counsel to the Administrative Agent).

2.27 Reverse Dutch Auction Repurchases .

(a) Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, the Borrowers may, at any time and from time to time after the Closing Date, conduct reverse Dutch auctions in order to purchase Term Loans (an " Auction ") (each such Auction to be managed exclusively by the Administrative Agent or another investment bank of recognized standing selected by the Borrowers following consultation with the Administrative Agent (in such capacity, the " Auction Manager ")), so long as the following conditions are satisfied:

(i) each Auction shall be conducted in accordance with the procedures, terms and conditions set forth in this Section 2.27 and Schedule 2.27(a) ;

(ii) no Event of Default shall have occurred and be continuing on the date of the delivery of each Auction Notice and at the time of purchase of the Term Loans in connection with any Auction;

(iii) the principal amount (calculated on the face amount thereof) of all Term Loans that the Borrowers offer to purchase in any such Auction shall be no less than $10,000,000 (unless another amount is agreed to by the Administrative Agent);

(iv) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans so purchased by the Borrowers shall automatically be cancelled and retired by the Borrowers on the settlement date of the relevant purchase (and may not be resold);

(v) no more than one Auction may be ongoing at any one time; and

(vi) at the time of each purchase of Term Loans through an Auction, the Borrowers shall have delivered to the Auction Manager an officer's certificate of a Responsible Officer certifying as to compliance with preceding clauses (ii) and (iii).

(b) The Borrowers must terminate an Auction if they fail to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Term Loans, pursuant to the Auction. If the Borrowers commence any Auction (and all relevant requirements set forth above which are required to be satisfied at the time of the commencement of the respective Auction have in fact been satisfied), and if at such time of commencement the Borrowers believe in good faith that all required conditions set forth above which are required to be satisfied at the time of the purchase of Term Loans pursuant to such Auction shall be satisfied, then the Borrowers shall have no liability to any Lender for any termination of the respective Auction as a result of its failure to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Term Loans pursuant to the Auction, and any such failure shall not result in any Default or Event of Default hereunder. With respect to all purchases of Term Loans made by the Borrowers pursuant to this Section 2.27, (x) the Borrowers shall pay on the settlement date of each such purchase all accrued and unpaid interest (except to the extent otherwise set forth in the relevant offering documents), if any, on the purchased Term Loans up to the settlement date of such purchase and (y) such purchases (and the payments made by the Borrowers and the cancellation of the purchased Term Loans, in each case in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.18 or 10.7. At the time of purchases of Term Loans pursuant to an Auction, the then remaining scheduled repayments shall be reduced by the aggregate principal amount (taking the face amount thereof) of Term Loans repurchased pursuant to such Auction with such reduction to be applied to such repayments on a pro rata basis (based on the then-remaining principal amount of each such repayment).

(c) The Administrative Agent and the Lenders hereby consent to the Auctions and the other transactions contemplated by this Section 2.27 (provided that no Lender shall have an obligation to participate in any such Auctions) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 2.11, 2.12, 2.18 or 10.7 (it being understood and acknowledged that purchases of the Term Loans by the Borrowers contemplated by this Section 2.27 shall not constitute Investments by the Borrowers)) or any other Loan Document that may otherwise prohibit any Auction or any other transaction contemplated by this Section 2.27. The Auction Manager acting in its capacity as such hereunder shall be entitled to the benefits of the provisions of Section 9 and Section 10.5 mutatis mutandis as if each reference therein to the "Administrative Agent" were a reference to the Auction Manager, and the Administrative Agent shall cooperate with the Auction Manager as reasonably requested by the Auction Manager in order to enable it to perform its responsibilities and duties in connection with each Auction.

2.28 Sponsor and Affiliate Term Loan Repurchases . Notwithstanding anything to the contrary in this Credit Agreement, the Sponsor, any Sponsor Affiliate or any other Affiliate of the Borrowers may be an assignee in respect of Term Loans (and to such extent shall constitute an "Assignee"); provided that:

(a) the aggregate principal amount of Term Loans held by the Sponsor and the Sponsor Affiliates at any time shall not exceed 25% of the aggregate outstanding principal amount of the Term Loans (the " Cap ");

(b) any such Term Loans acquired by the Sponsor or any Sponsor Affiliate may, with the consent of the Borrowers, be contributed to the Borrowers (whether through any of their direct or indirect parent entities or otherwise) and exchanged for junior debt or equity securities of such parent entity or the Borrowers that are otherwise permitted to be issued by such entity at such time and any such Term Loans so contributed to the Borrowers shall automatically be cancelled and retired by the Borrowers on the settlement date of the relevant purchase (and may not be resold);

(c) notwithstanding anything to the contrary in the definition of "Required Lenders", or in Section 10.1, the Sponsor or any Sponsor Affiliate holders of any Term Loans acquired pursuant to this Section 2.28 shall not be entitled to vote such Term Loans in any "Required Lender" vote pursuant to the terms of this Agreement or any other Loan Document (it being understood that the holder of such Term Loans shall have the right to consent to votes requiring the consent of "all Lenders" or "all Lenders directly and affected thereby" pursuant to Section 10.1 or otherwise), and for purposes of any such vote such Term Loans shall be deemed to have been voted in proportion to the votes of the other Lenders;

(d) the Sponsor and the Sponsor Affiliates shall be prohibited from being appointed as, or succeeding to the rights and duties of, Administrative Agent under this Agreement and the other Loan Documents until such time (if any) as when all Obligations (other than those held by the Sponsor or any of its Affiliates) have been paid in full in cash;

(e) by acquiring a Term Loan hereunder, each of the Sponsor and each Sponsor Affiliate thereof shall be deemed to have (I) waived its right to receive information prepared by Administrative Agent or any Lender (or any advisor, agent or counsel thereof) under or in connection with the Loan Documents (in each case to the extent not provided to the Loan Parties) and attend any meeting or conference call with Administrative Agent or any Lender, (II) agreed that it is prohibited from making or bringing any claim, in its capacity as a Lender, against Administrative Agent or any Lender with respect to the duties and obligations of such Persons under the Loan Documents, and (III) agreed, without limiting its rights as a Lender described in this Section 2.28, that it will have no right whatsoever to require Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to this Agreement or any other Loan Document;

(f) any Term Loans acquired by Holdings or any Subsidiary thereof pursuant to this Section 2.28 shall be immediately canceled (or contributed to the Borrowers for cancelation);

(g) the Sponsor or such Sponsor Affiliate identifies itself as an Affiliate of the Loan Parties prior to the assignment of Term Loans to it pursuant to the respective Assignment and Assumption Agreement; and

(h) the assigning Lender and the Sponsor or such Sponsor Affiliate shall execute and deliver to the Administrative Agent an assignment agreement substantially in the form of Exhibit D-2 hereto (an " Affiliated Lender Assignment and Assumption ") in lieu of an Assignment and Assumption.

2.29 Refinancing Amendments

(a) At any time after the Closing Date, the Borrowers may obtain, from any Lender or any Additional Lender, Credit Agreement Refinancing Indebtedness in respect of all or any portion of the Term Loans then outstanding under this Agreement (which for purposes of this clause (a) will be deemed to include any then outstanding Other Term Loans, New Term Loans or Extended Term Loans), in the form of Other Term Loans or Other Term Loan Commitments pursuant to a Refinancing Amendment; provided that (A) such Credit Agreement Refinancing Indebtedness will rank pari passu in right of payment and of Collateral with the other Loans and Commitments hereunder, (B) such Credit Agreement Refinancing Indebtedness will have such pricing and optional prepayment terms as may be agreed by the Borrowers and the Lenders thereof (provided that such Credit Agreement Refinancing Indebtedness may participate on a pro rata basis or on a less than pro rata basis (but not on a greater than pro rata basis) in any voluntary or mandatory prepayments hereunder, as specified in the applicable Refinancing Amendment), (C) such Credit Agreement Refinancing Indebtedness will have a maturity date later than the maturity date of, and will have a Weighted Average Life to Maturity that is not shorter than, the Term Loans being refinanced, (D) subject to clauses (B) and (C) above, such Credit Agreement Refinancing Indebtedness will have terms and conditions that are substantially identical to, or less favorable to (as reasonably determined by the Borrowers) the lenders or investors providing such Credit Agreement Refinancing Indebtedness than, the Refinanced Debt and (E) the proceeds of such Credit Agreement Refinancing Indebtedness shall be applied, substantially concurrently with the incurrence thereof, to the prepayment of outstanding Term Loans being so refinanced; provided further that the terms and conditions applicable to such Credit Agreement Refinancing Indebtedness may provide for any additional or different financial or other covenants or other provisions that are agreed between the Borrowers and the Lenders thereof and applicable only during periods after the then Latest Maturity Date. The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 5.2 (and for purposes thereof the incurrence of the Credit Agreement Refinancing Indebtedness shall be deemed to be a irrevocable notice pursuant to Section 2.2) and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of customary legal opinions, board resolutions and officers' certificates, in each case consistent with those delivered on the Closing Date under Section 5.1 (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent), and customary reaffirmation agreements. Each Tranche of Credit Agreement Refinancing Indebtedness incurred under this Section 2.29(a) shall be in an aggregate principal amount that is (x) not less than $25,000,000 and (y) an integral multiple of $1,000,000 in excess thereof, unless otherwise agreed by the Administrative Agent. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Amendment. Each of the parties hereto hereby agrees that, upon the effectiveness of any Refinancing Amendment, this Agreement shall be deemed amended to

the extent (but only to the extent) necessary to reflect the existence and terms of the Credit Agreement Refinancing Indebtedness incurred pursuant thereto (including any amendments necessary to treat the Loans and Commitments subject thereto as Other Term Loans and/or Other Term Loan Commitments).

(b) Any Refinancing Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to effect the provisions of this Section. Notwithstanding the foregoing, the Administrative Agent shall have the right (but not the obligation) to seek the advice or concurrence of the Required Lenders with respect to any matter contemplated by this Section 2.29 and, if the Administrative Agent seeks such advice or concurrence, it shall be permitted to enter into such amendments with the Borrowers in accordance with any instructions actually received by such Required Lenders and shall also be entitled to refrain from entering into such amendments with the Borrowers unless and until it shall have received such advice or concurrence; provided , however that whether or not there has been a request by the Administrative Agent for any such advice or concurrence, all such amendments entered into with the Borrowers by the Administrative Agent hereunder shall be binding and conclusive on the Lenders.

(c) This Section 2.29 shall supersede any provisions in Section 2.18 or 10.1 to the contrary.

SECTION 3.

[RESERVED]

SECTION 4.

REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Term Loans, Holdings and the Borrowers hereby jointly represent and warrant (as to themselves and each of their Subsidiaries) to the Administrative Agent and each Lender, which representations and warranties shall be deemed made on the Closing Date and on the date of each borrowing of Term Loans hereunder, that:

4.1 Financial Condition . The (i) audited income statement of Vince for the fiscal years ending as at January 29, 2011, January 28, 2012 and February 2, 2013, reported on by and accompanied by an unqualified report from PricewaterhouseCoopers LLP, and (ii) unaudited consolidated balance sheet of Vince as of April 27, 2013 and August 3, 2013, and the related consolidated statements of income and of cash flows for the fiscal quarters ended on such dates present fairly in all material respects the financial condition of Vince as at such dates, and the results of its operations and its cash flows (as applicable) for the respective periods then ended. All such financial statements, including the related schedules and notes thereto and normal year-end adjustments, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein and, in the case of such unaudited financial statements, subject to normal year-end adjustments and the absence of footnotes). Except as set forth on Schedule 4.1, as of the Closing Date, Holdings and its Subsidiaries (i) do not have any material Guarantee Obligations, contingent liabilities or material liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, which are not reflected in the most recent financial statements referred to in this paragraph but which would in accordance with GAAP be so reflected in a consolidated balance sheet of Holdings as of the Closing Date and (ii) are not party to any arrangement to pay principal or interest with respect to any Indebtedness of any Person which is not

reflected in the most recent financial statements referred to in this paragraph, (x) which was incurred by Holdings or any of its Subsidiaries or guaranteed by Holdings or any of its Subsidiaries at any time or the proceeds of which are or were transferred to or used by Holdings or any of its Subsidiaries and (y) the payments in respect of which are intended to be made with the proceeds of payments to such Person by Holdings or any of its consolidated Subsidiaries or with any Indebtedness or Capital Stock issued Holdings or any such Subsidiary.

4.2 No Change .

(a) As of the Closing Date there has been no event, circumstance, development, change or effect since February 2, 2013 that has had or would reasonably be expected to have a Material Adverse Effect.

(b) At any time after the Closing Date as of which this representation and warranty is made or deemed made, there has been no event, development or circumstance since February 2, 2013 that has had or would reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law . Each of Holdings, the Borrowers and their Restricted Subsidiaries (a) (i) is duly organized (or incorporated), validly existing and in good standing (or, only where if applicable, the equivalent status in any foreign jurisdiction) under the laws of the jurisdiction of its organization or incorporation, (ii) has the corporate or organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged except, in each case, to the extent that any such failure to have such power, authority or right would not reasonably be expected to have a Material Adverse Effect and (iii) is duly qualified as a foreign corporation or limited liability company and in good standing (where such concept is relevant) under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except, in each case, to the extent that the failure to be so qualified or in good standing (where such concept is relevant) would not reasonably be expected to have a Material Adverse Effect and (b) is in compliance with all Requirements of Law except to the extent that any such failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

4.4 Corporate Power; Authorization; Enforceable Obligations . Each Loan Party has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrowers, to borrow hereunder. Each Loan Party has taken all necessary corporate or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrowers, to authorize the extensions of credit on the terms and conditions of this Agreement. Except as would not reasonably be expected to have a Material Adverse Effect, no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority is required in connection with the extensions of credit hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, except (i) consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect or the failure to obtain which would not reasonably be expected to have a Material Adverse Effect and (ii) the filings referred to in Section 4.17. Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing.

4.5 No Legal Bar . The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not (a) violate the organizational or governing documents of any of the Loan Parties, (b) violate in any material respect any Requirement of Law or any material Contractual Obligation of Holdings, the Borrowers or any of their Restricted Subsidiaries or (c) result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens permitted by Section 7.3).

4.6 No Material Litigation . No litigation, proceeding or, to the knowledge of Holdings and the Borrowers, investigation of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings and the Borrowers, likely to be commenced within a reasonable time period against Holdings, the Borrowers or any of the Restricted Subsidiaries or against any of their Properties or revenues which, taken as a whole, (a) are material and adverse with respect to any of the Loan Documents or (b) would reasonably be expected to have a Material Adverse Effect.

4.7 No Default . No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens . Except as set forth in Schedule 4.8A, each of Holdings, the Borrowers and their Restricted Subsidiaries has good and marketable title in fee simple to, or a valid leasehold interest in or in the case of real property subject to a license, a right to use, all its real property, and good title to, or a valid leasehold interest in or right to use, all its other Property (other than Intellectual Property), in each case, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by the Loan Documents. Schedule 4.8B lists all real property which is owned, leased or licensed to use by any Loan Party as of the Closing Date.

4.9 Intellectual Property . Each of Holdings, the Borrowers and their Restricted Subsidiaries owns, or has a valid license to use, all Intellectual Property necessary for the conduct of its business as currently conducted free and clear of all Liens, except for Liens permitted by Section 7.3 and except where the failure to so own or have a license to use would not reasonably be expected to have a Material Adverse Effect. To Holdings' or the Borrowers' knowledge, no holding, injunction, decision or judgment has been rendered by any Governmental Authority and none of Holdings, the Borrowers or any of their Restricted Subsidiaries has entered into any settlement stipulation or other agreement (except license agreements in the ordinary course of business) which would cancel the validity of Holdings', the Borrowers' or any Restricted Subsidiary's rights in any Intellectual Property owned or licensed by Holdings, the Borrowers or any Restricted Subsidiary (the " Borrower Intellectual Property ") in any respect that would reasonably be expected to have a Material Adverse Effect. To Holdings' or the Borrowers' knowledge, no pending claim has been asserted or threatened in writing by any Person challenging the use by Holdings, the Borrowers or its Restricted Subsidiaries of any Borrower Intellectual Property or the validity of any Borrower Intellectual Property, except in each case as would not reasonably be expected to have a Material Adverse Effect. To Holdings' or the Borrowers' knowledge, the use of any Borrower Intellectual Property by Holdings, the Borrowers or their Restricted Subsidiaries does not infringe on the rights of any other Person in a manner that would reasonably be expected to have a Material Adverse Effect. Holdings, the Borrowers and their Restricted Subsidiaries have taken all commercially reasonable actions that in the exercise of their reasonable business judgment should be taken to protect the Borrower Intellectual Property, including Borrower Intellectual Property that is confidential in nature, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.10 Taxes . Each of Holdings, the Borrowers and each of their Restricted Subsidiaries (i) has timely filed or caused to be filed all federal, state, provincial and other Tax returns that are required to be filed by it, and (ii) has duly and timely paid all Taxes shown to be due and payable on said returns and all other Taxes, fees or other charges imposed on it or any of its Property, assets, income, businesses and franchises by any Governmental Authority responsible for administering Taxes (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which any reserves required in conformity with GAAP have been provided on the books of Holdings, the Borrowers or such Restricted Subsidiary, as the case may be), except in each case where the failure to do so would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. There are no current, proposed or, to the knowledge of Holdings, the Borrowers or any of their Restricted Subsidiaries, pending Tax assessments, deficiencies or audits against Holdings, the Borrowers or any of their Restricted Subsidiaries, as the case may be, except those that are currently being contested in good faith by appropriate proceedings and with respect to which any reserves required in conformity with GAAP have been provided on the books of Holdings, the Borrowers or such Restricted Subsidiary, as the case may be, or that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

4.11 Federal Regulations . No part of the proceeds of any Term Loans, and no other extensions of credit hereunder, will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the regulations of the Board. If requested by any Lender (through the Administrative Agent) or the Administrative Agent, the Borrowers will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1 referred to in Regulation U.

4.12 ERISA .

(a) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412(a) of the Code or Section 302(a)(2) of ERISA) has occurred during the five-year period prior to the date on which this representation is made with respect to any Single Employer Plan, and each Plan has complied with the applicable provisions of ERISA and the Code; no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Single Employer Plan has arisen, during such five-year period; the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Single Employer Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Single Employer Plan allocable to such accrued benefits; none of Holdings, the Borrowers nor any of their Restricted Subsidiaries has had (or reasonably expects to have) a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a liability under ERISA and, to the knowledge of Holdings and the Borrowers, no Multiemployer Plan is in Reorganization or Insolvent.

(b) Holdings, the Borrowers and their Restricted Subsidiaries have not incurred, and do not reasonably expect to incur, any liability under ERISA or the Code with respect to any plan within the meaning of Section 3(3) of ERISA which is subject to Title IV of ERISA that is maintained by a Commonly Controlled Entity (other than Holdings, the Borrowers and their Restricted Subsidiaries) (a " Commonly Controlled Plan ") merely by virtue of being treated as a single employer under Title IV of ERISA with the sponsor of such plan that would reasonably be likely to have a Material Adverse Effect and result in a direct obligation of Holdings, the Borrowers and their Restricted Subsidiaries to pay money.

4.13 Investment Company Act . No Loan Party is an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

4.14 Subsidiaries .

(a) The Subsidiaries listed on Schedule 4.14 constitute all the Subsidiaries of Holdings at the Closing Date. Schedule 4.14 sets forth as of the Closing Date the name and jurisdiction of incorporation of each Subsidiary and, as to each Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and the designation of such Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary.

(b) As of the Closing Date, except as set forth on Schedule 4.14, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments of any nature relating to any Capital Stock of the Borrowers or any of their Restricted Subsidiaries.

4.15 Environmental Matters . Other than exceptions to any of the following that would not reasonably be expected to have a Material Adverse Effect: none of Holdings, the Borrowers or any of their Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law for the operation of the Business; or (ii) has become subject to any Environmental Liability.

4.16 Accuracy of Information, etc . No statement or information (excluding the projections and pro forma financial information referred to below and information of a general economic or general industry nature) contained in this Agreement, any other Loan Document, the Confidential Information Memorandum or any certificate furnished to the Administrative Agent or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents when taken as a whole, contained as of the date such statement, information, or certificate was so furnished (or, in the case of the Confidential Information Memorandum, as of the Closing Date), any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not materially misleading in light of the circumstances under which such statements contained therein. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrowers to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact, that such financial information is subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties, that no assurance can be given that the projected results will be realized, and that actual results during the period or periods covered by such projections and financial information may differ significantly from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, in the Confidential Information Memorandum or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.17 Security Documents .

(a) The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent for the benefit of the Secured Parties, a legal, valid and enforceable security interest (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally and by general

equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing) in the Collateral described therein (including any proceeds of any item of Collateral) to the extent required by the Guarantee and Collateral Agreement. In the case of (i) the Pledged Securities described in the Guarantee and Collateral Agreement, when any stock certificates or notes, as applicable, representing such Pledged Securities are delivered to the Administrative Agent, together with appropriate blank instruments of transfer and (ii) the other Collateral described in the Guarantee and Collateral Agreement, when financing statements in appropriate form are filed, within the time periods (if any) required by applicable law, in the offices specified on Schedule 4.17 (which financing statements have been duly completed and executed (as applicable) and delivered to the Administrative Agent) and such other filings as are specified on Schedule 4.17 are made, the Administrative Agent shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (including any proceeds of any item of Collateral) (to the extent a security interest in such Collateral can be perfected through the filing of financing statements in the offices specified on Schedule 4.17 and the filings specified on Schedule 4.17, and through the delivery of the Pledged Securities and such instruments of transfer required to be delivered on the Closing Date), as security for the Obligations, in each case prior and superior in right to any other Person (except (i) in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.3 and (ii) Liens having priority by operation of law) to the extent required by the Guarantee and Collateral Agreement.

(b) Upon the execution and delivery of any Mortgage to be executed and delivered pursuant to Section 6.8(b), such Mortgage shall be effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien on the mortgaged property described therein and proceeds thereof; and when such Mortgage is filed in the recording office designated by the Borrowers, such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such mortgaged property and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (other than Liens permitted by Section 7.3 or other encumbrances or rights permitted by the relevant Mortgage).

4.18 Solvency . Holdings and its Subsidiaries, taken as a whole, are, and (after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith and with the ABL Facility and the redemption, repayment, defeasance, repayment or refinancing of any Indebtedness substantially simultaneously therewith) will be, Solvent.

4.19 Senior Indebtedness .

All borrowings of Term Loans permitted under this Agreement are, and when incurred or issued will be, permitted under (and shall give rise to no breach or violation of) the ABL Facility, any Junior Indebtedness and any Permitted Amendment or Refinancing of any of the foregoing (or under the definitive documentation relating thereto).

4.20 Labor Matters . There are no strikes or other labor disputes against Holdings, the Borrowers or any of its Restricted Subsidiaries pending or, to the knowledge of Holdings or the Borrowers, threatened that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of Holdings, the Borrowers and their Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. All payments due from Holdings, the Borrowers or any of their Restricted Subsidiaries on account of employee health and welfare insurance that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of Holdings, the Borrowers or the relevant Restricted Subsidiary.

4.21 Regulation H . No Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968.

4.22 Anti-Money Laundering and Economic Sanctions Laws .

(a) No Loan Party, none of its Subsidiaries and, to the knowledge of senior management of each Loan Party, none of its Affiliates and none of the respective officers, directors, brokers or agents of such Loan Party, such Subsidiary or, to the knowledge of senior management of each Loan Party, Affiliate (i) has violated or is in violation of any applicable Anti-Money Laundering Law or (ii) has engaged or engages in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds of the Term Loans from any category of offenses designated in any applicable law, regulation or other binding measure implementing the "Forty Recommendations" and "Nine Special Recommendations" published by the Organisation for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

(b) No Loan Party, none of its Subsidiaries and, to the knowledge of senior management of each Loan Party, none of its Affiliates and none of the respective officers, directors, brokers or agents of such Loan Party, such Subsidiary or, to the knowledge of senior management of each Loan Party, such Affiliate that is acting or benefiting in any capacity in connection with the Term Loans is an Embargoed Person.

(c) Except as otherwise authorized by OFAC, to the extent applicable to such Person, no Loan Party, none of its Subsidiaries and, to the knowledge of senior management of each Loan Party, none of its Affiliates and none of the respective officers, directors, brokers or agents of such Loan Party, such Subsidiary or, to the knowledge of senior management of each Loan Party, such Affiliate acting or benefiting in any capacity in connection with the Term Loans (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Embargoed Person, (ii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any applicable Economic Sanctions Laws or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the applicable prohibitions set forth in any Economic Sanctions Laws.

4.23 FCPA . Holdings, the Borrowers and each of their Subsidiaries is in compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended, except as would not reasonably be expected to result in a Material Adverse Effect. No part of the proceeds of the Loans has been or will be used by Holdings, the Borrowers or their Subsidiaries, directly or indirectly, for any payments to any Person, governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the U.S. Foreign Corrupt Practices Act of 1977, as amended, in each case, except as would not reasonably expected to have a Material Adverse Effect

4.24 Insurance . The properties of the Borrowers and their Restricted Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrowers, in such amounts, with such deductibles and covering such risks as are customarily carried by companies of established repute engaged in the same or similar businesses operating in the same or similar locations.

4.25 Broker's or Finder's Commissions . No broker's or finder's fee or commission will be payable with respect to the execution and delivery of this Agreement and the other Loan Documents.

SECTION 5.

CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit . The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction (or waiver), prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Credit Agreement; Security Documents . The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, Holdings, the Borrowers, the Joint Lead Arrangers, the Syndication Agent, the Documentation Agent and each Lender whose name appears on the signature pages hereof (or, with respect to each Person which shall be a Lender as of the Closing Date, a duly completed, executed and delivered Lender Addendum) and (ii) the Guarantee and Collateral Agreement, executed and delivered by the Loan Parties and the Administrative Agent.

(b) Existing Indebtedness . (i) Holdings, the Borrowers and their Restricted Subsidiaries shall have no Indebtedness for borrowed money outstanding as of the Closing Date other than under the Term Facility, the ABL Facility and the other Indebtedness permitted by Section 7.2, and (ii) Holdings, the Borrowers and their Subsidiaries shall have repaid in full all Indebtedness outstanding under the Kellwood Intercompany Note, together with all accrued but unpaid interest, fees and other amounts owing thereunder.

(c) Transactions, etc . The following transactions shall be consummated:

(i) The IPO shall have been consummated;

(ii) Substantially concurrently with the satisfaction of the other conditions precedent set forth in this subsection 5.1(c), Holdings, the Borrowers and certain of their Subsidiaries shall have entered into the ABL Facility; and

(iii) The Administrative Agent shall have received a counterpart of the ABL Intercreditor Agreement, signed by the administrative agent under the ABL Facility and acknowledged by Holdings, Borrowers and the Subsidiary Guarantors party thereto.

(d) Fees . The Administrative Agent shall have received all fees required to be paid, and all reasonable out-of-pocket expenses for which reasonably detailed invoices have been presented (including reasonable fees, disbursements and other charges of counsel to the Administrative Agent), on or before the Closing Date.

(e) Solvency Certificate . The Administrative Agent shall have received a solvency certificate signed by the chief financial officer on behalf of Holdings, substantially in the form of Exhibit G hereto.

(f) Lien Searches . The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions in which Uniform Commercial Code financing statements or other filings or recordations should be made to evidence or perfect security interests in all assets of the Loan Parties, and such search shall reveal no liens on any of the assets of the Loan Party, except for Liens permitted by Section 7.3 or liens to be discharged on or prior to the Closing Date.

(g) Closing Certificate . The Administrative Agent shall have received a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(h) Legal Opinions . The Administrative Agent shall have received an executed legal opinion of Kirkland & Ellis LLP, counsel to the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent.

(i) Pledged Stock; Stock Powers; Pledged Notes . The Administrative Agent shall have received (i) the certificates representing the shares, if any, of Capital Stock of the Borrowers and (to the extent required by the terms of Section 6.8(d) and the Guarantee and Collateral Agreement) each of the Borrowers' Subsidiaries pledged to the Administrative Agent pursuant to (and, in the case of the Capital Stock of any Foreign Subsidiary, subject to the limitations of) the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) required to be pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(j) Filings, Registrations and Recordings . Each document (including, without limitation, any Uniform Commercial Code financing statement) required by the Security Documents to be filed, registered or recorded in order to create in favor of the Administrative Agent for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein with the priority provided for in the Security Documents, shall have been delivered to the Administrative Agent in proper form for filing, registration or recordation.

(k) Insurance . The Administrative Agent shall have received insurance certificates and endorsements satisfying the requirements of Section 6.5(c).

(l) Pro Forma Balance Sheet; Financial Statements; Financial Plan . The Lenders shall have received (i) the unaudited pro forma consolidated balance sheet of Holdings and its consolidated Subsidiaries (the " Pro Forma Balance Sheet "), certified by Holdings as having been prepared giving effect (as if such events had occurred on such date) to (A) the Term Loans to be made on the Closing Date and the use of the proceeds thereof, (B) the IPO and (C) the payment of fees and expenses in connection with the foregoing; and (ii) the financial statements of Holdings and its Subsidiaries referred to in Section 4.1. The Pro Forma Balance Sheet shall have been prepared based upon the best information available to Holdings as of the date of delivery thereof, and present fairly in all material respects on a pro forma basis the estimated financial position of Holdings and its consolidated Subsidiaries as at the end of the fiscal quarter ending August 3, 2013, assuming that the events specified in the preceding sentence had actually occurred at such date, and shall be so certified by the Borrowers.

(m) Certificate of Representations and Warranties . The Administrative Agent shall have received a certificate of representations and warranties from the Borrowers, executed by a financial officer of the Borrowers, substantially in the form attached hereto as Exhibit E.

(n) Know Your Customer . On or before the Closing Date, the initial Lenders shall have received all documentation and other information that such initial Lender requests at least 10 days prior to the Closing Date in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

(o) Other Certifications . The Administrative Agent shall have received the following:

(i) a copy of the bylaws or other similar organizational document of each Loan Party and each amendment thereto, certified as being a true and correct copy thereof by the applicable Loan Party;

(ii) a copy of a certificate of the applicable Governmental Authority of the jurisdiction in which each such Loan Party is organized, dated reasonably near the date of the initial extension of credit, listing the charter or other similar organizational document of such Loan Party and each amendment thereto on file in such office and, if available, certifying that (A) such amendments are the only amendments to such Person’s charter on file in such office, (B) such Person has paid all franchise taxes to the date of such certificate and (C) such Person is duly organized and in good standing or full force and effect under the laws of such jurisdiction; and

(iii) a certificate, dated the Closing Date and signed by a Responsible Officer of Holdings, confirming compliance with the conditions set forth in Sections 5.2(a) and (b).

5.2 Conditions to All Extensions of Credit . The agreement of each Lender to make any extension of credit (other than New Term Loans) requested to be made by it is subject to the satisfaction (or waiver), prior to or concurrently with the making of such extension of credit on any date, of the following conditions precedent:

(a) The representations and warranties of the Borrowers and each other Loan Party contained in Section 4 or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such extension of credit, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and except that for purposes of this Section 5.2, the representations and warranties contained in Section 4.1 shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.1(a) and (b), respectively.

(b) No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit required to be made on such date.

5.3 New Term Loans . Prior to the incurrence of any New Term Loans, Holdings and the Borrowers shall have satisfied (or caused to be satisfied) all of the applicable conditions set forth in Section 2.25 and the relevant Joinder Agreement.

SECTION 6.

AFFIRMATIVE COVENANTS

Each of Holdings and the Borrowers (on behalf of itself and each of the Restricted Subsidiaries) hereby agrees that, so long as the Commitments remain in effect or any Term Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than contingent or indemnification obligations not then due), Holdings and the Borrowers shall and (to the extent relevant) shall cause each of the Restricted Subsidiaries to:

6.1 Financial Statements . Furnish to the Administrative Agent for delivery to each Lender (which may be delivered via posting on Intralinks):

(a) within 120 days after the end of each fiscal year of Holdings, commencing with the fiscal year ending on or around February 1, 2014, a copy of the audited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of and for the previous year, reported on by independently certified public accountants of nationally recognized standing without qualification, exception or explanatory statement as to "going concern" (other than any such exception or explanatory statement (but not qualification) that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date of a Term Facility occurring within one year from the time such report is delivered or (ii) an inability or potential inability to satisfy the covenant set forth in Section 7.1 of this Agreement on a future date or in a future period) or qualification arising out of the scope of the audit; and

(b) as soon as available, but in any event not later than 60 days after the end of each of the first three quarterly periods of each fiscal year of Holdings, commencing with the fiscal quarter ending on or around November 2, 2013 (provided, that for the fiscal quarter ending on or around November 2, 2013, such financial statements shall be due within the time period prescribed by the SEC reporting requirements), the unaudited consolidated balance sheet of Holdings and its consolidated Restricted Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the lack of notes); all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein and except, in the case of the financial statements referred to in clause (b), for customary year-end adjustments and the absence of footnotes).

If Holdings has filed (within the time period required above) a Form 10-Q or 10-K, as applicable, with the SEC for any fiscal quarter or fiscal year described above, then to the extent that such quarterly or annual report on Form 10-Q or 10-K contains any of the foregoing items, the Lenders will accept such Form 10-Q or 10-K in lieu of such items; provided that such filings shall be delivered to the Administrative Agent and each Lender in the same manner as set forth below. Documents required to be delivered pursuant to this Section 6.1 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and each Lender and if so posted, shall be deemed to have been delivered on the date (i) on which the Borrowers posts such documents, or provides a link thereto on the Borrowers' website on the Internet at www.vince.com, or (ii) on which such documents are posted on the Borrowers' behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have been granted access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

6.2 Certificates; Other Information . Furnish to the Administrative Agent for delivery to each Lender, or, in the case of clause (f), to the relevant Lender:

(a) concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants of the Borrowers in customary form reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate (which certificate may be limited to the extent required by accounting rules or guidelines and will not be required if such accountants no longer provide such certificates to its customers (or their lenders) generally);

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer on behalf of Holdings stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) (x) if applicable for such period, a Compliance Certificate containing all information and calculations necessary for determining compliance by Holdings, the Borrowers and its Subsidiaries with the provisions of Section 7.1 as of the last day of the fiscal quarter or fiscal year of Holdings, as the case may be, and (y) to the extent not previously disclosed to the Administrative Agent, a description of any new Subsidiary and of any change in the jurisdiction of organization of any other Loan Party and a listing of any new registrations, and applications for registration, of Intellectual Property acquired or made by any Loan Party since the date of the most recent list delivered pursuant to this clause (y) (or, in the case of the first such list so delivered, since the Closing Date);

(c) as soon as available, but in any event not later than 90 days after the end of each fiscal year of Holdings (commencing with the fiscal year ending on or nearest to February 1, 2014), a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of Holdings, the Borrowers and their Restricted Subsidiaries as of the end of the following fiscal year and the related consolidated statements of projected cash flow and projected income (collectively, the " Annual Operating Budget ");

(d) promptly after the same are sent, copies of all financial statements and reports that Holdings or the Borrowers sends to the holders of any class of its debt securities or public equity securities (except for Permitted Investors) and, promptly after the same are filed, copies of all financial statements and reports that Holdings or the Borrowers may make to, or file with, the SEC, in each case to the extent not already provided pursuant to Section 6.1 or any other clause of this Section 6.2;

(e) promptly upon delivery thereof to Holdings or the Borrowers and to the extent permitted, copies of any accountants' letters addressed to its Board of Directors (or any committee thereof); and

(f) promptly, such additional financial and other information as the Administrative Agent (for its own account or upon the reasonable request from any Lender) may from time to time reasonably request.

Documents required to be delivered pursuant to this Section 6.2 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and each Lender and if so posted, shall be deemed to have been delivered on the date (i) on which the Borrowers posts such documents, or provides a link thereto on the Borrowers' website on the Internet at www.vince.com, or (ii) on which such documents are posted on the Borrowers' behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

6.3 Payment of Obligations . Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material Taxes, governmental assessments and governmental charges (other than Indebtedness), except (a) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves required in conformity with GAAP with respect thereto have been provided on the books of Holdings, the Borrowers or their Subsidiaries, as the case may be, or (b) to the extent that failure to pay or satisfy such obligations could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.4 Conduct of Business and Maintenance of Existence, etc.; Compliance .

(a) (i) Preserve, renew and keep in full force and effect its corporate or other existence and (ii) take all reasonable action to maintain all rights (other than Intellectual Property rights, the maintenance of which is addressed in Section 6.5(b)), privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 or except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except, in any case, where the failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, comply, and cause all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws; and

(c) conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Releases of Materials of Environmental Concern occurring at any of its properties, in each case in accordance with the requirements of all Environmental Laws; provided that none of the Borrowers nor any of the Restricted Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that either (A) (i) its obligation to do so is being contested in good faith and by proper proceedings, and (ii) appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP, or (B) the failure to make such undertaking could not reasonably be expected to result in a Material Adverse Effect.

6.5 Maintenance of Property; Insurance .

(a) Keep all material Property necessary in its business in reasonably good working order and condition, ordinary wear and tear excepted.

(b) Take all commercially reasonable and necessary steps, including, in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Borrower Intellectual Property, including, filing of applications for renewal, affidavits of use and affidavits of incontestability, except in each case to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

(c) Maintain insurance with financially sound and reputable insurance companies (after giving effect to any self-insurance compatible with the following standards) insurance on all its material Property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business. All such insurance shall, to the

extent customary (but in any event, not including business interruption insurance and personal injury insurance) (i) provide that no cancellation thereof shall be effective until at least 10 days after receipt by the Administrative Agent of written notice thereof and (ii) name the Administrative Agent as insured party or loss payee.

(d) If any portion of any Property subject to a Mortgage is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then the Borrowers shall, or shall cause each Loan Party to (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (ii) deliver to the Administrative Agent evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent.

(e) Cause fire and extended coverage policies maintained with respect to any Collateral to be endorsed or otherwise amended to include (A) a non-contributing mortgage clause (regarding improvements to real estate) and lenders' loss payable clause (regarding personal property), in form and substance reasonably satisfactory to the Administrative Agent, which endorsements or amendments shall provide that the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Administrative Agent, (B) a provision to the effect that none of the Loan Parties or any other Person shall be a co-insurer and (C) such other provisions as the Administrative Agent may reasonably require from time to time to protect the interests of the Loan Parties, (ii) cause commercial general liability policies to be endorsed to name the Administrative Agent as an additional insured, (iii) cause business interruption policies to name the Administrative Agent as a loss payee, and (iv) cause each such policy referred to in this Section 6.5 to also provide that it shall not be canceled, modified or not renewed (A) by reason of nonpayment of premium except upon not less than ten (10) days' prior written notice thereof by the insurer to the Administrative Agent (giving the Administrative Agent the right to cure defaults in the payment of premiums) or (B) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Administrative Agent.

(f) Deliver to the Administrative Agent, prior to the cancellation, modification or non-renewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Administrative Agent, including an insurance binder) together with evidence satisfactory to the Agent of payment of the premium therefor.

6.6 Inspection of Property; Books and Records; Discussions .

(a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all material dealings and transactions in relation to its business and activities, (b) permit representatives of any Lender to visit and inspect any of its properties (in the case of any real property lease, to the extent permitted in the relevant lease agreement) and examine and make abstracts from any of its books and records upon reasonable prior notice and during normal business hours (provided that such visits shall be coordinated by the Administrative Agent), (c) permit representatives of any Lender to have reasonable discussions regarding the business, operations, properties and financial and other condition of Holdings, the Borrowers and their Restricted Subsidiaries with officers and employees of Holdings, the Borrowers and their Restricted Subsidiaries, and (provided that any Lender shall coordinate any request for such discussions through the Administrative Agent), (d) permit representatives of the Administrative Agent to have reasonable discussions regarding the business, operations, properties and financial and other condition of Holdings, the Borrowers and their Restricted Subsidiaries with its independent certified public accountants;

provided that a Responsible Officer of Holdings or the Borrowers shall be present during such discussion and any such discussions with Holdings' independent certified public accountants at Holdings' expense shall, except while an Event of Default has occurred and is continuing, be limited to one meeting per calendar year.

6.7 Notices . Promptly upon a Responsible Officer of Holdings or any Loan Party obtaining knowledge thereof, give notice to the Administrative Agent (who shall promptly notify each Lender) of:

(a) the occurrence of any Default or Event of Default;

(b) any litigation, investigation or proceeding which may exist at any time between Holdings, the Borrowers or any of its Restricted Subsidiaries and any other Person, that in either case, could reasonably be expected to have a Material Adverse Effect;

(c) the following events, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, as soon as possible and in any event within 30 days after Holdings, the Borrowers or any Restricted Subsidiary knows thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to a Single Employer Plan, the creation of any Lien in favor of the PBGC or a Single Employer Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan, (ii) the institution of proceedings or the taking of any other action by the PBGC or Holdings or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan or (iii) the occurrence of any similar events with respect to a Commonly Controlled Plan, that would reasonably be likely to result in a direct obligation of Holdings, the Borrowers or any of its Restricted Subsidiaries to pay money;

(d) any development or event that has had or could reasonably be expected to have a Material Adverse Effect; and

(e) the acquisition of any Property after the Closing Date in which the Administrative Agent does not already have a perfected security interest and in which a security interest is required to be created or perfected pursuant to Section 6.8.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action Holdings, the Borrowers or the relevant Restricted Subsidiary proposes to take with respect thereto.

6.8 Additional Collateral, etc .

(a) With respect to any Property (other than Vehicles, cash, Cash Equivalents and other assets expressly excluded from the Collateral or excluded from the requirement that a Lien is perfected on such Property pursuant to the Security Documents) located in the United States acquired after the Closing Date by any Loan Party (other than (x) any interests in real property and any Property described in paragraph (b) of this Section 6.8, (y) any Property subject to a Lien expressly permitted by Section 7.3(g) and (z) Instruments, Certificated Securities, Securities and Chattel Paper, which are referred to in the last sentence of this paragraph (a)) as to which the Administrative Agent for the benefit of the Secured Parties does not have a perfected Lien, promptly (i) give notice of such Property to the Administrative Agent and execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent reasonably

requests to grant to the Administrative Agent for the benefit of the Secured Parties a security interest in such Property and (ii) take all actions reasonably requested by the Administrative Agent to grant to the Administrative Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in such Property (with respect to Property of a type owned by a Loan Party as of the Closing Date to the extent the Administrative Agent for the benefit of the Secured Parties, has a perfected security interest in such Property as of the Closing Date), including, without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent. Any Instrument, Certificated Security (other than in respect of the Capital Stock of any Subsidiary), Security or Chattel Paper in excess of $500,000 shall be promptly delivered to the Administrative Agent indorsed in a manner reasonably satisfactory to the Administrative Agent to be held as Collateral pursuant to the relevant Security Document.

(b) With respect to any fee interest in any real property located in the United States having a value (together with improvements thereof) of at least $2,000,000 acquired after the Closing Date by any Loan Party (other than any such real property subject to a Lien expressly permitted by Section 7.3(g)), (i) give notice of such acquisition to the Administrative Agent and execute and deliver a first priority Mortgage (subject to Liens permitted by Section 7.3) in favor of the Administrative Agent for the benefit of the Secured Parties, covering such real property (provided that no Mortgage nor survey shall be obtained if the Administrative Agent determines in consultation with the Borrowers that the costs of obtaining such Mortgage or survey are excessive in relation to the value of the security to be afforded thereby), (ii) provide the Lenders with (1) a lenders' title insurance policy with extended coverage covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Administrative Agent) as well as (2) "Life-of-Loan" flood hazard determination (together with an executed notice to Borrower) and evidence of flood insurance, if applicable and (3) a current ALTA survey thereof, together with a surveyor's certificate unless the title insurance policy referred to above shall not contain an exception for any matter shown by a survey (except to the extent an existing survey has been provided and specifically incorporated into such title insurance policy) and shall include all reasonably requested survey-related endorsements, each in form and substance reasonably satisfactory to the Administrative Agent, and (iii) deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) With respect to any new Domestic Subsidiary (other than an Excluded Subsidiary) created or acquired after the Closing Date (which, for the purposes of this paragraph, shall include any Domestic Subsidiary that was previously an Excluded Subsidiary that no longer qualifies as an Excluded Subsidiary) by any Loan Party, promptly (i) give notice of such acquisition or creation to the Administrative Agent and, if requested by the Administrative Agent, execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent reasonably deems necessary to grant to the Administrative Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Capital Stock of such new Subsidiary that is owned by such Loan Party, (ii) deliver to the Administrative Agent the certificates, if any, representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Loan Party, and (iii) if such new Subsidiary is a wholly owned Domestic Subsidiary (and is not an Excluded Subsidiary), cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement and (B) to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary (to the extent

the Administrative Agent, for the benefit of the Secured Parties, has a perfected security interest in the same type of Collateral as of the Closing Date), including, without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent.

(d) With respect to any new first tier Foreign Subsidiary that is a Material Subsidiary (and is not an Unrestricted Subsidiary) created or acquired after the Closing Date (which, for the purposes of this paragraph, shall include any first-tier Foreign Subsidiary that previously was an Immaterial Subsidiary or an Unrestricted Subsidiary and becomes a Material Subsidiary or a Restricted Subsidiary, as applicable) by any Loan Party, promptly (i) give notice of such acquisition or creation to the Administrative Agent and, if requested by the Administrative Agent, execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or reasonably advisable in order to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected security interest (to the extent required by the Security Documents and with the priority required by Section 4.17) in the Capital Stock of such new Subsidiary that is owned by such Loan Party (provided that in no event shall more than 65% of the total outstanding voting Capital Stock of any such Foreign Subsidiary be required to be so pledged), and (ii) to the extent permitted by applicable law, deliver to the Administrative Agent the certificates, if any, representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Loan Party, and take such other action as may be necessary or, in the reasonable opinion of the Administrative Agent, necessary to perfect or ensure appropriate priority the Lien of the Administrative Agent thereon.

Notwithstanding any provision set forth herein or in any other Loan Documents to the contrary, in no event shall (w) any Excluded Subsidiary be required to guarantee the obligations of the Borrowers, (x) the assets of any Excluded Subsidiary constitute security or secure, or such assets or the proceeds of such assets be required to be available for, payment of the obligations of the Borrowers or any Domestic Subsidiary, (y) more than 65% of the voting stock of any Foreign Subsidiary directly held by the Borrowers or any Subsidiary Guarantor be required to be pledged to secure the obligations of the Borrowers or any Domestic Subsidiary or (z) any Capital Stock of any Foreign Subsidiary not directly owned by the Borrowers or any Subsidiary Guarantor be required to be pledged to secure the obligations of the Borrowers or any Domestic Subsidiary.

6.9 Further Assurances . Maintain the security interest created by the Security Documents as a perfected security interest having at least the priority described in Section 4.17 (to the extent such security interest can be perfected through the filing of UCC-1 financing statements, the Intellectual Property filings to be made pursuant to Schedule 4 of the Guarantee and Collateral Agreement or the delivery of Pledged Securities required to be delivered under the Guarantee and Collateral Agreement), subject to the rights of the Loan Parties under the Loan Documents to dispose of the Collateral. From time to time the Loan Parties shall execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of renewing the rights of the Secured Parties with respect to the Collateral as to which the Administrative Agent, for the ratable benefit of the Secured Parties, has a perfected Lien pursuant hereto or thereto, including, without limitation, filing any financing or continuation statements or financing change statements under the Uniform Commercial Code (or other similar laws) in effect in any United States jurisdiction with respect to the security interests created hereby.

6.10 Use of Proceeds . The proceeds of the Initial Term Loans shall be used to finance the repayment in full of the Kellwood Intercompany Note and the payment of related fees and expenses. The proceeds of any New Term Loans after the Closing Date shall be used as specified in the applicable Joinder Agreement.

6.11 Credit Ratings . For so long as any Term Loans remain outstanding, use its commercially reasonable efforts to maintain a public corporate family rating with respect to the Borrowers and a public credit rating with respect to the Loans, in each case from each of Moody's and S&P.

SECTION 7.

NEGATIVE COVENANTS

Holdings and the Borrowers (on behalf of themselves and each of the Restricted Subsidiaries) hereby agree that, so long as the Commitments remain in effect or any Term Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than contingent or indemnification obligations not then due), Holdings and the Borrowers shall not, and shall not permit any of the Restricted Subsidiaries to:

7.1 Consolidated Net Total Leverage Ratio . (a) Permit the Consolidated Net Total Leverage Ratio of Holdings as at the last day of any period of four consecutive fiscal quarters of Holdings ending on or nearest to the date set forth below to exceed the ratio set forth below opposite such date:

Period	Consolidated Net Total Leverage Ratio
February 1, 2014	3.75 to 1.00
May 3, 2014	3.75 to 1.00
August 2, 2014	3.75 to 1.00
November 1, 2014	3.75 to 1.00
January 31, 2015	3.50 to 1.00
May 2, 2015	3.50 to 1.00
August 1, 2015	3.50 to 1.00
October 31, 2015	3.50 to 1.00
January 30, 2016 and the last date of each fiscal quarter thereafter	3.25 to 1.00

(b) Notwithstanding anything to the contrary contained in Section 7.1, if Holdings fails to comply with the requirements of Section 7.1, then subject to the terms and conditions set forth in the definition of Consolidated EBITDA, Holdings shall have the right to effect a Specified Equity Contribution to cause compliance with Section 7.1 for the applicable period. The Borrowers shall give the Administrative Agent written notice (the " Cure Notice ") of a Specified Equity Contribution on or before the day the Specified Equity Contribution is consummated. Upon the delivery by the Borrowers of a Cure Notice, no Event of Default or Default shall be deemed to exist pursuant to Section 7.1 (and, subject to the next sentence, any such Default or Event of Default shall be retroactively considered not to have existed or occurred). If the Specified Equity Contribution is not consummated within 10 Business Days after the day on which financial statements are required to be delivered for the applicable fiscal quarter, each such Default or Event of Default shall be deemed reinstated.

7.2 Indebtedness . Create, issue, incur, assume, or suffer to exist any Indebtedness, except:

(a) Indebtedness of Holdings, the Borrowers or any Subsidiary Guarantor pursuant to any Loan Document or Hedge Agreements (including the New Term Loans or Other Term Loans);

(b) Indebtedness (i) of the Borrowers to any of its Restricted Subsidiaries, (ii) of any Subsidiary Guarantor to the Borrowers or any Restricted Subsidiary or (iii) of any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary; provided that (x) in the case of Indebtedness owing to a Loan Party, such Indebtedness shall be evidenced by one or more promissory notes that are pledged to the Administrative Agent for the benefit of the Secured Parties pursuant to the Guarantee and Collateral Agreement and (y) in the case of any Indebtedness owing by a Loan Party to any Restricted Subsidiary that is not a Subsidiary Guarantor, (A) such Indebtedness shall be on subordination terms reasonably satisfactory to the Administrative Agent and (B) such Indebtedness shall be otherwise permitted under the provisions of Section 7.7;

(c) (i) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed, together with any Permitted Amendment or Refinancing referred to in the following clause (iii) hereof, $10,000,000 at any one time outstanding; (ii) Indebtedness arising out of sale and leaseback transactions permitted by Section 7.10; and (iii) any Permitted Amendment or Refinancings of any of the foregoing;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any Permitted Amendment or Refinancings thereof;

(e) Guarantee Obligations (i) by a Borrower or any of its Restricted Subsidiaries of obligations of a Borrower or any Subsidiary Guarantor (ii) by any Non-Guarantor Subsidiary of obligations of any Non-Guarantor Subsidiary or (iii) by Holdings of lease obligations of a Borrower or of a Restricted Subsidiary;

(f) Indebtedness of Non-Guarantor Subsidiaries in respect of local lines of credit, letters of credit, bank guarantees, factoring arrangements, sale/leaseback transactions and similar extensions of credit in the ordinary course of business not to exceed, at any one time outstanding, an aggregate principal amount equal to $5,000,000;

(g) Indebtedness of the Borrowers or any of their Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn by the Borrowers or such Restricted Subsidiary in the ordinary course of business against insufficient funds, so long as such Indebtedness is promptly repaid;

(h) (i) Indebtedness of any Non-Guarantor Subsidiary to a Borrower or any Subsidiary Guarantor and (ii) Guarantee Obligations of a Borrower or any Subsidiary Guarantor of Indebtedness of any Non-Guarantor Subsidiaries, in an aggregate principal amount for all such Indebtedness and, without duplication, Guarantee Obligations not to exceed, together with any Investments under Section 7.7(r), $5,000,000 at any one time outstanding;

(i) additional Indebtedness of the Borrowers or any of their Restricted Subsidiaries in an aggregate principal amount (for the Borrowers and all Restricted Subsidiaries) not to exceed $10,000,000 at any one time outstanding; provided that up to $5,000,000 of such indebtedness may be secured by Liens permitted by Section 7.3(u);

(j) Indebtedness under a Permitted Seller Note issued as consideration in connection with an acquisition permitted under Section 7.7 (f), in an aggregate principal amount not to exceed, together with any Permitted Amendment or Refinancing referred to in this clause (j), $10,000,000 at any one time outstanding, and any Permitted Amendment or Refinancing thereof; provided that any such Indebtedness shall be subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent;

(k) Indebtedness of the Borrowers or any of their Restricted Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits, property casualty or liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations, performance, bid and surety bonds and completion guaranties, in each case in the ordinary course of business;

(l) Indebtedness incurred by the Borrowers or any of its Restricted Subsidiaries arising from agreements providing for indemnification or adjustment of purchase price or similar obligations in any case incurred in connection with an acquisition or other Investment permitted by Section 7.7(f) or the disposition of any business, assets or Restricted Subsidiary;

(m) unsecured, senior, senior subordinated or subordinated Indebtedness of Holdings or the Borrowers (including guarantees thereof by any Subsidiary Guarantor) (such Indebtedness and/or guarantees incurred under this clause (m) or any Permitted Amendment or Refinancing thereof being collectively referred to as the " Junior Indebtedness "); provided that (i) no scheduled principal payments, prepayments, redemptions or sinking fund or like payments of any Junior Indebtedness shall be required prior to the date at least 180 days after the then Latest Maturity Date), (ii) the terms of any Junior Indebtedness shall be usual and customary for high yield securities, (iii) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such Indebtedness or would result therefrom, (iv) in the case of Junior Indebtedness that is subordinated Indebtedness, the terms of subordination applicable to any Junior Indebtedness shall be reasonably satisfactory to the Administrative Agent and shall, in any event, define "senior indebtedness" or a similar phrase for purposes thereof to include all of the Obligations of the Loan Parties, and (v) at the time such Indebtedness was incurred, and immediately after giving effect thereto, the Consolidated Net Total Leverage Ratio for the Most Recently Ended period of four consecutive fiscal quarters of Holdings is not greater than the ratio set forth in Section 7.1 that is applicable at such time, less 0.25 to 1.00;

(n) Indebtedness of the Borrowers or any Subsidiary Guarantor as an account party in respect of trade letters of credit issued in the ordinary course of business;

(o) (i) Indebtedness of any Person that becomes a Restricted Subsidiary as part of a Permitted Acquisition or any Investment permitted by Section 7.7 after the Closing Date; provided that (A) such acquired Indebtedness exists at the time such Person becomes a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary (except to the extent such acquired Indebtedness refinanced (and did not increase principal (except for accrued interest and premium (including tender premiums and make whole amounts) thereon plus other reasonable and customary fees and expenses (including upfront fees, original issue discount and defeasance costs) or shorten maturity during the term of this Agreement) other Indebtedness to facilitate such entity becoming a Restricted Subsidiary), and (B) the aggregate principal amount of Indebtedness permitted by this clause (o)(i) shall not at any one time outstanding exceed, together with any Permitted Amendment or Refinancing referred to in the following clause (ii) hereof, $5,000,000; and (ii) any Permitted Amendment or Refinancing thereof;

(p) [reserved];

(q) [reserved];

(r) Indebtedness consisting of promissory notes issued by a Borrower or any Guarantor to current or former officers, consultants and directors or employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Capital Stock of Holdings issued in lieu of cash payment; provided that such purchase or redemption is permitted under Section 7.6(g);

(s) Indebtedness of the Borrowers or any Restricted Subsidiary consisting of the financing of insurance premiums in the ordinary course of business;

(t) guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of the Borrowers and their Restricted Subsidiaries;

(u) (i) Indebtedness of the Borrowers (as defined herein and in the ABL Facility) or a Loan Party (as defined herein and in the ABL Facility) in respect of the ABL Facility; provided that the principal amount of the Indebtedness outstanding at any time pursuant to this clause (u)(i) shall not exceed, together with any Permitted Amendment or Refinancing referred in the following clause (ii) hereof, $50,000,000 (and if exercised, an additional $20,000,000 under the incremental portion of the ABL Facility); and (ii) any Permitted Amendment or Refinancing thereof; and

(v) Indebtedness consisting of earn-outs and similar deferred consideration in consideration in connection with a Permitted Acquisition or other Investment permitted by Section 7.7 in an aggregate amount outstanding at any one time not to exceed $10,000,000.

7.3 Liens . Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for:

(a) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrowers or their Restricted Subsidiaries, as the case may be, to the extent required by GAAP;

(b) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 90 days, that are being contested in good faith by appropriate proceedings or the existence of which, individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect;

(c) [reserved];

(d) deposits and other Liens to secure the performance of bids, trade contracts (other than for borrowed money), leases, subleases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, zoning restrictions, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of the Borrowers or any of their Restricted Subsidiaries;

(f) Liens (i) in existence on the date hereof listed on Schedule 7.3(f) (or to the extent not listed on Schedule 7.3(f), where the fair market value of the Property to which such Lien is attached is less than $500,000) and (ii) securing Indebtedness permitted by Section 7.2 (d);

(g) Liens securing Indebtedness of the Borrowers or any Restricted Subsidiary incurred pursuant to Section 7.2(c), 7.2(f) or 7.2(o); provided that in the case of any such Liens securing Indebtedness incurred pursuant to Section 7.2(c) to the extent, in each case, such Indebtedness was incurred to finance Permitted Acquisitions or Investments permitted under Section 7.7, (x) such Liens shall be created substantially concurrently with the acquisition of the assets financed by such Indebtedness and (y) such Liens do not at any time encumber any Property of the Borrowers or any Restricted Subsidiary other than the Property financed by such Indebtedness and the proceeds thereof and after-acquired property subjected to a Lien securing Indebtedness and other obligations incurred prior to such time (and which Indebtedness and other obligations are permitted hereunder) that require, pursuant to their terms at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition;

(h) Liens created pursuant to the Security Documents;

(i) any interest or title of a lessor or licensor under any leases or subleases, licenses or sublicenses entered into by the Borrowers or any Restricted Subsidiary in the ordinary course of its business and covering only the assets so leased or licensed, and any financing statement filed in connection with any such lease or license;

(j) Liens arising from judgments in circumstances not constituting an Event of Default under Section 8(h);

(k) Liens on property or assets acquired pursuant to an acquisition permitted under Section 7.7(f) (and the proceeds thereof) or assets of a Subsidiary Guarantor in existence at the time such Subsidiary Guarantor is acquired pursuant to an acquisition permitted under Section 7.7(f) and not created in contemplation thereof;

(l) Liens on Property of Non-Guarantor Subsidiaries securing Indebtedness or other obligations not prohibited by this Agreement to be incurred by such Non-Guarantor Subsidiaries;

(m) receipt of progress payments and advances from customers in the ordinary course of business to the extent same creates a Lien on the related inventory and proceeds thereof;

(n) Liens in favor of customs and revenue authorities arising as a matter of law to secure the payment of customs duties in connection with the importation of goods;

(o) Liens arising out of consignment or similar arrangements for the sale by the Borrowers and their Restricted Subsidiaries of goods through third parties in the ordinary course of business;

(p) Liens solely on any cash earnest money deposits made by the Borrowers or any of their Restricted Subsidiaries in connection with an Investment permitted by Section 7.7;

(q) Liens deemed to exist in connection with Investments permitted by Section 7.7(b) that constitute repurchase obligations;

(r) Liens upon specific items of inventory or other goods and proceeds of the Borrowers or any of its Restricted Subsidiaries arising in the ordinary course of business securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(s) Liens on cash or cash equivalents securing any Hedge Agreement permitted hereunder;

(t) [reserved];

(u) other Liens with respect to obligations that do not exceed $5,000,000 at any one time outstanding;

(v) the rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Borrowers or any of their Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(w) banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution;

(x) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases or consignments entered into by the Borrowers and their Restricted Subsidiaries in the ordinary course of business;

(y) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business; and (iii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(z) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(aa) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrowers or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrowers and their Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into by the Borrowers or any Restricted Subsidiary in the ordinary course of business;

(bb) Liens solely on any cash earnest money deposits made by the Borrowers or any of their Restricted Subsidiaries in connection with any letter of intent or purchase agreement not prohibited hereunder;

(cc) Liens arising by operation of law under Article 2 of the Uniform Commercial Code in favor of a reclaiming seller of goods or buyer of goods;

(dd) security given to a public or private utility or any governmental authority as required in the ordinary course of business;

(ee) Liens on securities which are the subject of repurchase agreements incurred in the ordinary course of business;

(ff) so long as the same is subject to the ABL Intercreditor Agreement in the capacity of ABL Obligations, Liens on Collateral (as defined herein and in the ABL Facility) securing Indebtedness incurred pursuant to Section 7.2(u) and any other " Obligations" as defined in the ABL Facility; and

(gg) Liens on the Collateral securing Permitted First Priority Refinancing Debt or Permitted Second Priority Refinancing Debt; provided , that (x) any such Liens in respect of Permitted First Priority Refinancing Debt are subject to the ABL Intercreditor Agreement and the First Lien Intercreditor Agreement and (y) any such Liens in respect of Permitted Second Priority Refinancing Debt are subject to the ABL Intercreditor Agreement and the Second Lien Intercreditor Agreement.

7.4 Fundamental Changes . Consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its Property or business, except that:

(a) (i) any Restricted Subsidiary may be merged, amalgamated, liquidated or consolidated with or into a Borrower (provided that such Borrower shall be the continuing or surviving corporation) or (ii) any Restricted Subsidiary may be merged, amalgamated, liquidated or consolidated with or into any Subsidiary Guarantor (provided that (x) a Subsidiary Guarantor shall be the continuing or surviving corporation or (y) simultaneously with such transaction, the continuing or surviving corporation shall become a Subsidiary Guarantor and the Borrowers shall comply with Section 6.8 in connection therewith);

(b) any Non-Guarantor Subsidiary may be merged or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary;

(c) any Non-Guarantor Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding-up or otherwise) to any Restricted Subsidiary;

(d) Dispositions permitted by Section 7.5 may be consummated;

(e) any Investment expressly permitted by Section 7.7 may be structured as a merger, consolidation or amalgamation;

(f) any Excluded Subsidiary may be dissolved or liquidated; and

(g) So long as no Default or Event of Default is continuing or would result therefrom, Intermediate Holdings may be merged with and into Vince, with Vince being the surviving entity in such merger.

7.5 Dispositions of Property . Dispose of any of its owned Property (including, without limitation, receivables) whether now owned or hereafter acquired, or, in the case of any Restricted Subsidiary, issue or sell any shares of such Restricted Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of surplus, obsolete or worn out property in the ordinary course of business;

(b) (i) the sale of inventory in the ordinary course of business, (ii) the cross-licensing or licensing of Intellectual Property, in the ordinary course of business and (iii) the contemporaneous exchange, in the ordinary course of business, of Property for Property of a like kind (other than as set forth in clause (ii)), to the extent that the Property received in such exchange is of a value equivalent to the value of the Property exchanged (provided that after giving effect to such exchange, the value of the Property of the Borrowers or any Subsidiary Guarantor subject to perfected first priority Liens in favor of the Administrative Agent under the Security Documents is not materially reduced);

(c) Dispositions permitted by Section 7.4;

(d) the sale or issuance of any Subsidiary's Capital Stock to a Borrower or any Subsidiary Guarantor; provided that the sale or issuance of Capital Stock of an Unrestricted Subsidiary to a Borrower or any Subsidiary Guarantor is otherwise permitted by Section 7.7;

(e) the Disposition of other assets, so long as at least (i) 75% of the consideration received by the disposing Person is cash or Cash Equivalents, (ii) any such Disposition is made for fair market value, as determined in good faith and approved by the board of directors or similar governing body of the disposing Person and (iii) the requirements of Section 2.12(b), to the extent applicable, are complied with in connection therewith;

(f) any Recovery Event; provided that the requirements of Section 2.12(b) are complied with in connection therewith;

(g) the leasing, occupancy agreements or sub-leasing of Property that would not materially interfere with the required use (if any) of such Property by the Borrowers or their Restricted Subsidiaries;

(h) the sale or discount, in each case without recourse and in the ordinary course of business, of overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with the Borrowers' commercially reasonable business judgment (and not as part of any bulk sale or financing of receivables);

(i) transfers of condemned property as a result of the exercise of "eminent domain" or other similar policies to the respective Governmental Authority or agency that has condemned same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement;

(j) the Disposition of any Immaterial Subsidiary or any Unrestricted Subsidiary or their respective assets;

(k) the transfer of Property (i) by a Borrower or any Subsidiary Guarantor to a Borrower or any other Subsidiary Guarantor or (ii) from a Non-Guarantor Subsidiary to (A) a Borrower or any Subsidiary Guarantor for no more than fair market value or (B) any other Non-Guarantor Subsidiary that is a Restricted Subsidiary; provided that any sale or issuance of Capital Stock of an Unrestricted Subsidiary to a Borrower or any Subsidiary Guarantor is otherwise permitted by Section 7.7;

(l) the Disposition of Cash Equivalents in the ordinary course of business;

(m) sale and leaseback transactions permitted by Section 7.10;

(n) Liens permitted by Section 7.3;

(o) Restricted Payments permitted by Section 7.6;

(p) the cancelation of intercompany Indebtedness among the Borrowers and the Subsidiary Guarantors;

(q) Investments permitted by Section 7.7; and

(r) the sale or issuance of the Capital Stock of (i) any Foreign Subsidiary that is a Restricted Subsidiary to any other Foreign Subsidiary that is a Restricted Subsidiary or (ii) any Foreign Subsidiary that is an Unrestricted Subsidiary to any other Foreign Subsidiary that is an Unrestricted Subsidiary, in each case, including, without limitation, in connection with any tax restructuring activities not otherwise prohibited hereunder.

7.6 Restricted Payments . Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of Holdings, a Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Holdings, a Borrower or any Restricted Subsidiary, or enter into any derivatives or other transaction with any financial institution, commodities or stock exchange or clearinghouse (a " Derivatives Counterparty ") obligating Holdings, a Borrower or any Restricted Subsidiary to make payments to such Derivatives Counterparty as a result of any change in market value of any such Capital Stock (collectively, " Restricted Payments "), except that:

(a) any Subsidiary may make Restricted Payments, directly or indirectly, to a Borrower or any Subsidiary Guarantor, and a Borrower may make Restricted Payments to Holdings;

(b) Non-Guarantor Subsidiaries may make Restricted Payments to other Non-Guarantor Subsidiaries;

(c) provided that (i) no Default or Event of Default is continuing or would result therefrom and (ii) the Consolidated Net Total Leverage Ratio, calculated on a pro forma basis, is at least 0.25 to 1.00 lower than the applicable Consolidated Net Total Leverage Ratio covenant level required by Section 7.1 after giving effect to such Restricted Payment, Holdings may make Restricted Payments in an aggregate amount not to exceed the Available Excess Amount; provided that no Restricted Payments may be made under this clause (c) during any fiscal quarter if a Specified Equity Contribution has been (or is anticipated to be) exercised in respect of either of the two immediately preceding fiscal quarters;

(d) [reserved];

(e) Investments permitted by Section 7.7;

(f) Holdings may make Restricted Payments in the form of common stock of Holdings or preferred stock of Holdings; and

(g) so long as no Default or Event of Default shall have occurred and be continuing, Holdings may purchase its common stock or common stock options from present or former officers, consultants and directors or employees (and their heirs, estates and assigns) of Holdings, the Borrowers or any Subsidiary upon the death, disability or termination of employment of such officer or employee; provided that the aggregate amount of payments under this clause (g) in any fiscal year of Holdings shall not exceed the sum of (i) $2,000,000 plus any proceeds received from key man life insurance policies and (ii) any Restricted Payments permitted (but not made) pursuant to this clause (g) in the immediately prior fiscal year.

7.7 Investments . Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or all or substantially all of the assets constituting an ongoing business from, or make any other investment in, any other Person, other than guarantees of operating leases in the ordinary course of business (all of the foregoing, " Investments "), except:

(a) extensions of trade credit in the ordinary course of business;

(b) Investments in Cash Equivalents;

(c) Investments arising in connection with the incurrence of Indebtedness permitted by Sections 7.2(b), (c) and (h);

(d) loans and advances to employees of Holdings, the Borrowers or any of their Restricted Subsidiaries in the ordinary course of business in an aggregate amount (for Holdings, the Borrowers and all Restricted Subsidiaries) not to exceed $2,000,000 (excluding (for purposes of such cap) travel and entertainment expenses, but including relocation expenses) at any one time outstanding;

(e) Investments (other than those relating to the incurrence of Indebtedness permitted by Section 7.7(c)) by the Borrowers or any of its Restricted Subsidiaries in the Borrowers or any Person that, prior to such Investment, is a Subsidiary Guarantor or becomes a Subsidiary Guarantor at the time of such Investment;

(f) Permitted Acquisitions to the extent that any Person acquired in such acquisition becomes a Subsidiary Guarantor or a part of the Borrowers or any Subsidiary Guarantor or becomes (whether or not such Person is a wholly owned Subsidiary) a Subsidiary Guarantor in the manner contemplated by Section 6.8(c);

(g) loans by the Borrowers or any of their Restricted Subsidiaries to the officers or directors of Holdings or the Borrowers or any of their Restricted Subsidiaries in connection with management incentive plans; provided that such loans represent cashless transactions pursuant to which such officers or directors directly invest the proceeds of such loans in the Capital Stock of Holdings;

(h) Investments by the Borrowers and their Restricted Subsidiaries in joint ventures or similar arrangements in an aggregate amount (for the Borrowers and all Restricted Subsidiaries) not to exceed $5,000,000 at any one time outstanding;

(i) Investments (including debt obligations) received in the ordinary course of business by the Borrowers or any Restricted Subsidiary in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising out of the ordinary course of business;

(j) Investments (i) by any Non-Guarantor Subsidiary in any other Non-Guarantor Subsidiary;

(k) Investments in existence on the Closing Date and listed on Schedule 7.7;

(l) Investments of the Borrowers or any Restricted Subsidiary under Hedge Agreements permitted hereunder;

(m) Investments of any Person in existence at the time such Person becomes a Restricted Subsidiary; provided that such Investment was not made in connection with or anticipation of such Person becoming a Restricted Subsidiary;

(n) [reserved];

(o) [reserved];

(p) provided that (i) no Default or Event of Default is continuing or would result therefrom and (ii) Holdings is in compliance with Section 7.1 before and after giving effect to such Investment, the Borrowers may make Investments in an aggregate amount (determined as the amount originally advanced, loaned or otherwise invested, less any returns on the respective Investment not to exceed the original amount invested) not to exceed at any time outstanding the Available Excess Amount;

(q) Subsidiaries of the Borrowers may be established or created, if (i) to the extent such new Subsidiary is a Domestic Subsidiary, the Borrowers and such Subsidiary comply with the provisions of Section 6.8(c) and (ii) to the extent such new Subsidiary is a Foreign Subsidiary, the Borrowers comply with the provisions of Section 6.8(d); provided that, in each case, to the extent such new Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to an acquisition or Investment permitted by Section 7.7(f), 7.7(p), 7.7(r) or 7.7(y), and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transactions, such new Subsidiary shall not be required to take the actions set forth in Section 6.8(c) or 6.8(d), as applicable, until the respective acquisition is consummated (at which time the surviving entity of the respective merger transaction shall be required to so comply within ten Business Days);

(r) Investments by the Borrowers or any Subsidiary Guarantor in any Non-Guarantor Subsidiary in an aggregate amount (for the Borrowers and all Subsidiary Guarantors) not to exceed $5,000,000 less the amount of Indebtedness incurred under Section 7.2(h) at any one time outstanding;

(s) Investments arising directly out of the receipt by a Borrower or any Restricted Subsidiary of non-cash consideration for any sale of assets permitted under Section 7.5; provided that such non-cash consideration shall in no event exceed 25% of the total consideration received for such sale;

(t) Investments resulting from pledges and deposits referred to in Sections 7.3(c) and (d);

(u) the forgiveness or conversion to equity of any Indebtedness permitted by Section 7.2(b), 7.2(e) or 7.2(h);

(v) [reserved];

(w) any Investment in a Foreign Subsidiary to the extent such Investment is substantially contemporaneously repaid in full with a dividend or other distribution from such Foreign Subsidiary;

(x) Guarantee Obligations permitted by Section 7.2 and any payments made in respect of such Guarantees Obligations; and

(y) provided that no Default or Event of Default is continuing or would result therefrom, additional Investments so long as the aggregate amount thereof outstanding (determined as the amount originally advanced, loaned or otherwise invested, less any returns on the respective Investment not to exceed the original amount invested) at no time exceeds $15,000,000.

It is further understood and agreed that for purposes of determining the value of any Investment outstanding for purposes of this Section 7.7, such amount shall deemed to be the amount of such Investment when made, purchased or acquired less any returns on such Investment (not to exceed the original amount invested).

7.8 Optional Payments and Modifications of Certain Debt Instruments .

(a) Make any optional or voluntary payment, prepayment, repurchase or redemption of, or otherwise voluntarily or optionally defease the principal of or interest on, or any other amount owing in respect of any Junior Indebtedness, except: (i) in an amount not to exceed the Available Excess Amount; provided that (x) no Default or Event of Default is continuing or would result therefrom, and (y) the Consolidated Net Total Leverage Ratio, calculated on a pro forma basis, is at least 0.25 to 1.00 lower than the applicable Consolidated Net Total Leverage Ratio covenant level required by Section 7.1 after giving effect to such payment, prepayment, repurchase, redemption or defeasance; (ii) the Borrowers may prepay, redeem, repurchase or defease any Junior Indebtedness with the proceeds of any Permitted Amendment or Refinancing or pursuant to any asset sale tender offers required by the terms of such Indebtedness, (iii) any such Indebtedness may be converted to, or exchanged for, Capital Stock (other than Disqualified Capital Stock) of Holdings, and (iv) prepayments from the proceeds of Capital Stock (other than Disqualified Capital Stock) issued by Holdings, so long as such prepayment occurs reasonably contemporaneously with the issuance of such Capital Stock.

(b) Amend, modify or otherwise change, or consent or agree to any amendment, modification, waiver or other change to (i) any agreement or instrument governing or evidencing Junior Indebtedness in any manner that is materially adverse to the Lenders without the prior consent of the Administrative Agent (which consent shall not be unreasonably withheld, conditioned or delayed) or (ii) any of the terms of any agreement relating to any Junior Indebtedness or any agreement related to a Permitted Amendment or Refinancing of any of the foregoing (other than (w) any such amendment, modification, waiver or other change pursuant to a Permitted Refinancing of such Indebtedness or (x) that

would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or extend any date for payment of interest thereon and does not involve the payment of a consent fee (other than the payment of any consent fees to the extent permitted by clause (x) of Section 7.8(a)).

7.9 Transactions with Affiliates . Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than Holdings, a Borrower or any Restricted Subsidiary) unless such transaction is (a) otherwise not prohibited under this Agreement and (b) upon fair and reasonable terms no less favorable to Holdings, such Borrower or such Restricted Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. Notwithstanding the foregoing, the Borrowers and their Restricted Subsidiaries may without being subject to the terms of this Section 7.9, (i) enter into any transaction with any Person which is an Affiliate of Holdings only by reason of such Person and Holdings having common directors; (ii) enter into and perform its or their obligations under the agreements set forth on Schedule 7.9, [1] as in effect on the Closing Date or as the same may be amended, supplemented, replaced or otherwise modified from time to time in a manner that does not materially increase the obligations of the Loan Parties thereunder, and (iii) enter into transactions with Affiliates permitted by Section 7.2(h), 7.2(i), 7.2(r), 7.4(c), 7.5(d), 7.5(k)(ii), 7.6, 7.7(c), 7.7(r), or 7.7(w) hereof. For the avoidance of doubt, this Section 7.9 shall not apply to employment arrangements with, and payments of compensation, indemnification payments, expense reimbursement or benefits to or for the benefit of, current or former employees, officers or directors of Holdings, the Borrowers or any of their Restricted Subsidiaries.

7.10 Sales and Leasebacks . Enter into any arrangement with any Person providing for the leasing by a Borrower or any Restricted Subsidiary of real or personal property which is to be sold or transferred by such Borrower or such Restricted Subsidiary (a) to such Person or (b) to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Borrower or such Restricted Subsidiary, in each case except for (i) sales or transfers that do not exceed $5,000,000 in the aggregate at any one time outstanding, (ii) sales or transfers by a Borrower or any Subsidiary Guarantor to a Borrower or any other Subsidiary Guarantor and (iii) sales or transfers by any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary that is a Restricted Subsidiary.

7.11 Changes in Fiscal Periods . Permit the fiscal year of Holdings to end on a day other than the Saturday closest to January 31st of each year.

7.12 Negative Pledge Clauses . Enter into any agreement that prohibits or limits the ability of Holdings, a Borrower or any of its Restricted Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired, to secure the Obligations or, in the case of any Guarantor, its obligations under the Guarantee and Collateral Agreement, other than (a) this Agreement and the other Loan Documents, any agreement related to the ABL Facility and Junior Indebtedness or any agreement related to any Permitted Amendment or Refinancing of any of the foregoing, (b) any agreements governing any secured Indebtedness otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby and the proceeds thereof), (c) software and other Intellectual Property licenses pursuant to which Holdings, a Borrower or such Restricted Subsidiary is the licensee or licensor of the relevant

[1] NTD: Agreements to be scheduled include Shared Services Agreement and Tax Receivable Agreement.

software or Intellectual Property, as the case may be, (in which case, any prohibition or limitation shall relate only to the assets subject of the applicable license), (d) Contractual Obligations incurred in the ordinary course of business and on customary terms which limit Liens on the assets subject of the applicable Contractual Obligation or impose restrictions on cash or other deposits with respect thereto, (e) any agreements regarding Indebtedness of any Non-Guarantor Subsidiary not prohibited under Section 7.2 (in which case, any prohibition or limitation shall only be effective against the assets of such Non-Guarantor Subsidiary and any other Non-Guarantor Subsidiary), (f) prohibitions and limitations in effect on the date hereof and listed on Schedule 7.12, (g) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business, (h) customary provisions restricting the subletting or assignment of any lease or sublease governing a leasehold interest, (i) customary restrictions and conditions contained in any agreement relating to a Disposition permitted by Section 7.4 or 7.5, (j) any agreement in effect at the time any Person becomes a Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary and (k) any restrictions on Liens imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (f) and (j) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Borrowers, no more restrictive with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

7.13 Clauses Restricting Subsidiary Distributions . Enter into any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Indebtedness owed to, a Borrower or any Restricted Subsidiary or (b) make Investments in a Borrower or any Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions with respect to such Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary, (iii) any restrictions set forth in the documentation for the ABL Facility or any Junior Indebtedness or any Permitted Amendment or Refinancing of any of the foregoing, (iv) any restrictions contained in agreements related to Indebtedness of any (A) Borrower or any Subsidiary Guarantor with respect to the Disposition of assets securing such Indebtedness (in which case, any prohibition or limitation shall only be effective against the assets financed thereby and the proceeds thereof) and (B) Non-Guarantor Subsidiary not prohibited under Section 7.2 (in which case such restriction shall relate only to such Non-Guarantor Subsidiary and any other Non-Guarantor Subsidiary), (v) any restrictions regarding licenses or sublicenses by a Borrower and its Restricted Subsidiaries of Intellectual Property in the ordinary course of business (in which case such restriction shall relate only to such Intellectual Property), (vi) Contractual Obligations incurred in the ordinary course of business which include customary provisions restricting the assignment of any agreement relating thereto or imposing restrictions on cash or other deposits with respect thereto, (vii) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business, (viii) customary provisions restricting the subletting or assignment of any lease or sublease governing a leasehold interest, (ix) customary restrictions and conditions contained in any agreement relating to a Disposition permitted by Section 7.4 or 7.5, (x) any agreement in effect at the time any Person becomes a Restricted Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary, (xi) such restrictions in effect on the Closing Date and listed on Schedule 7.13, (xii) negative pledges and restrictions on Liens and Dispositions in favor of any holder of Indebtedness for borrowed money permitted under Section 7.2 but only if such negative pledge or restriction expressly permits Liens for the benefit of the Administrative Agent and the Lenders with respect to the credit facilities established hereunder and the Obligations under the Loan Documents on a senior basis and without a requirement that such

holders of such Indebtedness be secured by such Liens equally and ratably or on a junior basis and (xiii) negative pledges and restrictions on Liens and Dispositions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (x) and (xi) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Borrowers, no more restrictive with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

7.14 Lines of Business . Enter into any business, either directly or through any of its Restricted Subsidiaries, except for the Business.

7.15 Limitation on Hedge Agreements . Enter into any Hedge Agreement other than Hedge Agreements entered into in the ordinary course of business or as required hereby, and not for speculative purposes, to protect against changes in interest rates or foreign exchange rates or commodity, raw material, energy or utility prices. Schedule 7.15 is a list of all such agreements in effect on the Closing Date (with notional amounts).

7.16 Limitation on Activities of Holdings . In the case of Holdings only, notwithstanding anything to the contrary in this Agreement or any other Loan Document:

(a) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than (i) those incidental to its ownership of the Capital Stock of Intermediate Holdings and (indirectly) Vince, the Subsidiaries of Vince and those incidental to Investments by or in Holdings permitted hereunder, (ii) those incidental to the issuance of and performance under the ABL Facility, any Junior Indebtedness or any Permitted Amendment or Refinancing of any of the foregoing, (iii) activities incidental to the maintenance of its existence and compliance with applicable laws and legal, tax and accounting matters related thereto and activities relating to its employees (including but not limited to payment or reimbursement of indemnification obligations to its directors or officers and payment of board of directors fees), (iv) activities relating to the performance of obligations under the Loan Documents to which it is a party or expressly permitted thereunder, (v) engaging in activities incidental to being a public company, (vi) the receipt and payment of Restricted Payments permitted under Section 7.6 and (vii) the other transactions expressly permitted under this Section 7.16; or

(b) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (i) Junior Indebtedness permitted by Section 7.2(m), (ii) nonconsensual obligations imposed by operation of law, (iii) pursuant to the Loan Documents to which it is a party, (iv) obligations with respect to its Capital Stock and options in respect thereof (v) in respect of the ABL Facility or any Credit Agreement Refinancing Indebtedness (or any Permitted Amendment or Refinancing or any of the foregoing), (vi) obligations to its employees, officers and directors not prohibited hereunder, and (vii) guarantees permitted by 7.2(e)(iii).

SECTION 8.

EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) The Borrowers shall fail to pay (i) any principal of any Term Loan when due in accordance with the terms hereof or (ii) any interest owed by it on any Term Loan, or any other amount payable by it hereunder or under any other Loan Document, within five Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document, shall, in either case, prove to have been inaccurate in any material respect on or as of the date made or deemed made or furnished; or

(c) Any Loan Party shall default in the observance or performance of any agreement contained in Section 6.4(a)(i) (with respect to Holdings or a Borrower), Section 6.7(a) or Section 7 of this Agreement; or

(d) Any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after such Loan Party receives from the Administrative Agent or any Lender notice of the existence of such default; or

(e) Holdings, the Borrowers or any of their Restricted Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness (excluding the Term Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event of default shall occur, the effect of which payment or other default or other event of default described in clauses (i), (ii) or (iii) of this paragraph (e) is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or to become payable; provided that (A) a default, event or condition described in this paragraph shall not at any time constitute an Event of Default unless, at such time, one or more defaults or events of default of the type described in this paragraph shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $15,000,000 and (B) this paragraph (e) shall not apply to (I) secured Indebtedness that becomes due as a result of the sale, transfer, destruction or other disposition of the Property or assets securing such Indebtedness if such sale, transfer, destruction or other disposition is not prohibited hereunder or (II) any Guarantee Obligations except to the extent such Guarantee Obligations shall become due and payable by any Loan Party and remain unpaid after any applicable grace period or period permitted following demand for the payment thereof; provided further that no such event under the ABL Facility shall constitute an Event of Default under this clause (e) until the earliest to occur of (x) the date that is sixty (60) days after such event or circumstance (but only if such event or circumstance has not been waived or cured), (y) the acceleration of the Indebtedness under the ABL Facility and (z) any Exercise of Secured Creditor Remedies (as defined in the ABL Intercreditor Agreement) by the ABL Administrative Agent in respect of any Collateral; or

(f) (i) Holdings, a Borrower or any of their Restricted Subsidiaries (other than any Immaterial Subsidiary) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency,

reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Holdings, a Borrower or any of their Restricted Subsidiaries (other than any Immaterial Subsidiary) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Holdings, a Borrower or any of their Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against Holdings, a Borrower or any of their Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against substantially all of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) Holdings, a Borrower or any of their Restricted Subsidiaries (other than any Immaterial Subsidiary) shall consent to or approve of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Holdings, a Borrower or any of their Restricted Subsidiaries (other than any Immaterial Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) Holdings, a Borrower or any of their Restricted Subsidiaries shall incur any liability in connection with any non-exempt “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any “accumulated funding deficiency” (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan or any Lien in favor of the PBGC or a Single Employer Plan shall arise on the assets of Holdings, a Borrower or any of their Restricted Subsidiaries, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is reasonably likely to result in the termination of such Single Employer Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) Holdings, a Borrower or any of their Restricted Subsidiaries shall, or is reasonably likely to, incur any liability as a result of a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition (other than one which could not reasonably be expected to result in a violation of any applicable law or of the qualification requirements of the Code) shall occur or exist with respect to a Plan or a Commonly Controlled Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to result in a direct obligation of Holdings, a Borrower or any of their Restricted Subsidiaries to pay money that would have a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against Holdings, a Borrower or any of its Restricted Subsidiaries (other than Immaterial Subsidiaries) involving for Holdings, a Borrower and any such Restricted Subsidiaries taken as a whole a liability (to the extent not paid or covered by insurance or effective indemnity) of $15,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 45 days from the entry thereof; or

(i) Any of the Security Documents shall cease, for any reason (other than by reason of the express release thereof pursuant to Section 10.15), to be in full force and effect in any material respect, or any Loan Party shall so assert in writing, or any Lien on any material amount of Collateral created by any of the Security Documents shall cease in any material respect to be enforceable and of the same effect and priority purported to be created thereby; or

(j) (i) Holdings shall cease directly or indirectly to own 100% of the Capital Stock of the Borrowers (subject to the right of Intermediate Holdings to merge into Vince, as permitted in Section 7.4(g)) or (ii) any "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Securities Exchange Act), other than one or more Permitted Investors, shall be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act) of Capital Stock having more, directly or indirectly, than 35% of the total voting power of all outstanding Capital Stock of Holdings in the election of directors, unless at such time the Permitted Investors are direct or indirect "beneficial owners" (as so defined) of Capital Stock of Holdings having a greater percentage of the total voting power of all outstanding Capital Stock of Holdings in the election of directors than that owned by each other "person" or "group" described above; (iii) for any reason whatsoever, a majority of the Board of Directors of Holdings shall not be Continuing Directors; or (iv) a "Change of Control" (or comparable term) shall occur under the ABL Facility, any Junior Indebtedness or the documentation for any Permitted Amendment or Refinancing of any of the foregoing, in each case (other than the ABL Facility), if the outstanding principal amount thereof is in excess of $15,000,000; or

(k) Any Junior Indebtedness which is subordinated Indebtedness or any guarantees thereof (or any Permitted Amendment or Refinancing thereof which is also subordinated Indebtedness) shall cease, for any reason, to be validly subordinated to the Obligations or the obligations of Holdings and the Subsidiary Guarantors under the Guarantee and Collateral Agreement, as the case may be, as provided in the indenture therefor, or any Loan Party or any Affiliate of any Loan Party;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to a Borrower, automatically the Commitments shall immediately terminate and the Term Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrowers, declare the Term Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section or otherwise in any Loan Document, presentment, demand and protest of any kind are hereby expressly waived by Holdings and the Borrowers.

SECTION 9.

THE ADMINISTRATIVE AGENT

9.1 Appointment.

(a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under the Loan Documents and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the

provisions of the applicable Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of the applicable Loan Documents, together with such other powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Administrative Agent is hereby expressly authorized to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents (including, for the avoidance of doubt, (x) the ABL Intercreditor Agreement and any amendment or supplement expressly contemplated thereby and (y) upon the incurrence of any Permitted First Priority Refinancing Debt or Permitted Second Priority Refinancing Debt, the First Lien Intercreditor Agreement or the Second Lien Intercreditor Agreement, respectively). Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

(b) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (including in its capacities as a potential counterparty to a Specified Hedge Agreement) hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent," and any agents or attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.2 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Section 9 (including Section 9.7) and Section 10.5, as though such agents and attorneys-in-fact were the "collateral agent" under the Loan Documents as if set forth in full herein with respect thereto.

9.2 Delegation of Duties . The Administrative Agent may execute any of its duties under the applicable Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions . Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own bad faith, gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party, a party thereto to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligations to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of this Agreement of any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by the Administrative Agent . The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings and the Borrowers), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under the applicable Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the applicable Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Term Loans.

9.5 Notice of Default . The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender, Holdings or the Borrowers referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Administrative Agent and Other Lenders . Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Term Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under the applicable Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification . The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to their respective pro rata shares (based on their respective principal amount of Term Loans) in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Term Loans shall have been paid in full, ratably in accordance with such pro rata shares immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Term Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Term Loans and all other amounts payable hereunder.

9.8 Administrative Agent in Its Individual Capacity . The Administrative Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though the Administrative Agent were not the Administrative Agent. With respect to its Term Loans made or renewed by it, the Administrative Agent shall have the same rights and powers under the applicable Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

9.9 Resignation or Removal of Administrative Agent .

(a) The Administrative Agent may resign upon 30 days' notice to the Lenders and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrowers shall have occurred and be continuing) be subject to approval by the Borrowers (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the retiring Administrative Agent, and the retiring Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of the retiring Administrative Agent or any of the parties to this Agreement or any holders of the Term Loans. If no successor Administrative Agent shall have been so appointed by the Required Lenders with such consent of the Borrowers and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders and with the consent of the Borrowers (such consent not to be unreasonably withheld or delayed), appoint a successor Administrative Agent, that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least $500,000,000; provided that if the Administrative Agent shall notify the Borrowers and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by

the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Notwithstanding anything in the foregoing, the Administrative Agent may resign its role as Administrative Agent under the ABL Intercreditor Agreement, First Lien Intercreditor Agreement and Second Lien Intercreditor Agreement. After any retiring Administrative Agent's resignation as Agent, the provisions of this Section 9 and Sections 2.21 and 10.5 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (iii) of the definition of Lender Default, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrowers and such Person remove such Person as Administrative Agent and, in consultation with the Borrowers, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the " Removal Effective Date "), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

9.10 Authorization to Release Liens and Guarantees . The Administrative Agent is hereby irrevocably authorized by each of the Lenders to effect any release or subordination of Liens or Guarantee Obligations contemplated by Section 10.15 without further action or consent by the Lenders.

9.11 Arranger and Other Agents . None of the Joint Lead Arrangers, the Syndication Agent or the Documentation Agent shall have any duties or responsibilities hereunder in their respective capacities as such.

9.12 Administrative Agent May File Proofs of Claim . In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Term Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Term Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.9, 2.21, 3.3, 3.5 and 10.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and if the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.9, 2.21 and 10.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender or in any such proceeding.

9.13 Withholding Taxes . To the extent required by any applicable laws, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. Without limiting or expanding the provisions of Section 2.20, each Lender shall indemnify and hold harmless the Administrative Agent against, within ten Business Days after written demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the IRS or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective). A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 9.13. The agreements in this Section 9.13 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

SECTION 10.

MISCELLANEOUS

10.1 Amendments and Waivers . Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Administrative Agent, the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided , however , that no such waiver and no such amendment, supplement or modification shall (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Term Loan (except extensions expressly permitted by Section 2.26), extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder (except that any amendment or modification of defined terms used in the financial covenant in this Agreement or waiver of post-default rates of interest shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)), extend or increase the Commitment of any Lender, in each case without the written consent of each Lender directly and adversely affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1

without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders (it being understood that, with the consent of the Required Lenders (if such consent is otherwise required), additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the extensions of Term Loans are included on the Closing Date), consent to the assignment or transfer by a Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release all or substantially all of the value of the Guarantees under the Guarantee and Collateral Agreement (other than in connection with the sale of Guarantors in a transaction permitted by Section 7.4 or 7.5), in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of paragraph (a) or (c) of Section 2.18 or paragraph (a) of Section 10.7 without the written consent of each Lender directly and adversely affected thereby (except that amendments to such sections or any other provision requiring pro rata payments or sharing of payments in connection with transactions permitted by Sections 2.25, 2.26, 2.27, 2.28 or 2.29 (or any similar programs that may in the future be permitted hereunder shall only require approval (to the extent any such approval is otherwise required) of the Required Lenders); (v) amend, modify or waive any provision of paragraph (b) of Section 2.18 without the written consent of the Lenders adversely affected thereby; (vi) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent; (vii) amend the assignment provisions of Section 10.6(b) to make them more restrictive without the written consent of each Lender directly and adversely affected thereby; or (viii) amend Section 2.26 the effect of which is to extend the maturity of any Lender's Term Loans, New Term Loans or Other Term Loans without its consent; provided , further that (x) in connection with an amendment that addresses solely a Repricing Transaction, only the consent of the Lenders holding Term Loans subject to such Repricing Transaction that will continue as a Lender in respect of the repriced tranche of Term Loans or modified Term Loans shall be required for such amendment, (y) no Lender consent is required to effect an amendment in connection with Other Term Loans, New Term Loans, Extended Term Loans or Extended New Term Loans (except as expressly provided in Sections 2.25, 2.26 or 2.29, as applicable) or to effect any amendment expressly contemplated by Section 7.11, and (z) no Lender consent is required to effect any amendment or supplement to the ABL Intercreditor Agreement (I) that is for the purpose of adding the holders of Other Term Loans, New Term Loans, Extended Term Loans or Extended New Term Loans (or a representative with respect thereto) as parties thereto, as expressly contemplated by the terms of the ABL Intercreditor Agreement (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing and provided, that such other changes are not adverse, in any material respect, to the interests of the Lenders) or (II) that is expressly contemplated by the ABL Intercreditor Agreement; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Term Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing unless limited by the terms of such waiver, but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent on any such subsequent or other Default or Event of Default.

Anything herein to the contrary notwithstanding, during such period as a Lender is a Defaulting Lender, to the fullest extent permitted by applicable law, such Lender will not be entitled to vote in respect of amendments, waivers and consents hereunder and the Commitment and the outstanding Term Loans or other extensions of credit of such Lender hereunder will not be taken into account in determining whether the Required Lenders, all affected Lenders or all of the Lenders, as required, have approved any such amendment, waiver or consent (and the definitions of "Required Lenders" will automatically

be deemed modified accordingly for the duration of such period); provided that any such amendment or waiver that would increase or extend the term of the Commitment of such Defaulting Lender, extend the date fixed for the payment of principal or interest owing to such Defaulting Lender hereunder, reduce the principal amount of any obligation owing to such Defaulting Lender, reduce the amount of or the rate or amount of interest on any amount owing to such Defaulting Lender or of any fee payable to such Defaulting Lender hereunder, or alter the terms of this proviso, will require the consent of such Defaulting Lender. In addition, to the extent any Defaulting Lender has defaulted on any amounts owing to the Borrowers hereunder, the Borrowers shall be entitled to offset any amounts the Borrowers owes the Defaulting Lender with such unpaid amounts.

Notwithstanding anything to the contrary contained in this Section 10.01, guarantees, collateral security documents and related documents executed by Subsidiaries in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with this Agreement, amended, supplemented and waived with the consent of the Administrative Agent at the request of the Borrowers without the need to obtain the consent of any other Lender if such amendment, supplement or waiver is delivered in order (i) to comply with local Requirements of Law or advice of local counsel, (ii) to cure ambiguities, omissions, mistakes or defects or (iii) to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents; provided that any amendment, supplement or waiver of this Agreement be promptly delivered to the Lenders via posting on Intralinks.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, Holdings and the Borrowers (a) to add one or more additional credit facilities to this Agreement (it being understood that no Lender shall have any obligation to provide or to commit to provide all or any portion of any such additional credit facility) and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

Notwithstanding any of the foregoing, any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by Holdings, the Borrowers and the Administrative Agent to cure any ambiguity, omission, mistake, defect or inconsistency so long as the Lenders shall have received at least five Business Days prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

10.2 Notices . All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrowers, the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Holdings: Vince Holding Corp.
1441 Broadway, 6th Floor
New York, NY 10018
Attention: Lisa Klinger
Jay Dubiner
Telecopy: (212) 881-9900
Email: lklinger@vince.com
JDubiner@Vince.com

The Borrowers:

Vince, LLC
1441 Broadway, 6th Floor
New York, NY 10018
Attention: Lisa Klinger
Jay Dubiner
Telecopy: (212) 881-9900
Email: lklinger@vince.com
JDubiner@Vince.com

and

Vince Intermediate Holding, LLC
1441 Broadway, 6th Floor
New York, NY 10018
Attention: Lisa Klinger
Jay Dubiner
Telecopy: (212) 881-9900
Email: lklinger@vince.com
JDubiner@Vince.com

Any notice to Holdings or a Borrower shall be accompanied by concurrent notice to:

Sun Capital Partners, Inc.
5200 Town Center Circle, #600
Boca Raton, FL 33486
Attention: C. Deryl Couch
Jason Neimark
Brian McGee
Telecopy: (561) 394-0540
Email: dcouch@suncappart.com
jneimark@suncappart.com
bmcgee@suncappart.com

Kirkland & Ellis LLP
300 N LaSalle
Chicago, IL 60654
Attention: Douglas Gessner, P.C.
Jocelyn Hirch
Telecopy: (312) 862-2200
Email: douglas.gessner@kirkland.com
jhirsch@kirkland.com

The Administrative Agent: (with respect to notices under Section 2)	Bank of America, N.A. 101 N. Tryon St. Charlotte, NC 28255 Attention: James Underwood Credit Services Representative Telecopy: (704) 548-5646 Telephone: (980) 683-2812 Email: james.a.underwood@baml.com
The Administrative Agent: (with respect to all other notices)	Bank of America, N.A. Global Commercial Banking MC# IL4-135-09-61 135 S. LaSalle St. Chicago, IL 60603 Attention: Denise Jones AVP, Agency Mgmt Officer II Telecopy: (877) 206-8413 Telephone: (312) 828-1846 Email: denise.j.jones@baml.com with a copy to: Cravath, Swaine & Moore LLP Worldwide Plaza 825 Eighth Avenue New York, NY 10019 Attention: Michael S. Goldman Telecopy: (212) 474-3700 Email: mgoldman@cravath.com

provided that any notice, request or demand to or upon the Administrative Agent, the Lenders, Holdings or the Borrowers shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender, as the case may be. The Administrative Agent, Holdings or the Borrowers may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

Each of the Borrowers and the Administrative Agent may change its address, telecopier, telephone number or email address for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier, telephone number or email address for notices and other communications hereunder by notice to the Borrowers and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States federal and state securities laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrowers or its securities for purposes of United States federal or state securities laws.

The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices) purportedly given by or on behalf of the Borrowers even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent, each Lender and each such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrowers. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.3 No Waiver; Cumulative Remedies . No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties . All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Term Loans and other extensions of credit hereunder.

10.5 Payment of Expenses; Indemnification . The Borrowers agrees (a) to pay or reimburse the Administrative Agent and the Joint Lead Arrangers for all their respective reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Term Facilities (other than fees payable to syndicate members) and the development, preparation, execution and delivery of this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith and any amendment, supplement or modification thereto, and, as to the Administrative Agent only, the administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable and documented fees and disbursements and other charges of counsel to the Administrative Agent (including one primary counsel and such local counsel as the Administrative Agent may reasonably require in connection with collateral matters, but no more than one counsel in any jurisdiction) in connection with all of the foregoing, (b) to pay or reimburse each Lender, the Administrative Agent, each Joint Lead Arranger, the Syndication Agent and the Documentation Agent

for all their out-of-pocket costs and expenses incurred in connection with the enforcement of any rights under this Agreement, the other Loan Documents and any such other documents and in connection with the Term Loans made under this Agreement, including all such expenses incurred during any workout, restructuring or negotiations in respect of such Term Loans, including, without limitation, the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and the Administrative Agent, and (c) to pay, indemnify or reimburse each Lender, the Administrative Agent, each Joint Lead Arranger, the Syndication Agent and the Documentation Agent and their respective affiliates, and their respective officers, directors, employees, affiliates, agents and controlling Persons (each, an " Indemnitee ") for, and hold each Indemnitee harmless from and against any and all other liabilities, obligations, losses, damages, penalties, costs, expenses or disbursements arising out of any actions, judgments or suits of any kind or nature whatsoever, arising out of or in connection with any claim, action or proceeding relating to or otherwise with respect to the execution, delivery, enforcement performance and administration of this Agreement, the other Loan Documents and any such other documents, including, without limitation, any of the foregoing relating to the use of proceeds of the Term Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of Holdings, the Borrowers, any of their Subsidiaries or any of the Properties and the fees and disbursements and other charges of legal counsel in connection with claims, actions or proceedings by any Indemnitee against Holdings or the Borrowers hereunder (all the foregoing in this clause (c), collectively, the " Indemnified Liabilities "); provided that neither Holdings nor the Borrowers shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities (x) are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from material breach of the Loan Documents or the bad faith, gross negligence or willful misconduct of, such Indemnitee or its affiliates, officers, directors, trustees, employees, advisors, agents or controlling Persons, (y) result from any dispute solely among any Indemnitees (other than any claim against the Administrative Agent, a Joint Lead Arranger, the Syndication Agent or the Documentation Agent in its capacity as such) or (z) result from any settlement of a claim by an Indemnitee or its affiliates, officers, directors, trustees, employees, advisors, agents or controlling Persons without the consent of Holdings and the Borrowers (not to be unreasonably withheld or delayed). All amounts due under this Section 10.5 shall be payable promptly after receipt of a reasonably detailed invoice therefor. Statements payable by the Borrowers pursuant to this Section 10.5 shall be submitted to the Borrowers at the address thereof set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrowers in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Obligations.

10.6 Successors and Assigns; Participations and Assignments .

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrowers may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrowers without such consent shall be null and void *ab initio*) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 10.6.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign (other than to any Disqualified Institution or a natural person) to one or more assignees (each, an " Assignee "), all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Term Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrowers; provided that no consent of the Borrowers shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default under Section 8(a) or (f) has occurred and is continuing, any other Person; provided further ; that the Borrowers shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof; and

(B) the Administrative Agent.

Any such assignment by any Lender need not be ratable as among the Term Facilities.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Term Loans, the amount of the Commitments or Term Loans of the assigning Lender subject to each such assignment (determined as of (I) the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or (II) if earlier, the "trade date" (if any) specified in such Assignment and Assumption) shall not be less than $1,000,000, unless the Borrowers and the Administrative Agent otherwise consent; provided that (1) no such consent of the Borrowers shall be required if an Event of Default under Section 8(a) or (f) has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 (which shall not be payable by the Borrowers); provided that only one such fee shall be payable in the case of contemporaneous assignments to or by two or more related Approved Funds; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire.

For the purposes of this Section 10.6, " Approved Fund " means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) (i) an entity or an Affiliate of an entity that administers or manages a Lender or (ii) an entity or an Affiliate of an entity that is the investment advisor to a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.19, 2.20, 2.21 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section 10.6.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and interest amounts) of the Term Loans owing to, each Lender pursuant to the terms hereof from time to time (the " Register "). Holdings, the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement (and the entries in the Register shall be conclusive for such purposes), notwithstanding notice to the contrary. The Register is intended to cause each Loan and other obligation hereunder to be in registered form within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations and within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code. The Register shall be available for inspection by Holdings, the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 10.6 and any written consent to such assignment required by paragraph (b) of this Section 10.6, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(vi) Notwithstanding the foregoing, any sale or assignment pursuant to this Section 10.6(b) to a Sponsor Affiliate shall be made via an Affiliated Lender Assignment and Assumption, in accordance with this Section 10.6(b) and Section 2.28.

(c) (i) Any Lender may, without the consent of the Borrowers or the Administrative Agent, sell participations (other than to any Disqualified Institution) to one or more banks or other entities (a " Participant "), in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Term Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (D) in the case of Participants that comprise the Sponsor or Sponsor Affiliates, such Sponsor or Sponsor Affiliates shall agree to be subject to the requirements and limitations set forth in Sections 2.28(b), 2.28(d) and 10.6(e), to the same extent as if it were a Lender and had acquired its interest by assignment. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly and adversely affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section 10.6, the Borrowers agrees that each Participant shall be entitled to the benefits of Sections 2.19, 2.20 and 2.21 (subject to the limitations and requirements of such Sections and Sections 2.23 and 2.24) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 10.6. Notwithstanding the previous sentence, a Participant shall not be entitled to the benefits of Section 2.20 unless the Borrowers and the Administrative Agent are notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.20(d), (e) and (f) and be subject to the definition of Excluded Taxes, in each case, as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.19 or 2.20 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and interest amounts) of each Participant's interest in the Loans or other obligations under the Loan Documents (the " Participant Register "); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary in connection with a Tax audit or other proceeding or is required by the Borrower's Tax return preparer or auditor to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Any Lender may, without the consent of or notice to the Administrative Agent or the Borrowers, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 10.6 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto. The Borrowers, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in this paragraph (d).

(e) Each Sponsor Affiliate, solely in its capacity as a Lender, hereby agrees, and each Affiliated Lender Assignment and Assumption shall provide a confirmation, that, if any Loan Party shall be subject to any voluntary or involuntary proceeding commenced under any Debtor Relief Law now or hereafter in effect (" Bankruptcy Proceedings "), (A) such Sponsor Affiliate shall not take any step or action in such Bankruptcy Proceeding to object to, impede, or delay the exercise of any right or the taking of any action by the Administrative Agent (or the taking of any action by a third party that is supported by the Administrative Agent) in relation to such Sponsor Affiliate's claim with respect to its Term Loans (a " Claim ") (including, without limitation, objecting to any debtor in possession financing, use of cash collateral, grant of adequate protection, sale or disposition, compromise, or plan of reorganization) so long as such Sponsor Affiliate is treated in connection with such exercise or action on the same or better terms as the other Lenders and (B) with respect to any matter requiring the vote of the Lenders during the pendency of a Bankruptcy Proceeding (including, without limitation, voting on any plan of reorganization), the Term Loans held by such Sponsor Affiliate (and any Claim with respect thereto) shall be deemed to be voted by such Sponsor Affiliate in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Sponsor Affiliates, so long as such Sponsor Affiliate is treated in connection with the exercise of such right or taking of such action on the same or better terms as the other Lenders. For the avoidance of doubt, the Lenders and each Sponsor Affiliate agree and acknowledge that the provisions set forth in this Section 10.06(e) constitute a "subordination agreement" as such term is contemplated by, and utilized in, Section 510(a) of the Bankruptcy Code, and, as such, would be enforceable for all purposes in any case where a Loan Party has filed for protection under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect applicable to such Loan Party. Except as expressly provided in this Section 10.06(e), the provisions of this Section 10.6(e) shall not be applicable to any Sponsor Affiliate.

(f) Notwithstanding the foregoing, the Administrative Agent shall have no obligation to determine the compliance with the provisions of Sections 10.6(b)(vi) and 10.6(c)(i)(D) with respect to any assignment to a Sponsor or Sponsor Affiliate (including, without limitation, compliance with the Cap or monitoring the identity of any Sponsor or Sponsor Affiliate) or otherwise monitor the assignments of Loans to the Sponsor or Sponsor Affiliates and shall not be responsible or liable in any way for any assignment made in violation thereof.

10.7 Adjustments; Set-off .

(a) Except to the extent that this Agreement provides for payments to be allocated to a particular Lender or to the Lenders (including without limitation (i) the express provisions of this Agreement which require, or permit, differing payments to be made to non-defaulting Lenders as opposed to Defaulting Lenders, (ii) the express provisions of this Agreement which permit disproportionate payments with respect to various of the Tranches as, and to the extent, provided herein, and (iii) the express provisions of Sections 2.25, 2.26, 2.27, 2.28 or 2.29, which permit disproportionate payments with respect to the Loans as, and to the extent, provided therein), if any Lender (a " Benefitted Lender ") shall at any time receive any payment of all or part of the Obligations owing to it other than in connection with Section 10.6, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by setoff, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise) in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Obligations, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Obligations, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided , however , that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrowers, any such notice being expressly waived by the Borrowers to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrowers hereunder (whether at the stated maturity, by acceleration or otherwise) after the expiration of any cure or grace periods, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final but excluding trust accounts, employee benefit accounts, fiduciary or trust purposes, payroll and withholding accounts and the like), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrowers. Each Lender agrees promptly to notify the Borrowers and the Administrative Agent after any such setoff and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts . This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement or Lender Addendum by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrowers and the Administrative Agent.

10.9 Severability . Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration . This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrowers, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof.

10.11 **GOVERNING LAW . THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

10.12 Submission To Jurisdiction; Waivers . Each of Holdings and the Borrowers hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof; provided that nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrowers or any other Loan Party or its properties in the courts of any jurisdiction;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages; provided that this clause (e) shall not limit the indemnity obligations set forth in Sections 9.7 or 10.5.

10.13 Acknowledgments . Each of Holdings and the Borrowers hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to either of Holdings or the Borrowers arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and Lenders, on one hand, and Holdings and the Borrowers, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrowers and the Lenders.

10.14 Confidentiality . The Administrative Agent and the Lenders agree to treat any and all information, regardless of the medium or form of communication, that is disclosed, provided or furnished, directly or indirectly, by or on behalf of Holdings or any of its affiliates, whether in writing, orally, by observation or otherwise and whether furnished before or after the Closing Date (" Confidential Information "), strictly confidential and not to use Confidential Information for any purpose other than negotiating, making available, syndicating and administering this Agreement (the " Agreed Purposes "). Without limiting the foregoing, the Administrative Agent and each Lender agrees to maintain the confidentiality of all Confidential Information, and the Administrative Agent and each Lender agrees not to disclose Confidential Information, at any time, in any manner whatsoever, directly or indirectly, to any other Person whomsoever, except (1) to its affiliates, directors, officers, employees, counsel, trustees and other representatives (collectively, the " Representatives "), to the extent necessary to permit such Representatives to assist in connection with the Agreed Purposes, (2) to prospective Lenders and participants in connection with the syndication (including secondary trading) of the Term Facilities and Commitments and Term Loans hereunder, in each case who are informed of the confidential nature of the information and agree to observe and be bound by standard confidentiality terms, (3) upon the request or demand of any Governmental Authority having jurisdiction over it, (4) in response to any order of any Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (5) to the extent reasonably required or necessary, in connection with any litigation or similar proceeding relating to the Term Facilities, (6) that has been publicly disclosed other than in breach of this Section 10.14, (7) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender or (8) to the extent reasonably required or necessary, in connection with the exercise of any remedy under the Loan Documents.

10.15 Release of Collateral and Guarantee Obligations; Subordination of Liens .

(a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, (i) upon request of the Borrowers (A) in connection with any Disposition of Property permitted by the Loan Documents, (B) if approved, authorized or ratified in writing by the Required Lenders (or all of the Lenders hereunder, to the extent required by Section 10.1), (C) with respect to Property owned by a Subsidiary Guarantor upon release of such Subsidiary Guarantor from its obligations under the Guarantee and Collateral Agreement pursuant to clause (ii) below or (D) as otherwise may be expressly provided in the relevant Security Documents or the ABL Intercreditor Agreement, the Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement or contingent or indemnification obligations not then due) take such actions as shall be required to release its security interest in any Collateral and (ii) upon the request of the Borrowers in connection with (A) a transaction or designation permitted hereunder that causes any Subsidiary Guarantor to become an Excluded Subsidiary, or (B) if approved, authorized or ratified in writing by the Required Lenders (or all of the Lenders hereunder, to the extent required by Section 10.1), the Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement or contingent or

indemnification obligations not then due) take such actions as shall be required to release such Subsidiary Guarantor from its obligations under the Loan Documents to which it is a party. Any representation, warranty or covenant contained in any Loan Document relating to any such Property or Person so released (other than Property Disposed of to the Borrowers or any of its Restricted Subsidiaries) shall no longer be deemed to be repeated once such Property is so Disposed of.

(b) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than (x) obligations in respect of any Specified Hedge Agreement and (y) any contingent or indemnification obligations not then due) have been paid in full, all Commitments have terminated or expired, upon request of the Borrowers, the Administrative Agent shall (without notice to, or vote or consent of, any Lender, or any affiliate of any Lender that is a party to any Specified Hedge Agreement) take such actions as shall be required to release its security interest in all Collateral, and to release all Guarantee Obligations under any Loan Document, whether or not on the date of such release there may be outstanding Obligations in respect of Specified Hedge Agreements or contingent or indemnification obligations not then due. Any such release of Guarantee Obligations shall be deemed subject to the provision that such Guarantee Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrowers or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrowers or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of the Borrowers in connection with any Liens permitted by the Loan Documents, the Administrative Agent shall (without notice to, or vote or consent of, any Lender) take such actions as shall be required to subordinate the Lien on any Collateral to any Lien permitted under Section 7.3.

10.16 Accounting Changes . In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of the financial covenant, standards or terms in this Agreement, then Holdings and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating Holdings' financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by Holdings, the Administrative Agent and the Required Lenders, the financial covenant and all standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. " Accounting Changes " refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

Notwithstanding any other provision contained herein, any lease that is treated as an operating lease for purposes of GAAP as of the date hereof shall not be treated as Indebtedness and shall continue to be treated as an operating lease (and any future lease, if it were in effect on the date hereof, that would be treated as an operating lease for purposes of GAAP as of the date hereof shall be treated as an operating lease), in each case for purposes of this Agreement, notwithstanding any change in GAAP after the date hereof.

Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used here shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to Statement of Financial Accounting Standards 141R or ASC 805 (or any other financial accounting standard having a similar result or effect).

10.17 **WAIVERS OF JURY TRIAL . EACH OF HOLDINGS, THE BORROWERS, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

10.18 USA PATRIOT ACT . Each Lender hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act (Title III of Publ. 107-56 (signed into law October 26, 2001)) (the " Act "), it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Borrowers and other information that will allow such Lender to identify the Loan Parties in accordance with the Act. The Borrowers shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

10.19 Delivery of Lender Addenda . Each Lender (other than any Lender whose name appears on the signature pages to this Agreement) shall become a party to this Agreement by delivering to the Administrative Agent a Lender Addendum duly executed by such Lender.

10.20 The Platform . The Borrowers hereby acknowledges that (i) the Administrative Agent will make available to the Lenders materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, " Borrower Materials ") by posting the Borrowers Materials on IntraLinks or another similar electronic system (the " Platform ") and (ii) certain of the Lenders (each, a " Public Lender ") may have personnel who do not wish to receive material non-public information with respect to the Borrowers or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrowers hereby agree that they will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (1) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (2) by marking Borrower Materials "PUBLIC," the Borrowers shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrowers or their securities for purposes of United States federal and state securities laws; (3) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (4) the Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any

of its Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates (collectively, the " Agent Parties ") have any liability to the Borrowers, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrowers' or the Administrative Agent's transmission of materials and/or information provided by or on behalf of the Borrowers under the Loan Documents through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence, willful misconduct or bad faith of such Agent Party; provided , however , that in no event shall any Agent Party have any liability to the Borrowers, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

10.21 ABL Intercreditor Agreement . Each Lender hereunder (on behalf of itself and its Affiliates): (a) consents to the subordination of Liens provided for in the ABL Intercreditor Agreement, (b) agrees that it will be bound by and will take no actions contrary to the provisions of the ABL Intercreditor Agreement and (c) authorizes and instructs the Administrative Agent to enter into the ABL Intercreditor Agreement as the Term Agent (as defined in the ABL Intercreditor Agreement) on behalf of such Lender. The foregoing provisions are intended as an inducement to the ABL Secured Parties (as defined in the ABL Intercreditor Agreement) to enter into the arrangements contemplated by the ABL Collateral Documents (as defined in the ABL Intercreditor Agreement) and the ABL Secured Parties are intended third party beneficiaries of such provisions and the provisions of the ABL Intercreditor Agreement. Any reference in this Agreement to "first priority lien" or words of similar effect in describing the security interests created under the Loan Documents shall be understood to refer to such priority subject to the ABL Intercreditor Agreement. In the event of any conflict between this Agreement (or any other Loan Document) and the ABL Intercreditor Agreement, the provisions of the ABL Intercreditor Agreement shall govern and control.

10.22 Joint and Several Liability . Notwithstanding anything to the contrary contained herein, each Borrower shall be jointly and severally, directly and unconditionally, liable for all Obligations, it being understood that the Loans to each Borrower inure to the benefit of the Borrowers, and that the Administrative Agent and the Lenders are relying on the joint and several liability of the Borrowers as co-makers in extending the Loans hereunder. Each Borrower hereby unconditionally and irrevocably agrees that upon default in the payment when due (whether at stated maturity, by acceleration or otherwise) of any principal of, or interest on, any Obligation, it will forthwith pay the same, without notice or demand, unless such payment is then prohibited by applicable law. No payment or payments made by any Borrower or any other Person or received or collected by the Administrative Agent or any Lender from any Borrower or any Person by virtue of any action or proceeding or any setoff or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of each Borrower under this Agreement for the remaining Obligations, which shall remain liable for all remaining and thereafter arising Obligations until the Obligations are paid in full (other than contingent indemnification obligations not then due).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

VINCE HOLDING CORP.

By:_____
Name:
Title:

VINCE INTERMEDIATE HOLDING, LLC

By:_____
Name:
Title:

VINCE, LLC

By:_____
Name:
Title:

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

By:_____
Name:
Title:

Exhibit 10.39

CREDIT AGREEMENT

Dated as of [ ], 2013

among

Vince, LLC,
as the Borrower,

The Guarantors Named Herein,

BANK OF AMERICA, N.A.
as Agent

and

The Other Lenders Party Hereto

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED ,
as Sole Lead Arranger and Sole Bookrunner

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CREDIT AGREEMENT

This CREDIT AGREEMENT ("Agreement") is entered into as of [ ], 2013, among

VINCE, LLC, a Delaware limited liability company (the " Borrower "),

the Guarantors named on Schedule 1.01 hereto,

each Lender from time to time party hereto,

each L/C Issuer from time to time party hereto, and

BANK OF AMERICA, N.A., as administrative agent, collateral agent and an l/c issuer.

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

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

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

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

" ABL Priority Collateral " has the meaning set forth in the Intercreditor Agreement.

" Accelerated Borrowing Base Delivery Event " means either (i) the occurrence and continuance of any Event of Default or (ii) the failure of the Borrower to maintain Excess Availability of at least the Trigger Amount for three (3) consecutive Business Days. For purposes of this Agreement, the occurrence of an Accelerated Borrowing Base Delivery Event shall be deemed continuing (x) so long as such Event of Default has not been waived in accordance with the terms hereof, and/or (y) if such Accelerated Borrowing Base Delivery Event arises as a result of the Borrower's failure to achieve Excess Availability of at least the Trigger Amount for three (3) consecutive Business Days, until the date Excess Availability shall have been at least equal to the Trigger Amount for thirty (30) consecutive calendar days. The termination of an Accelerated Borrowing Base Delivery Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Accelerated Borrowing Base Delivery Event in the event that the conditions set forth in this definition again arise.

" Acceptable Document of Title " means, with respect to any Inventory, a tangible bill of lading or other Document (as defined in the UCC) that (a) is issued to the order of a Loan Party or, if so requested by the Agent solely with respect to negotiable Documents (as defined in the UCC), to the order of the Agent, (b) is not subject to any Lien (other than in favor of the Agent and the Term Agent), and (c) is on terms otherwise reasonably acceptable to the Agent.

" Accommodation Payment " as defined in Section 10.23(d) .

" Account " means "accounts" as defined in the UCC and also means a right to payment of a monetary obligation, whether or not earned by performance, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, or (c) arising out of the use of a credit or charge card or information contained on or for use with the card. The term "Account" does not include (a) rights to payment evidenced by chattel paper or an instrument, (b) commercial tort claims, (c) deposit accounts, (d) investment property, or (e) letter of credit rights or letters of credit.

" ACH " means automated clearing house transfers.

" Acquisition " means, with respect to any Person (a) an Investment in or a purchase of fifty percent (50%) or greater interest in, the Equity Interests of any other Person, (b) a purchase or other acquisition of all or substantially all of the assets or properties of, another Person, (c) a purchase or acquisition of a Real Estate portfolio or stores from any other Person or assets constituting a business unit, line of business or division of any other Person, (d) any merger or consolidation of such Person with any other Person or other transaction or series of transactions resulting in the acquisition of all or substantially all of the assets, or greater than fifty percent (50%) of the Equity Interests, of any Person, in each case, in any transaction or group of transactions which are part of a common plan.

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

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

" Adjustment Date " means the first day of each Fiscal Quarter, commencing January [ ], 2014.

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

" Affiliate " means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly to direct or cause the direction of the management and policies of such Person, in either case whether by contract or otherwise.

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

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

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

" Aggregate Commitments " means the Commitments of all the Lenders. As of the Closing Date, the Aggregate Commitments equal $50,000,000.

" Agreement " means this Credit Agreement.

" Allocable Amount " has the meaning specified in Section 10.23(d) .

" Amended or Refinanced " means, in respect of any obligation, or the agreement or contract pursuant to which such obligation is incurred, (a) such obligation (or any portion thereof) or related agreement or contract as extended, renewed, defeased, amended, amended and restated, supplemented, modified, restructured, consolidated, refinanced, replaced, refunded or repaid from time to time and (b) any other obligation issued in exchange or replacement for or to refinance such obligation, in whole or in part, whether with same or different lenders, arrangers and/or agents and whether with a larger or smaller aggregate principal amount and/or a shorter or longer maturity, in each case to the extent not prohibited under the terms of the Loan Documents then in effect. " Amend or Refinance " and " Amendment or Refinancing " shall have correlative meanings.

" Anti-Money Laundering Laws " means any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to a Loan Party, its Subsidiaries or Affiliates, related to terrorism financing or money laundering including any applicable provision of Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (Title III of Pub. L. 107-56) and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act", 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

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

" Applicable Margin " means:

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

(b) From and after the first Adjustment Date and on each Adjustment Date thereafter, the Applicable Margin shall be determined from the following pricing grid based upon Average Daily Excess Availability as of the Fiscal Quarter ended immediately preceding such Adjustment Date; provided , however, that upon the occurrence of an Event of Default, the Agent may, and at the direction of the Required Lenders shall, immediately increase the Applicable Margin to that set forth in Level III (even if the Average Daily Excess Availability requirements for a different Level have been met); provided further if the information set forth in any Borrowing Base Certificates proves to be false or incorrect due to intentional misrepresentation by the Borrower such that the Applicable Margin would have been higher than was otherwise in effect during any period, without constituting a waiver of any Default or Event of Default arising as a result thereof, interest due under this Agreement shall be immediately recalculated at such higher rate for any applicable periods and shall be due and payable on demand.

Level	Average Daily Excess Availability	LIBOR Margin	Base Rate Loan Margin
I	Greater than 40% of the Aggregate Commitments	1.25%	0.25%
II	Greater than or equal to 20% of the Aggregate Commitments but less than or equal to 40% of the Aggregate Commitments	1.50%	0.50%
III	Less than 20% of the Aggregate Commitments	1.75%	0.75%

" Applicable Percentage " means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time, subject to adjustment as provided in Sections 2.16 and 10.06 . If the Commitment of each Lender to make Loans and the obligation of each L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 2.06 or Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption or other instrument pursuant to which such Lender becomes a party hereto, as applicable.

" Applicable Rate " means, at any time of calculation, (a) with respect to Commercial Letters of Credit, a per annum rate equal to the Applicable Margin for Loans which are LIBOR Rate Loans *less* 0.50%, and (b) with respect to Standby Letters of Credit, a per annum rate equal to the Applicable Margin for Loans which are LIBOR Rate Loans.

" Appraised Value " means the appraised orderly liquidation value, net of costs and expenses to be incurred in connection with any such liquidation, which value is expressed as a percentage of Cost of Eligible Inventory as set forth in the inventory stock ledger of the applicable Loan Party, which value shall be determined from time to time by the most recent appraisal undertaken by an independent appraiser reasonably satisfactory to the Agent.

" Approved Fund " means, with respect to any Lender, any Fund that is administered or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers or manages such Lender.

" Arranger " means Merrill Lynch, Pierce, Fenner & Smith Incorporated, in its capacity as sole lead arranger and sole bookrunner.

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

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

" Audited Financial Statement " means the audited income statement of the Borrower for the Fiscal Year ended February 2, 2013, including the notes thereto.

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

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

" Availability Period " means the period from and including the Closing Date to the Termination Date.

" Availability Reserves " means any Reserves established by the Agent in its Permitted Discretion which relate to any factor which the Agent reasonably determines, without duplication of any other Reserves or items that are otherwise addressed or excluded through eligibility criteria or factored into the advance rates (a) to reflect the impediments to the Agent's ability to realize upon the ABL Priority Collateral, (b) to reflect claims and liabilities that the Agent determines will need to be satisfied in connection with the realization upon the ABL Priority Collateral, or (c) to reflect criteria, events, conditions, contingencies or risks which adversely affect any component of the Borrowing Base, the aggregate value of the Collateral reflected in the Borrowing Base or the validity or enforceability of the Loan Documents or the material remedies of the Credit Parties thereunder. Without limiting the generality of the foregoing, Availability Reserves may include, in the Agent's Permitted Discretion, (but are not limited to) reserves based on: (i) rent; (ii) customs duties, and other costs to release Inventory which is being imported into the United States; (iii) outstanding Taxes and other governmental charges, including, without limitation, ad valorem, real estate, personal property, sales, claims of the PBGC and other Taxes which may have priority over the interests of the Agent in the Collateral; (iv) salaries, wages, vacation pay and benefits due to employees of any Loan Party, (v) Customer Credit Liabilities, (vi) customer deposits, (viii) reserves for reasonably anticipated changes in the Appraised Value of Eligible Inventory between appraisals, (viii) warehousemen's, carrier's or bailee's charges and other Permitted Encumbrances which have priority over the interests of the Agent in the Collateral, (ix) amounts due to vendors on account of consigned goods and up to 30% of Eligible Inventory which is consigned by the Loan Parties to third parties (x) Cash Management Reserves, (xi) Bank Products Reserves, (xii) obligations with respect to the Loan Parties' self-insurance; (xiii) amounts due to vendors on account of Eligible In-Transit Inventory (but only to the extent such amounts are not supported by a Commercial Letter of Credit), (xiv) reserves for pension plan contributions; (xv) reserves based on dilution of Accounts, and (xvi) reserves in the Agent's Permitted Discretion for any non-retail third party location (including fulfillment centers) in which Collateral with a value in excess of $500,000 of inventory is maintained, whether or not such location is in a Landlord Lien State (or, to the extent that more than $2,500,000 of Collateral in the aggregate is maintained at all such locations, even if the value of the Collateral at any location is less than $500,000) (including based on fees charged by the operator of any such facility); provided , that (i) notwithstanding the foregoing, (a) the Agent shall only be permitted to impose rent reserves with respect to any leased location of any Loan Party equal to one (1) month's rent (plus any past due rent) against the assets included in the Borrowing Base if the Loan Parties do not deliver to the Agent a Collateral Access Agreement by the 90th day after the Closing Date for (x) any leased location of any Loan Party that is located in a Landlord Lien State, (y) any leased distribution center of any Loan Party in which Collateral with a value in excess of $500,000 of inventory is maintained at any time, whether or not such location is in a Landlord Lien State (or, to the extent that more than $2,500,000 of Collateral in the aggregate is maintained at all such leased distribution centers, even if the value of the Collateral at any leased distribution center is less than $500,000), and (z) the headquarters location, and (b) the Agent shall only be permitted to impose reserves equal to two (2) month's fees (calculated based on the average monthly fees charged by the applicable third party warehouse location during the most recently completed twelve month period) or one (1) month's rent (plus any past due rent), as applicable, for any third party warehouse location (including any fulfillment center) not leased or owned by a Loan Party in which Collateral with a value in excess of $500,000 of inventory is maintained, whether or not such third party warehouse location is in a Landlord Lien State

(or, to the extent that more than $2,500,000 of Collateral in the aggregate is maintained at all such third party warehouse locations, even if the value of the Collateral at any third party warehouse location is less than $500,000)); (ii) Cash Management Reserves may be imposed only when a Cash Dominion Event has occurred and is continuing; (iii) Bank Product Reserves in respect of Hedge Agreements secured by the Collateral shall require the consent of the Borrower; and (iv) any Reserve with respect to Customer Credit Liabilities under clause (a) of the definition thereof shall not exceed 50% of such Customer Credit Liabilities.

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

" Average Revolving Loan Utilization " means, at any Adjustment Date, a percentage equal to (x) the average daily aggregate Outstanding Amount of all Loans and Letters of Credit (excluding any outstanding Swing Line Loans) for the Fiscal Quarter immediately preceding such Adjustment Date, *divided by* (y) the Aggregate Commitments at such time.

" Bank of America " means Bank of America, N.A. and its successors.

" Bank Products " means any services or facilities provided to any Loan Party by the Agent, any Lender, or any of their respective branches or Affiliates on account of (a) Hedge Agreements, (b) leasing, and (c) factoring (but only to the extent that the applicable Loan Party and the Credit Party furnishing such services or facilities notify the Agent in writing that such services or facilities are to be deemed Bank Products hereunder), but excluding Cash Management Services.

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

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

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

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

" Blocked Account " means any deposit account in which any funds of any of the Loan Parties from one or more DDAs (other than any Excluded DDA) are concentrated and with respect to which a Blocked Account Agreement has been, or is required to be, executed in accordance with the terms hereof.

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

" Blocked Account Bank " has the meaning provided in Section 6.12 .

" Borrower Intellectual Property " has the meaning specified in Section 5.09 .

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

" Borrower " has the meaning set forth in the preamble.

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

" Borrowing Base " means, at any time of calculation, an amount equal to (but not less than zero):

(a) the face amount of Eligible Trade Receivables of the Loan Parties multiplied by 85%;

plus

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

plus

(c) 90% multiplied by the Appraised Value of Eligible Inventory of the Loan Parties multiplied by the Cost of such Eligible Inventory, net of Inventory Reserves;

minus

(d) the then amount of all Availability Reserves relating to the Loan Parties.

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

" Business Day " means (a) any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Requirements of Law of, or are in fact closed in, the state where the Agent's Office in the applicable jurisdiction is located and (b) if such day relates to any interest rate settings as to a LIBOR Rate denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such LIBOR Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such LIBOR Rate Loan, means any such day on which dealings in deposits in Dollars are conducted by and between banks in the London interbank eurodollar market.

" Capital Expenditures " means, for any period, with respect to any Person, the aggregate of all cash expenditures by such Person for the acquisition or leasing (pursuant to Capital Lease Obligations but excluding any amount representing capitalized interest) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) which are required to be capitalized under GAAP on a balance sheet of such Person; provided that in any event the term "Capital Expenditures" shall exclude: (i) any Permitted Acquisition and any other Investment permitted hereunder; (ii) expenditures to the extent financed with the proceeds from any casualty insurance or condemnation or eminent domain, to the extent that the proceeds therefrom are utilized (or are contractually committed to be utilized) for capital expenditures within twelve (12) months of the receipt of such proceeds; (iii) expenditures for leasehold improvements for which such Person has been reimbursed or received a credit; and (iv) expenditures to the extent they are made with the proceeds of equity contributions (other than Specified Equity Contributions and other than in respect of Disqualified Stock) made to the Borrower after the Closing Date, (v) the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment solely to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time; (vi) without duplication of the provisions of clause (iii), above, expenditures that are accounted for as capital expenditures by the Parent, Holdings, the Borrower or any Restricted Subsidiary and that actually are paid for by a Person other than the Parent, Holdings, the Borrower or any Restricted Subsidiary and for which neither the Parent, Holdings, the Borrower nor any Restricted Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such Person or any other Person (whether before, during or after such period); (vii) expenditures that constitute operating lease expenses in accordance with GAAP; (viii) any capitalized interest expense reflected as additions to property, plant or equipment in the consolidated balance sheet of the Parent, Holdings, the Borrower and the Restricted Subsidiaries; and (ix) any non-cash compensation or other non-cash costs reflected as additions to property, plant or equipment in the consolidated balance sheet of the Parent, Holdings, the Borrower and the Restricted Subsidiaries.

" Capital Lease Obligations " means, with respect to any Person for any period, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

" Cash Collateral Account " means, with respect to the L/C Obligations, an account (which may, in accordance with Section 2.03(g) and at the Borrower's option, be established as an interest-bearing account) established by the Borrower with Bank of America, and in the name of, the Agent (or as the Agent shall otherwise direct) and under the sole and exclusive dominion and control of the Agent, in which deposits are required to be made in accordance with Section 2.03 or Section 8.02 .

" Cash Collateralize " means to deposit in the Cash Collateral Account or to pledge and deposit with or deliver to the Agent, for the benefit of one or more of the Agent, the L/C Issuer or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect thereof (as the context may require), cash or deposit account balances or, if the Agent and the L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Agent and the L/C Issuer and in an amount equal to 103% of the maximum stated amount of any such Letter of Credit, determined in the manner set forth in Section 1.07 hereof. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support. Any such amounts on deposit may, at the option of the Agent after request by the Borrower, be invested in Cash Equivalents.

" Cash Dominion Event " means either (i) the occurrence and continuance of any Specified Event of Default, or (ii) the failure of the Borrower to maintain Excess Availability of at least the Trigger Amount for three (3) consecutive Business Days. For purposes of this Agreement, the occurrence of a Cash Dominion Event shall be deemed continuing (i) so long as such Specified Event of Default has not been waived, and/or (ii) if the Cash Dominion Event arises as a result of the Borrower's failure to achieve Excess Availability of at least the Trigger Amount for three (3) consecutive Business Days, until the date Excess Availability shall have been at least equal to the Trigger Amount for thirty (30) consecutive calendar days; provided that a Cash Dominion Event may be discontinued only three (3) times during any 365 day period. The termination of a Cash Dominion Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Event in the event that the conditions set forth in this definition again arise.

" Cash Equivalents " means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of one year or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-2 by S&P or P-2 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within one year from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; and (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of any of clauses (a) through (f) of this definition; or (h) money market funds that (i) purport to comply generally with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P or Aaa by Moody's or carrying an equivalent rating by a nationally recognized rating agency, and (iii) have portfolio assets of at least $5,000,000,000; or (i) in the case of Foreign Subsidiaries, (i) such local currencies in those countries in which such Foreign Subsidiary transacts business from time to time in the ordinary course of business and (ii) investments of comparable tenor and credit quality to those described above customarily utilized in the countries in which such Foreign Subsidiaries operate for short-term cash management purposes.

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

" Cash Management Services " means any cash management services provided to any Loan Party by the Agent or any Lender or any of their respective Affiliates, including, without limitation, (a) ACH transactions, (b) controlled disbursement services, treasury, depository, overdraft, and electronic funds transfer services, (c) credit card processing services, (d) credit or debit cards, (e) purchase cards, (f)

supply chain finance services (including, without limitation, electronic trade payable services and supplier accounts receivable purchases), and (g) foreign exchange facilities (but only to the extent that the applicable Loan Party and the Credit Party furnishing such cash management services notify the Agent in writing that such cash management services are to be deemed Cash Management Services hereunder). For the avoidance of doubt, Cash Management Services do not include Hedge Agreements.

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

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

" CFC " means any Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Code.

" CFC Holdco " any Domestic Subsidiary that has no material assets other than the Equity Interests of and, if applicable, Indebtedness of one or more Foreign Subsidiaries that are CFCs.

" Change in Law " means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

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

(a) the Parent shall cease directly or indirectly to own 100% of the Equity Interests of Holdings and the Borrower (except to the extent Holdings is permitted to merge with the Borrower pursuant to Section 7.04); or

(b) any "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Securities Exchange Act), other than one or more Permitted Investors shall be the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act) of Equity Interests having more, directly or indirectly, than 35% of the total voting power of all outstanding Capital Stock of the Parent in the election of directors, unless at such time the Permitted Investors are direct or indirect "beneficial owners" (as so defined) of Equity Interests of the Parent having a greater percentage of the total voting power of all outstanding Equity Interests of the Parent in the election of directors than that owned by each other "person" or "group" described above; or

(c) for any reason whatsoever, a majority of the Board of Directors of the Parent shall not be Continuing Directors; or

(d) a "Change of Control" (or comparable term) shall occur under the Term Facility, any Junior Indebtedness or the documentation for any Amendment or Refinancing of the foregoing, in each case (other than the Term Facility), if the outstanding principal amount thereof is in excess of $15,000,000.

" Closing Date " means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01 , which date is **[ ]** , 2013.

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

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

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

" Collateral Assignment of Shared Services Agreement " means the Collateral Assignment of Shared Services Agreement, dated as of the date hereof, between the Borrower and the Agent and acknowledged by Kellwood.

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

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

" Commitments " means, as to each Lender, its obligation to make Committed Loans to the Borrower pursuant to Section 2.01 , (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption or other instrument pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Closing Date, the total Commitments of all Lenders is $50,000,000.

" Commitment Fee Percentage " means, for any day, 0.25%.

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

" Committed Loan " means any loan at any time made by any Lender pursuant to Section 2.01 .

" Committed Loan Notice " means a notice of (a) a Committed Borrowing, (b) a Conversion of Committed Loans from one Type to the other, or (c) a continuation of LIBOR Rate Loans pursuant to Section 2.02(b) , which, if in writing, shall be substantially in the form of Exhibit A-1 (Committed Loan Notice).

" Commonly Controlled Entity " means an entity, whether or not incorporated, that is under common control with the Parent within the meaning of Section 4001 of ERISA.

" Commonly Controlled Plan " has the meaning set forth in Section 5.12(b) .

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

" Consent " means actual consent given by a Lender from whom such consent is sought; or the passage of seven (7) Business Days from receipt of written notice to a Lender from the Agent of a proposed course of action to be followed by the Agent without such Lender's giving the Agent written notice of that Lender's objection to such course of action.

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

" Consolidated EBITDA " of any Person, means, of any Person for any period, Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus , without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income, the sum of (a) income tax (or any alternative tax in lieu thereof) expense (including state franchise and similar taxes), (b) Consolidated Net Interest Expense of such Person and its Subsidiaries, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including commitment and administrative fees and charges with respect to this Agreement, the Term Facility, any Junior Indebtedness and any Permitted Amendment or Refinancing of any of the foregoing), (c) depreciation and amortization expense, (d) amortization or impairment of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary, unusual or non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business), (f) stock-option based and other equity-based compensation expenses, (g) transaction costs, fees and expenses (including those relating to the transactions contemplated hereby and by the Term Facility (including any Amendment or Refinancing or waivers of the Loan Documents and/or the Term Facility), and those payable in connection with the sale of Equity Interests (including any secondary or follow-on offerings), the incurrence, repayment, redemption, repurchase or defeasance of Indebtedness permitted under Section 7.03 , any disposition of Property permitted under Section 7.05 or any recapitalization or any Permitted Acquisition or other Investment permitted under Section 7.02 or any other Specified Transaction (in each case whether or not successful)), including the IPO, (h) [reserved], (i) expenses or losses with respect to liability or casualty events and proceeds from any business interruption insurance, in each case, to the extent covered by insurance and actually reimbursed or otherwise paid, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed or otherwise paid by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed or otherwise paid within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed or otherwise paid within such 365 days) (in the case of this clause (i) to the extent not reflected as revenue or income in such statement of such Consolidated Net Income), (j) to the extent actually reimbursed, expenses incurred to the extent covered by indemnification provisions in any agreement in connection with any Investment, Permitted Acquisition

or any sale, conveyance, transfer or other Disposition of assets permitted under this Agreement, (k) any call premium, tender premium, original issue discount or expenses associated with the repurchase, redemption, defeasance, or repayment of Indebtedness, (l) the amount of any restructuring charges or reserves (which, for the avoidance of doubt, shall include retention, severance, systems establishment cost, excess pension charges, contract termination costs, future lease commitments, costs to consolidate facilities and relocate employees, costs related to the winddown of leases and costs related to store closures) deducted in such period in computing such Consolidated Net Income, (m) any non-cash charges, expenses or losses (including any impairment charges and the impact of purchase accounting, including, but not limited to, the amortization of inventory step-up) reducing such Consolidated Net Income for such period (excluding any such charge that represents an accrual or reserve for a cash expenditure for a future period, other than straight-line rent expense determined in accordance with GAAP) and (n) one-time costs and expenses related to the replacement of services provided to the Borrower on the Closing Date under the terms of the Shared Services Agreement, minus , to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (b) any non-cash items increasing Consolidated Net Income for such Person for such period (excluding any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges made in any prior period or which will result in the receipt of cash in a future period or the amortization of lease incentives), all as determined on a consolidated basis; provided that for purposes of calculating Consolidated EBITDA of the Parent, Holdings, the Borrower and its Restricted Subsidiaries for any period, (A) the Consolidated EBITDA of any Person acquired by the Parent, Holdings, the Borrower or its Restricted Subsidiaries during such period shall be included on a pro forma basis for such period to give effect to the transactions on the Closing Date and any Specified Transactions (but assuming the consummation of such Specified Transaction and the incurrence or assumption of any Indebtedness in connection therewith occurred on the first day of such period, and assuming any synergies and cost savings to the extent certified by the Borrower as having been determined in good faith to be reasonably anticipated to be realizable within 12 months following such Specified Transaction and provided that the aggregate amount of synergies and costs savings included in Consolidated EBITDA for any period of four consecutive fiscal quarters shall not exceed 10% off Consolidated EBITDA for such four fiscal quarter period (before giving effect to such adjustment), (B) the Consolidated EBITDA of any Person Disposed of by the Parent, Holdings the Borrower or its Restricted Subsidiaries during such period shall be excluded for such period (assuming the consummation of such Disposition and the repayment of any Indebtedness in connection therewith occurred on the first day of such period), (C) to the extent included in such Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any income (loss) for such period attributable to the early extinguishment of (i) Indebtedness, (ii) obligations under any Hedge Agreements or (iii) other derivative instruments, (D) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any net after-tax gain or loss resulting from Hedge Agreement or other derivative instruments and the application of Statement of Financial Accounting Standards No. 133 and International Accounting Standard No. 39 and their respective related pronouncements and interpretations, and (E) any gains or losses attributable to foreign currency translations, including those relating to mark-to-market of Indebtedness denominated in foreign currencies resulting from the application of GAAP, including FAS No. 52. For purposes of determining compliance with the financial covenant set forth in Section 7.18 only (and not any other provision of this Agreement, including any such other provision that utilizes a calculation of Consolidated EBITDA), any cash common equity contribution made by the Parent or Holdings to the Borrower on or after the end of any fiscal quarter and prior to the day that is 10 Business Days after the day on which financial statements are required to be delivered for such Fiscal Quarter (it being understood that each such contribution shall be credited with respect to only one Fiscal Quarter; provided that such credit shall be effective as to such Fiscal Quarter for all periods in which such Fiscal

Quarter is included) will, at the request of the Borrower, be deemed to increase, dollar for dollar, Consolidated EBITDA for such Fiscal Quarter for the purposes of determining compliance with such financial covenant at the end of such Fiscal Quarter and applicable subsequent periods (any such equity contribution so included in the calculation of Consolidated EBITDA, a " Specified Equity Contribution "); provided that (a) in each four Fiscal Quarter period there shall be at least two Fiscal Quarter in which no Specified Equity Contribution is made, (b) no more than five (5) Specified Equity Contributions shall be made in the aggregate during the term of this Agreement and (c) the amount of any Specified Equity Contribution shall be no greater than the amount required to cause the Parent to be in compliance with the financial covenant set forth in Section 7.18 hereof and Section 7.1 of the Term Loan Agreement; provided , further that (A) any cash or Cash Equivalents held as a result of a Specified Equity Contribution shall be disregarded for the purposes of calculating the Consolidated Fixed Charge Coverage Ratio for such period, and (B) all Specified Equity Contributions shall be disregarded for the purposes of determining financial ratio-based conditions (other than compliance with the financial covenant set forth in Section 7.18 as described above in this paragraph) or any baskets with respect to the covenants contained in this Agreement.

" Consolidated Fixed Charge Coverage Ratio " means, at any date of determination, with respect to the Parent, Holdings, the Borrower and its Restricted Subsidiaries, the ratio of (a) (i) Consolidated EBITDA for such period minus (ii) Capital Expenditures (other than Financed Capital Expenditures) made in cash during such period, minus (iii) the aggregate amount of federal, state, provincial, territorial, municipal, local and foreign income Taxes paid in cash during such period (but not less than zero) and all amounts paid by the Loan Parties under the Tax Receivable Agreement to (b) the sum of (i) Consolidated Net Interest Expense for such period, plus (ii) scheduled payments of principal on Indebtedness during such period (after giving effect to any reduction thereof due to mandatory or permitted prepayments on such Indebtedness), plus (iii) the aggregate amount of Restricted Payments made pursuant to Section 7.06(e) , (f) and (g) hereof during such period (but excluding Restricted Payments to the extent funded by an issuance by the Borrower of Indebtedness permitted under Section 7.03 hereof, a Permitted Equity Issuance or a capital contribution to the Borrower).

" Consolidated Net Income " means, of any Person for any period, the consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that in calculating Consolidated Net Income of the Parent, Holdings, the Borrower and its Restricted Subsidiaries for any period, there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Borrower or any of its Restricted Subsidiaries and (b) the income (or deficit) of any Person (other than a Restricted Subsidiary) in which the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Parent, Holdings, the Borrower or such Restricted Subsidiary in the form of dividends or similar distributions (which dividends and distributions shall be included in the calculation of Consolidated Net Income). Notwithstanding the foregoing, the effect of any non-cash items resulting from any amortization, write-up, write-down or write-off of assets or liabilities (including intangible assets, goodwill, deferred financing costs and the effect of straight-lining of rents as a result of purchase accounting adjustments) in connection with any future Permitted Acquisition, Investment permitted under Section 7.02 , Disposition, merger, consolidation or similar transaction or any other non-cash impairment charges incurred subsequent to the Closing Date resulting from the application at SFAS Nos. 141, 142 or 144 (excluding any non-cash item to the extent that it represents an accrual of or reserve for cash expenditures in any future period except to the extent such item is subsequently reversed) shall be excluded from Consolidated Net Income.

" Consolidated Net Interest Expense " means, of any Person for any period, (a) total cash interest expense (including that attributable to Capital Lease Obligations) of such Person and its Restricted Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Restricted Subsidiaries, minus (b) the sum of (i) total cash interest income of such Person and its Restricted Subsidiaries for such period, in each case determined in accordance with GAAP plus (ii) one-time financing fees (to the extent included in such Person's consolidated interest expense for such period), including, those paid in connection with the transactions occurring on the Closing Date or in connection with any Amendment or Refinancing hereof. For purposes of the foregoing, interest expense of any Person shall be determined after giving effect to any net payments made or received by such Person with respect to interest rate Hedge Agreements (other than early termination payments) permitted hereunder.

" Continuing Directors " means the directors of the Parent on the Closing Date, and each other director if, in each case, such other director's nomination for election to the board of directors of the Parent is recommended by at least a majority of the then Continuing Directors or such other director receives the affirmative vote or consent of, or is appointed or otherwise approved by, the Sponsor, or those Permitted Investors which then hold a majority of the voting Equity Interests in the Parent then held by all Permitted Investors, in his or her election by the shareholders of the Parent.

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

" Control " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

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

" Cost " means the cost of purchases of Inventory, based upon the Borrower's accounting practices, known to the Agent, which practices are in effect on the Closing Date as such calculated cost is determined from invoices received by the Borrower, the Borrower's purchase journals or the Borrower's stock ledger. "Cost" does not include inventory capitalization costs or other non-purchase price charges (such as freight) used in the Borrower's calculation of cost of goods sold.

" Covenant Compliance Event " means that Excess Availability at any time is less than the greater of (a) fifteen (15%) percent of the Loan Cap or (b) $7,500,000. For purposes hereof, the occurrence of a Covenant Compliance Event shall be deemed continuing until Excess Availability has exceeded the amounts set forth above for thirty (30) consecutive days, in which case a Covenant Compliance Event shall no longer be deemed to be continuing for purposes of this Agreement. The termination of a Covenant Compliance Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Covenant Compliance Event in the event that the conditions set forth in this definition again arise.

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

" Credit Card Issuer " shall mean any person (other than Borrower or other Loan Party) who issues or whose members issue credit cards, including, without limitation, MasterCard or VISA bank credit or debit cards or other bank credit or debit cards issued through MasterCard International, Inc., Visa, U.S.A., Inc. or Visa International and American Express, Discover, Diners Club, Carte Blanche, JCB, NYCE,

Star/Mac, Tyme, Pulse, Accel, AFF, Shazam, CU244, Alaska Option, Maestro, Novus, Interac, Push Funds, Switch, Solo, Visa Delta and other non-bank credit or debit cards, including, without limitation, credit or debit cards issued by or through American Express Travel Related Services Company, Inc., and Novus Services, Inc. and other issuers reasonably approved by the Agent.

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

" Credit Card Notifications " has the meaning provided in Section 6.12 .

" Credit Card Receivables " means, collectively, (a) all present and future rights of the Borrower or a Guarantor to payment from any Credit Card Issuer or Credit Card Processor arising from sales of goods or rendition of services to customers who have purchased such goods or services using a credit or debit card and (b) all present and future rights of the Borrower or a Guarantor to payment from any Credit Card Issuer or Credit Card Processor in connection with the sale or transfer of Accounts arising pursuant to the sale of goods or rendition of services to customers who have purchased such goods or services using a credit card or a debit card, including, but not limited to, all amounts at any time due or to become due from any Credit Card Issuer or Credit Card Processor under the Credit Card Agreements or otherwise, in each case above calculated net of prevailing interchange charges.

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

" Credit Party " or " Credit Parties " means (a) individually, (i) each Lender and its Affiliates, (ii) the Agent and its Affiliates, (iii) each L/C Issuer, (iv) the Arranger, (v) each holder of any Other Liabilities, and (vi) each successor and permitted assign of each of the foregoing, and (b) collectively, all of the foregoing, in each case, to the extent relating to the services provided to, and obligations owing by or guaranteed by, the Loan Parties.

" Currency Due " has the meaning provided in Section 10.24 .

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

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

" DDA " means any checking, savings or other demand deposit account maintained by any of the Loan Parties. All funds in each DDA shall be conclusively presumed to be Collateral and proceeds of Collateral and the Agent and the Lenders shall have no duty to inquire as to the source of the amounts on deposit in any DDA.

" Debtor Relief Laws " means each of (i) the Bankruptcy Code of the United States and (ii) all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Requirement of Laws of the United States from time to time in effect and affecting the rights of creditors generally.

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

" Default Rate " means (a) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus two percent (2%) per annum, and (b) otherwise, when used with respect to Obligations, an interest rate equal to two percent (2%) per annum in excess of the rate then applicable to such Obligation.

" Defaulting Lender " means, subject to Section 2.17(b) , any Lender that (a) has failed to (i) fund all or any portion of its Loans within one Business Day of the date such Loans were required to be funded hereunder, or (ii) pay to the Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within one Business Day of the date when due, (b) has notified the Company, the Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect, (c) has failed, within three Business Days after written request by the Agent or the Company, to confirm in writing to the Agent and the Company that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Company), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) has been deemed insolvent or (iii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b)) as of the date established therefor by the Agent in a written notice of such determination, which shall be delivered by the Agent to the Company, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Agent (in its capacity as security trustee) as appointed under Section 9.02 of this Agreement.

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

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

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

" Disposition " or " Dispose " means with respect to any Property, any sale, sale and leaseback, assignment, conveyance, transfer or other effectively complete disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings. For the avoidance of doubt, it is understood and agreed that the Parent, Holdings, the Borrower and any Restricted Subsidiary may, in the ordinary course of business, grant licenses to Intellectual Property owned or developed by, or licensed to, such entity and that, for purposes of this Agreement and the other Loan Documents, such licenses shall not constitute a "Disposition" of such Intellectual Property; provided , that the terms of such licenses shall not restrict the right of the Agent to use such Intellectual Property in connection with the conduct of a Liquidation.

" Disqualified Institution ": (a) those banks, financial institutions and other entities designated in writing by the Borrower to the Agent prior to the Closing Date, in each case, together with their respective Affiliates, and (b) any corporate competitors of the Borrower and its Restricted Subsidiaries and the Affiliates of such corporate competitors (other than bona fide debt funds or investors) designated in writing by the Borrower to the Agent from time to time. The Agent will make the list of Disqualified Institutions available to any Lender upon request.

" Disqualified Stock " means any Equity Interest that (a) requires the payment of any dividends (other than dividends payable solely in shares of Qualified Stock), (b) matures or is mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise (including as the result of a failure to maintain or achieve any financial performance standards), prior to the date that is 91 days after the final scheduled maturity date of the Obligations (other than (i) upon Payment in Full of the Obligations or (ii) if the issuer has the option to settle for Qualified Stock (and cash in lieu of fractional shares thereof in de minimis amounts) or (c) are convertible or exchangeable, automatically or at the option of any holder thereof, into any Indebtedness, Equity Interest or other assets other than Qualified Stock; provided that if such Equity Interests are issued pursuant to a plan for the benefit of Holdings, any Parent Company, the Parent, Holdings, the Borrower, or any Restricted Subsidiary or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Restricted Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

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

" Domestic Subsidiary " means any direct or indirect Restricted Subsidiary organized under the laws of United States, any state thereof or the District of Columbia (excluding, for the avoidance of doubt, any Subsidiary organized under the laws of Puerto Rico or any other territory) other than (i) a Domestic Subsidiary of a Foreign Subsidiary that is a CFC or (ii) any CFC Holdco.

" Economic Sanctions Laws " means any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to a Loan Party, its Subsidiaries or Affiliates relating to economic sanctions and terrorism financing, including any applicable provisions of the Trading with the Enemy Act (50 U.S.C. App. §§ 5(b) and 16, as amended), the International Emergency Economic Powers Act, (50 U.S.C. §§ 1701-1706, as amended) and Executive Order 13224 (effective September 24, 2001), as amended.

" Eligible Assignee " means (a) a Credit Party or any of its Affiliates under common control with such Credit Party; (b) a bank, insurance company, or company engaged in the business of making commercial loans, which Person, together with its Affiliates, has a combined capital and surplus in excess of $250,000,000; (c) an Approved Fund; and (d) any other Person (other than a natural Person) satisfying the requirements of Section 10.06(b) hereof; provided that notwithstanding the foregoing, "Eligible Assignee" shall not include a Disqualified Institution, a Permitted Investor, a Loan Party or any of their respective Affiliates or Subsidiaries other than a Permitted Holder Lender.

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

(a) Credit Card Receivables which do not constitute an Account;

(b) Credit Card Receivables that have been unpaid for more than five (5) Business Days from the date of sale (or such longer period (s) as may be approved by the Agent in its Permitted Discretion);

(c) Credit Card Receivables (i) that are not subject to a perfected first-priority security interest in favor of the Agent (subject to Liens permitted under Section 7.01 having priority by operation of applicable Requirement of Law), for the benefit of itself and to such Credit Parties, or (ii) with respect to which a Loan Party does not have good and valid title thereto, free and clear of any Lien (other than Liens granted to the Agent pursuant to the Security Documents, or to the Term Agent under the Term Facility, or any Permitted Amendment or Refinancing of the foregoing and other Liens having priority by operation of applicable Requirement of Law);

(d) Credit Card Receivables which are disputed, are with recourse, or with respect to which a claim, counterclaim, offset or chargeback (other than chargebacks in the ordinary course by the Credit Card Processors) has been asserted (to the extent of such claim, counterclaim, offset or chargeback);

(e) Credit Card Receivables as to which a Credit Card Issuer or a Credit Card Processor has the right under certain circumstances to require a Loan Party to repurchase such Loan Party's entire portfolio of Accounts from such Credit Card Issuer or Credit Card Processor (it being acknowledged and understood that any right of a Credit Card Issuer or Credit Card Processors to chargeback a Credit Card Receivable shall not be deemed a right of such Credit Card Issuer or Credit Card Processor to require a Loan Party to repurchase such Loan Party's Accounts under this clause (e));

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

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

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

(i) Which has been shipped from a foreign location for receipt by a Loan Party, but which has not yet been delivered to such Loan Party, which In-Transit Inventory has been in transit for sixty (60) days or less from the date of shipment of such Inventory;

(ii) For which the purchase order is in the name of a Loan Party and title and risk of loss has passed to such Loan Party;

(iii) For which an Acceptable Document of Title has been issued and delivered to a Loan Party or to a customs broker thereof with which the Agent has entered into a Customs Broker/Carrier Agreement;

(iv) Which is insured in accordance with the provisions of this Agreement and the other Loan Documents (including, without limitation, marine cargo insurance);

(v) unless the Agent shall otherwise agree in its Permitted Discretion, for which payment of the purchase price has been made by the applicable Loan Party or the purchase price is supported by a Commercial Letter of Credit; and

(vi) Which otherwise would constitute Eligible Inventory;

provided that the Agent may, in its discretion, and upon notice to the Borrower, exclude any particular Inventory from the definition of "Eligible In-Transit Inventory" in the event the Agent determines in its Permitted Discretion that such Inventory is subject to any Person's right of reclamation, repudiation, stoppage in transit, which is (or is capable of being) senior to, or pari passu with, the Lien of the Agent or may otherwise adversely impact the ability of the Agent to realize upon such Inventory.

" Eligible Inventory " means, as of the date of determination thereof, without duplication, (i) Eligible In-Transit Inventory of the Loan Parties, (ii) items of Inventory of a Loan Party that are raw materials and (iii) items of Inventory of a Loan Party that are finished goods, merchantable and readily saleable to the public in the ordinary course of such Loan Party's business, in each case that is not excluded as ineligible for inclusion in the calculation of the Borrowing Base by virtue of one or more of the criteria set forth below. Except as otherwise agreed by the Agent, in its Permitted Discretion, the following items of Inventory shall not be included in Eligible Inventory:

(a) Inventory that is not solely owned by a Loan Party or a Loan Party does not have good and valid title thereto free and clear of any Lien, including any Inventory the subject of any retention of title arrangements (other than Liens granted to the Agent pursuant to the Security Documents and to the Term Agent under the Term Facility and Liens permitted by Section 7.01 having priority by operation of applicable Requirements of Law or other Liens of record by landlords permitted by Section 7.01 which have been subordinated to the Lien of the Agent pursuant to a subordination agreement on terms reasonable satisfactory to the Agent);

(b) Inventory that is leased by or is on consignment to a Loan Party, except for Inventory of the Loan Parties on concession to third parties in the United States located at retail stores of such third parties, for which the Loan Parties have taken such actions as are required by the UCC or other applicable Requirements of Law to perfect their consignment liens on such Inventory and which liens and security interests have been assigned to the Agent pursuant to applicable Requirements of Law, and which is consigned by a Loan Party to a Person which is not a Loan Party;

(c) Inventory (other than (i) Eligible In-Transit Inventory or (ii) Inventory in-transit between the Loan Parties' locations or in storage trailers at Loan Parties' locations) that is not located in the United States of America (excluding territories or possessions of the United States) at a location that is owned or leased by a Loan Party, provided that notwithstanding the foregoing, the following items of Inventory shall be deemed eligible if all of the other eligibility criteria set forth in this definition are satisfied: (x) Inventory in transit between such owned or leased locations or (y) Inventory at any other location to the extent that (A) the Loan Parties have furnished the Agent with any UCC financing statement or other documents that the Agent may determine to be necessary to perfect its security interest in such Inventory at such location, and (B) (I) the Agent has obtained a Collateral Access Agreement covering all Inventory stored at such location, or (II) the Agent has established adequate Reserves covering such location in accordance with the terms of this Agreement;

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

(e) Inventory that is not subject to a perfected first-priority security interest in favor of the Agent (subject to Liens permitted by Section 7.01 which have priority by operation of applicable Requirements of Law);

(f) Inventory as to which casualty insurance in compliance with the provisions of Section 6.07 hereof is not in effect;

(g) Inventory that has been sold but not yet delivered or as to which a Loan Party has accepted a deposit;

(h) Inventory that is subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third party from which any Loan Party or any of its Subsidiaries has received notice of a dispute in respect of any such agreement (but ineligibility shall be limited to the amount of such dispute);or

(i) Inventory acquired in a Permitted Acquisition or which is not of the type usually sold in the ordinary course of the Loan Parties' business, unless and until the Agent has completed or received (A) an appraisal of such Inventory from appraisers reasonably satisfactory to the Agent and establishes Inventory Reserves (if applicable) therefor, provided such Inventory is not otherwise ineligible as a result of any of clauses (a) to (i) above, and (B) such other due diligence as the Agent may reasonably require, all of the results of the foregoing to be reasonably satisfactory to the Agent in its Permitted Discretion; provided it is agreed that so long as the Agent has received reasonable prior notice of such Permitted Acquisition and the Loan Parties reasonably cooperate (and cause the Person being acquired to reasonably cooperate) with the Agent, the Agent shall use reasonable best efforts to complete such due diligence and related appraisal on or prior to the closing date of such Permitted Acquisition.

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

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

(b) Accounts that have been outstanding for more than (x) sixty (60) days from the due date or (y) ninety (90) days past the invoice date (or one hundred twenty (120) days past the invoice date for Accounts due from those account debtors agreed to in writing by the Agent from time to time acting in its Permitted Discretion);

(c) Accounts due from any account debtor fifty percent (50%) or more of whose Accounts are not eligible under clause (b) , above.

(d) Except as set forth in the proviso hereto, all Accounts owed by an account debtor and/or its Affiliates together exceed fifteen percent (15%) (or any other percentage now or hereafter established by the Agent for any particular account debtor) of the amount of all Accounts at any one time (the " Concentration Limit ") (but the portion of the Accounts not in excess of the applicable percentage may be deemed Eligible Trade Receivables, in the Agent's Permitted Discretion), provided that the Concentration Limit for Accounts due from (x) Nordstrom shall equal forty percent (40%), (y) Saks Fifth Avenue shall equal thirty percent (30%) and (z) Neiman Marcus shall equal twenty percent (30%);

(e) Accounts (i) that are not subject to a perfected first-priority security interest in favor of the Agent (other than Liens permitted by Section 7.01 which have priority by operation of applicable Requirements of Law), or (ii) with respect to which a Loan Party does not have good and valid title thereto, free and clear of any Lien (other than Liens granted to the Agent pursuant to the Security Documents and Liens granted to the Term Agent under the Term Facility and other Liens permitted by Section 7.01 which have priority by operation of applicable Requirements of Law);

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

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

(h) Accounts which are owed by any Affiliate or any employee of a Loan Party (provided that this clause (h) shall not exclude any Account of any Account Debtor solely on the basis that it is a portfolio company of the Sponsor);

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

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

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

(l) Accounts (i) owing from any Person that is also a supplier to, or creditor of, a Loan Party or any of its Subsidiaries unless such Person has waived any right of setoff in a manner reasonably acceptable to the Agent or (ii) representing any manufacturer's or supplier's credits, discounts, incentive plans or similar arrangements entitling a Loan Party or any of its Subsidiaries to discounts on future purchase therefrom; provided , that the existence of any Account Allowance as described above with respect to an Account shall not cause the applicable account debtor to be a supplier to, or creditor of, a Loan Party for the purposes of subclause (l)(i) above;

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

(n) Accounts owing from (i) any Embargoed Person, or (ii) any Person located in a in a foreign jurisdiction other than Canada; provided, that up to $2,000,000 in the aggregate of Accounts owing from Persons located in a foreign jurisdiction other than Canada shall constitute Eligible Trade Receivables, provided, that such Accounts would otherwise constitute Eligible Trade Receivables;

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

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

(q) Accounts which include extended payment terms (datings) beyond those generally furnished in the ordinary course of business;

(r) Accounts acquired in a Permitted Acquisition, unless and until the Agent has (A) completed or received such due diligence as the Agent may require with respect thereto, all of the results of the foregoing to be reasonably satisfactory to the Agent, and (B) otherwise agrees that such Accounts shall be deemed Eligible Trade Receivables; or

(s) Accounts which are not (i) billed and collected in the United States; and (ii) payable in Dollars.

" Embargoed Person " means any party that (i) is publicly identified on the most current list of "Specially Designated Nationals and Blocked Persons" published by the U.S. Treasury Department's Office of Foreign Assets Control (" OFAC ") or (ii) resides, is organized or chartered, or has a place of business in a country or territory that is the subject of OFAC sanctions programs.

" Environmental Laws " means any and all applicable laws, rules, orders, regulations, statutes, ordinances, codes or decrees (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, provincial, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, as has been, is now, or at any time hereafter is, in effect.

" Environmental Liability " means any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses (including reasonable fees and expenses of attorneys and consultants) or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the Release of any Materials of Environmental Concern or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

" Equipment " has the meaning set forth in the UCC or any other applicable Requirement of Law.

" Equity Interests " means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation).

" Equity Issuance " means any issuance by the Parent of its Qualified Stock in a public or private offering, other than any Specified Equity Contribution.

" ERISA " means the Employee Retirement Income Security Act of 1974.

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

" Event of Default " has the meaning specified in Section 8.01 .

" Excess Availability " means the difference, at any time of calculation, between the Loan Cap and the Total Outstandings.

" Excluded DDA " means (i) any deposit account exclusively used for payroll or employee benefits, and (ii) any deposit account which is a trust or fiduciary account.

" Excluded Subsidiary " means (a) any Subsidiary that is not directly or indirectly a wholly owned Subsidiary of the Parent, (b) any Immaterial Subsidiary, (c) any Subsidiary that is prohibited by applicable Requirements of Law or, to the extent mutually agreed the same would prevent the granting thereof, Contractual Obligations that are in existence on the Closing Date or at the time of acquisition of such Subsidiary and not entered into in contemplation thereof from providing a Facility Guaranty or if providing a Facility Guaranty by such Subsidiary would require governmental (including regulatory) consent, approval, license or authorization (unless such consent, approval license or authorization has been obtained), (d) any Foreign Subsidiary, (e) any Unrestricted Subsidiary, (f) any Subsidiary that is a captive insurance company and (i) any other Subsidiary with respect to which, in the reasonable judgment of the Agent and the Borrower, the burden or cost or other consequences of providing a Facility Guaranty shall be excessive in view of the benefits to be obtained by the Credit Parties therefrom. For the avoidance of doubt, each Excluded Subsidiary is a Non-Guarantor Subsidiary hereunder

" Excluded Swap Obligations " means, with respect to any Guarantor, any obligation (a " Swap Obligation ") to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the Guarantee Obligation of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee Obligation with respect thereto) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason not to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to [Section 2.8] of the Guarantee and Collateral Agreement) at the time the Guarantee Obligation of such Guarantor or the grant of such security interest would otherwise have become effective with respect to such related Swap Obligation but for such Guarantor's failure to constitute an "eligible contract participant" under the Commodity Exchange Act or any such rule, regulation or order at such time.

" Excluded Taxes " means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net or gross income (however denominated), Taxes imposed on or measured by net or gross profits, franchise or capital Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient's being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, any withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender (or its assignor, if any) acquires such interest in the Loan or Commitment (or designates a new lending office) (other than pursuant to an assignment request by the Borrower under Section 10.13) or (ii) such Lender changes its

Lending Office, except in each case to the extent that, pursuant to Section 3.01(a) or (c) , amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

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

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

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

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

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

" Extension Election " has the meaning provided in Section 2.17(b) .

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

" Facility Guaranty " means a Guarantee of the Obligations made by any Person in favor of the Agent and the other Credit Parties pursuant to the Security Agreement or in such other form reasonably satisfactory to the Agent.

" FATCA " means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

" Federal Funds Rate " means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Agent.

" Fee Letter " means the letter agreement, dated as of the date hereof, between the Borrower and the Agent.

" Financed Capital Expenditures " shall mean Capital Expenditures made through purchase money financing (other than from Credit Extensions hereunder) or Capital Lease transactions permitted hereunder.

" Fiscal Month " means one of the three fiscal periods in a Fiscal Quarter each of which is approximately one month in duration. There are 12 Fiscal Months in each Fiscal Year.

" Fiscal Quarter " means one of the four 13-week, or, if applicable, 14-week quarters in a Fiscal Year, with the first of such quarters beginning on the first day of a Fiscal Year and ending on a Saturday of the thirteenth (or fourteenth, if applicable) week in such quarter.

" Fiscal Year " means the fiscal year ending on the Saturday closest to January 31 in any calendar year.

" Flood Insurance Laws " means collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statue thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto and (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto.

" Foreign Lender " means any Lender that is not a U.S. Person.

" Foreign Subsidiary " means any Subsidiary that is not a Domestic Subsidiary.

" FRB " means the Board of Governors of the Federal Reserve System of the United States.

" Fronting Exposure " means, at any time there is a Defaulting Lender, (a) with respect to any L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

" Fund " means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

" GAAP " means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

" Governmental Authority ": any nation or government, any state, province or other political subdivision thereof and any governmental entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and, as to any Lender, any securities exchange and any self regulatory organization (including the National Association of Insurance Commissioners).

" Guarantee Obligation " means, as to any Person (the " guaranteeing person "), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a guarantee, reimbursement, counterindemnity or similar obligation, in either case guaranteeing or by which such Person becomes contingently liable for any Indebtedness, net worth, working capital earnings, leases, dividends or other distributions upon the stock or equity interests (the " primary obligations ") of any other third Person (the " primary obligor ") in any manner, whether directly or indirectly, including, without limitation, any

obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided , however , that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business, guarantees of operating leases in the ordinary course of business, and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets or any Investment permitted under this Agreement. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

" Guarantor " means (i) the Parent, (ii) Holdings and (ii) each Subsidiary of the Parent that executes and delivers a Facility Guaranty pursuant hereto; provided that no Excluded Subsidiary shall be required to be a Guarantor hereunder.

" Hedge Agreements " means all interest rate swaps, caps or collar agreements or similar arrangements entered into by the Borrower or its Subsidiaries providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations or the price of commodities, raw materials, utilities and energy, either generally or under specific contingencies.

" Holdings " means Vince Intermediate Holding, LLC, a Delaware limited liability company.

" Honor Date " has the meaning specified in Section 2.03(c)(i) .

" Immaterial Subsidiary " means, on any date, any Subsidiary of the Company that (i) had less than 3% of consolidated assets and 3% of annual consolidated revenues of the Parent, Holdings, the Borrower and its Restricted Subsidiaries as reflected on the most recent financial statements delivered pursuant to Section 6.01 prior to such date and (ii) has been designated as such by the Borrower in a written notice delivered to the Agent (other than any such Subsidiary as to which the Borrower has revoked such designation by written notice to the Agent so long as such Subsidiary either provides a Facility Guaranty upon such designation and complies with Section 6.11 or otherwise qualifies as an Excluded Subsidiary hereunder); provided that no Subsidiary with Property of the type included in the Borrowing Base may be designated as an Immaterial Subsidiary, and provided further that at no time shall all Immaterial Subsidiaries so designated by the Borrower have in the aggregate consolidated assets or annual consolidated revenues (as reflected on the most recent financial statements delivered pursuant to Section 6.01 prior to such time) in excess of 3% of consolidated assets or annual consolidated revenues, respectively, of the Parent, Holdings, the Borrower and its Restricted Subsidiaries.

" Increase Effective Date " shall have the meaning provided therefor in Section 2.15(d) .

" Indebtedness " means, of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of Property or services (other than (i) trade payables, current accounts and similar obligations incurred in the ordinary course of such Person's business and not more than 90 days past due (unless being contested in good faith by appropriate proceedings) and (ii) earn-outs and other contingent payments in respect of acquisitions except to the extent that the liability on account of any such earn-out or contingent payment becomes

fixed), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property, in which case only the lesser of the amount of such obligation and the fair market value of such Property shall constitute Indebtedness), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit or similar facilities, (g) all obligations of such Person in respect of Disqualified Stock, except for agreements with directors, officers and employees to acquire such Equity Interest upon the death or termination of employment of such director, officer or employee, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (f) above, other than guarantees of operating leases in the ordinary course of business, and (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on Property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation (and in the event such Person has not assumed or become liable for payment of such obligation, only the lesser of the amount of such obligation and the fair market value of such Property shall constitute Indebtedness. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such person is liable therefore as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

" Indemnitees " has the meaning specified in Section 10.04(b) .

" Information " has the meaning specified in Section 10.07 .

" Insolvency " means, with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

" Insolvent " means pertaining to a condition of Insolvency.

" Intellectual Property " means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, domain names, patents, trademarks, trade names, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

" Intercreditor Agreement " means (i) the Intercreditor Agreement, dated as of the Closing Date, by and among the Agent and the Term Agent, as it may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof or (ii) any other intercreditor agreement among the Agent and any agent or trustee with respect to the Term Facility or any Permitted Amendment or Refinancing thereof, as it may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

" Interest Payment Date " means, (a) as to any LIBOR Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a LIBOR Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the first Business Day of each month and the Maturity Date.

" Interest Period " means as to each LIBOR Rate Loan, the period commencing on the date such LIBOR Rate Loan is disbursed or Converted to or continued as a LIBOR Rate Loan and ending on the date one, two, three or six months thereafter, as selected by the Borrower in a Committed Loan Notice or, if available by all relevant Lenders, such other period that is two weeks or twelve months requested by the Borrower and Consented to in writing by all of the applicable Lenders; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the Maturity Date.

For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent Conversion or continuation of such Borrowing.

" In-Transit Inventory " means Inventory of a Loan Party which is in the possession of a common carrier and is in transit from a foreign vendor of a Loan Party to a location of a Loan Party.

" Inventory " has the meaning given that term in the UCC or other applicable Requirement of Law, and shall also include, without limitation, all: (a) goods which (i) are leased by a Person as lessor, (ii) are held by a Person for sale or lease or to be furnished under a contract of service, (iii) are furnished by a Person under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in a business; (b) goods of said description in transit; (c) goods of said description which are returned, repossessed or rejected; and (d) packaging, advertising, and shipping materials related to any of the foregoing.

" Inventory Reserves " means such reserves as may be established from time to time by the Agent in its Permitted Discretion, without duplication of any other Reserves or items that are otherwise addressed or excluded through eligibility criteria or factored into the advance rates, to reflect the changes in the determination of the saleability, at retail, of the Eligible Inventory or which reflect such other factors as negatively affect the market value of the Eligible Inventory.

" Investment " has the meaning given to such term in Section 7.02 hereof.

" IPO " means the initial public offering of the common stock of Holdings, pursuant to the Registration Statement on Form S-1, filed with the SEC on September 24, 2013, as amended.

" IRS " means the United States Internal Revenue Service.

" ISP " means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

" Issuer Documents " means with respect to any Letter of Credit, the Letter Credit Application, and any other document, agreement and instrument entered into by an L/C Issuer and the Borrower or in favor of an L/C Issuer and relating to any such Letter of Credit.

" Joinder Agreement ": an agreement substantially in the form of Exhibit J .

" Judgment Currency " has the meaning given to such term in Section 10.24 .

" Junior Indebtedness " has the meaning given to such term in Section 7.03(m) .

"Kellwood" means Kellwood, LLC, a Delaware limited liability company.

" Landlord Lien State " means any state, province or territory in which a landlord's claim for rent has priority by operation of applicable Requirement of Law over the Lien of the Agent in any of the Collateral.

" Latest Maturity Date " means, at any date of determination, the latest Maturity Date applicable to any Loan or Commitment hereunder at such time, including the latest termination date of any Extended Commitment or New Commitment, as applicable, as extended in accordance with this Agreement from time to time.

" L/C Advance " means with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

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

" L/C Credit Extension " means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry thereof, or the increase of the amount thereof.

" L/C Issuer " means (a) Bank of America, in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder and (b) one other Lender selected by the Borrower with the consent of the Agent (such consent not to be unreasonably withheld). Any L/C Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such L/C Issuer, in which case the term "L/C Issuer" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

" L/C Obligations " means, at any date of determination and without duplication, the aggregate Stated Amount of all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts under Letters of Credit, including all L/C Borrowings. For purposes of computing the amounts available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.07 . For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

" Lease " means any agreement pursuant to which a Loan Party is entitled to the use or occupancy of any real property for any period of time.

" Lenders " means the Lenders having Commitments from time to time or at any time and, unless the context requires otherwise, includes the Swing Line Lender. Any Lender may, in its reasonable discretion, arrange for one or more Loans to be made by Affiliates or branches of such Lender, in which case the term "Lender" shall include any such Affiliate or branch with respect to Loans made by such Affiliate or branch.

" Lending Office " means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Agent.

" Letter of Credit " means each Banker's Acceptance, each Standby Letter of Credit and each Commercial Letter of Credit issued hereunder.

" Letter of Credit Application " means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the applicable L/C Issuer.

" Letter of Credit Expiration Date " means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

" Letter of Credit Fee " has the meaning specified in Section 2.03(i) .

" Letter of Credit Sublimit " means an amount equal to $25,000,000 plus the amount of any increase in the Aggregate Commitments made pursuant to Section 2.15 hereof. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments. A permanent reduction of the Aggregate Commitments shall not require a corresponding pro rata reduction in the Letter of Credit Sublimit; provided , however , that if the Aggregate Commitments are reduced to an amount less than the Letter of Credit Sublimit, then the Letter of Credit Sublimit shall be reduced to an amount equal to (or, at Borrower's option, less than) the Aggregate Commitments.

" LIBOR Borrowing " means a Borrowing comprised of LIBOR Rate Loans.

" LIBOR Rate " means:

(a) for any Interest Period with respect to a LIBOR Rate Loan, the rate per annum equal to (i) the British Bankers Association LIBOR Rate (" BBA LIBOR "), as published by Reuters (or such other commercially available source providing quotations of BBA LIBOR as may be designated by the Agent from time to time) at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period or, (ii) if such rate is not available at such time for any reason, the rate per annum determined by the Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBOR Rate Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by Bank of America's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two London Banking Days prior to the commencement of such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) BBA LIBOR, at approximately 11:00 a.m., London time determined two London Banking Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any

reason, the rate per annum determined by the Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the Base Rate Loan being made or maintained and with a term equal to one month would be offered by Bank of America's London Branch to major banks in the London interbank Eurodollar market at their request at the date and time of determination.

" LIBOR Rate Loan " means a Committed Loan that bears interest at a rate based on the Adjusted LIBOR Rate.

" LIBOR Unavailability Period " means any period of time during which a notice delivered to the Borrower in accordance with Section 3.03 shall remain in force and effect.

" Lien " means any mortgage, pledge, hypothecation, collateral assignment, encumbrance, lien (statutory or other), charge or other security interest or any other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing). For the avoidance of doubt, it is understood and agreed that the Parent, Holdings, the Borrower and any of its Restricted Subsidiaries may, as part of their business, grant licenses to Intellectual Property owned or developed by, or licensed to, such entity. For purposes of this Agreement and the other Loan Documents, such licensing activity shall not constitute a "Lien" on such Intellectual Property; provided , that the terms of such licenses shall not restrict the right of the Agent to use such Intellectual Property in connection with the conduct of a Liquidation.

" Liquidation " means the exercise by the Agent of those rights and remedies accorded to the Agent under the Loan Documents and applicable Requirements of Laws as a creditor of the Loan Parties with respect to the realization on the Collateral, including (after the occurrence and during the continuation of an Event of Default) the conduct by the Loan Parties acting with the consent of the Agent, of any public, private or "going-out-of-business", "store closing" or other similar sale or any other disposition of the Collateral for the purpose of liquidating the Collateral. Derivations of the word "Liquidation" (such as "Liquidate") are used with like meaning in this Agreement.

" Liquidation Percentage " shall mean, for any Lender, a fraction, the numerator of which is the sum of such Lender's Commitment on the Determination Date and the denominator of which is the Aggregate Commitments on the Determination Date.

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

" Loan Account " has the meaning assigned to such term in Section 2.11 .

" Loan Cap " means, at any time of determination, the lesser of (a) the Aggregate Commitments and (b) the Borrowing Base.

" Loan Documents " means this Agreement, each Note, each Issuer Document, the Fee Letter, all Borrowing Base Certificates, the Blocked Account Agreements, all Collateral Access Agreements, all Credit Card Notifications, the Security Documents, any Facility Guaranty, any Joinder Agreement, any Extension Amendment, and the Intercreditor Agreement, each as amended and in effect from time to time.

" Loan Parties " means, collectively, the Borrower and the Guarantors. "Loan Party" means any one of such Persons.

" Management Investors " means the directors, officers and other employees of the Parent and its Subsidiaries.

" Material Adverse Effect " means a material adverse effect on (i) the operations, business, properties, or financial condition of the Parent and its Subsidiaries, taken as a whole; or (ii) the validity or enforceability of the Loan Documents or the material rights and remedies of the Agent and the Lenders thereunder, in each case, taken as a whole.

" Material Indebtedness " means Indebtedness (other than the Obligations) of the Loan Parties in an aggregate principal amount exceeding $15,000,000.

" Material Subsidiary " means any Subsidiary that is not an Immaterial Subsidiary.

" Materials of Environmental Concern " means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity and any other substances that are defined as hazardous or toxic under any Environmental Law, that are regulated pursuant to any Environmental Law.

" Maturity Date " means, subject to the proviso below, the later of (a) [ ], 2018 and (b) with respect to any Lender which participates in any Extension Series pursuant to Section 2.17 , such extended maturity date relating to such Extension Series as determined pursuant to such Section 2.17 .

" Maximum Rate " has the meaning provided therefor in Section 10.09 .

" Monthly Reporting Event " means any of the following: (i) the occurrence and continuance of any Event of Default, (ii) the occurrence and continuance of any Covenant Compliance Event, or (iii) any period during which the Outstanding Amount of all Loans exceeds 50% of the Borrowing Base for a period of three (3) consecutive Business Days. For purposes of this Agreement, the occurrence of a Monthly Reporting Event shall be deemed continuing (i) so long as such Event of Default has not been waived, (ii) so long as such Covenant Compliance Event is continuing in accordance with terms set forth in the definition thereof, and/or (iii) if the Monthly Reporting Period arises due to the Outstanding Amount of all Loans exceeding 50% of the Borrowing Base for a period of three (3) consecutive Business Days, until the date that the Outstanding Amount of all Loans is falls below 50% of the Borrowing Base for a period of thirty (30) consecutive calendar days. For the avoidance of doubt, the termination of a Monthly Reporting Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Monthly Reporting Event in the event that the conditions set forth in this definition again arise.

" Moody's " means Moody's Investors Service, Inc. and any successor thereto.

" Mortgages " means any mortgage, deed of trust, hypothec or other similar document made by any Loan Party in favor of, or for the benefit of, the Agent for the benefit of the Secured Parties, in form and substance reasonably satisfactory to the Agent and the Borrower (taking into account the law of the jurisdiction in which such mortgage, deed of trust, hypothec or similar document is to be recorded), as the same may be amended, supplemented or otherwise modified from time to time.

" Most Recently Ended " means, with respect to any period, the most recently ended period for which the financial statements required by Section 6.01(a) , Section 6.01(b) or Section 6.01(c) , as applicable, have been delivered or required to have been delivered.

" Multiemployer Plan " means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

" Multiple Employer Plan " means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

" New Commitment " has the meaning provided in Section 2.17(c) .

" New Commitment Lender " has the meaning provided in Section 2.17(c) .

" Non-Consenting Lender " has the meaning provided therefor in Section 10.01(c) .

" Non-Defaulting Lender " means, at any time, each Lender that is not a Defaulting Lender at such time.

" Non-Excluded Taxes " means all Taxes other than Excluded Taxes and Other Taxes.

" Non-Extension Notice Date " has the meaning specified in Section 2.03(b)(iii) .

" Non-Guarantor Subsidiary " means any Subsidiary of the Borrower which is not a Subsidiary Guarantor.

" Non-Recourse Debt " means Indebtedness (a) no default with respect to which would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity, and (b) as to which the lenders or holders thereof have been notified in writing that they will not have any recourse to the capital stock or assets of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries (other than the Equity Interests of an Unrestricted Subsidiary which is the issuer or a guarantor or the direct or indirect parent of the issuer or guarantor of such indebtedness).

" Note " means a Revolving Note or a Swing Line Note, as applicable.

" Obligations " means (a) all advances to, and debts (including principal, interest, fees, and reasonable costs and expenses), liabilities, obligations, covenants, indemnities, and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit (including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral therefor), whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees, and reasonable costs and expenses and indemnities that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees costs, expenses and indemnities are allowed claims in such proceeding, and (b) any Other Liabilities; provided that the Obligations shall exclude all Excluded Swap Obligations.

" OFAC " has the meaning set forth in the definition of "Embargoed Person".

" Other Connection Taxes " means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising solely from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

" Other Liabilities " means any obligation on account of (a) any Cash Management Services furnished to any of the Loan Parties or any of the Restricted Subsidiaries and/or (b) any Bank Product furnished to any of the Loan Parties and/or any of the Restricted Subsidiaries.

" Other Taxes " means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

" Outstanding Amount " means (i) with respect to Committed Loans and Swing Line Loans on any date, the amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

" Overadvance " means a Credit Extension to the extent that, immediately after the making of such Credit Extension, the aggregate principal balance of all Credit Extensions then outstanding exceeds the Loan Cap as then in effect.

" Parent " means Vince Holding Corp., a Delaware corporation.

" Participant " has the meaning specified in Section 10.06(d) .

" Participant Register " has the meaning provided therefor in Section 10.06(d)(iii) .

" Payment Conditions " means, at the time of determination with respect to any specified transaction or payment, that (i) no Event of Default exists or would arise as a result of entering into such transaction or the making of such payment, (ii) immediately after giving pro forma effect to such transaction or payment and projected on a pro forma basis for the immediately succeeding six (6) Fiscal Months following such transaction or payment, Excess Availability shall be at least the greater of (x) 20% of the Loan Cap and (y) $7,500,000 for each Fiscal Month during such projected six month period and (iii) the Consolidated Fixed Charge Coverage Ratio for the Most Recently Ended period of twelve months preceding such transaction or payment shall be greater than or equal to 1.0 to 1.0 (after giving pro forma effect to such transaction or payment as if such transaction or payment had been made as of the first day of such period), provided that the provisions of this clause (iii) shall not be applicable if Excess Availability, immediately after giving pro forma effect to such transaction or payment and projected for the immediately succeeding six (6) Fiscal Months following such transaction or payment, at least the greater of (x) 35% of the Loan Cap and (y) $10,000,000; and (iv) the Borrower shall have delivered a Compliance Certificate to the Agent including a reasonably detailed calculation of such calculated Excess Availability and, if applicable, Consolidated Fixed Charge Coverage Ratio.

" Payment in Full " means (a) the termination of the Aggregate Commitments and (b) the payment in Dollars in full in cash or immediately available funds of all outstanding Obligations (excluding contingent indemnification obligations for which a claim has not then been asserted) including, with respect to (i) amounts available to be drawn under outstanding Letters of Credit (or indemnities or other undertakings issued in respect of outstanding Letters of Credit), the cancellation of such Letters of Credit or the Cash Collateralization thereof or the delivery and provision of backstop letters of credit in respect thereof and (ii) outstanding ABL Obligations with respect to Bank Products and Cash Management Services (or indemnities or other undertakings issued pursuant thereto in respect of outstanding Bank Products and Cash Management Services), the delivery or provision of cash collateral or backstop letters of credit in respect thereof other than (i) unasserted contingent indemnification Obligations, (ii) any Obligations relating to Bank Products that, at such time, are allowed by the applicable Bank Product provider to remain outstanding without being required to be repaid or collateralized, and (iii) any Obligations relating to Cash Management Services that, at such time, are allowed by the applicable provider of such Cash Management Services to remain outstanding without being required to be repaid or collateralized.

" Payoff Indebtedness " means Indebtedness under (a) that certain Credit Agreement, dated as of October 19, 2011, by and among Wells Fargo Bank, National Association, as the agent, the lenders party thereto, Kellwood Intermediate Holding, LLC, Kellwood and the other "Borrowers" party thereto, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time until the date that is immediately prior to the Closing Date, (b) that certain Term Loan Agreement, dated as of October 19, 2011, among Kellwood and certain of its domestic Subsidiaries (including the Borrower), the financial institutions from time to time party thereto and Cerberus Business Finance, LLC, as collateral agent, (c) those certain 12 7/8% Second-Priority Senior Secured PIK Notes due 2014 issued pursuant to that certain Indenture, dated as of July 23, 2009, among Kellwood, certain Subsidiaries of Kellwood from time to time party thereto (including the Borrower) and Wells Fargo Bank, National Association, as trustee and as collateral agent, (d) that certain Second Amended and Restated Term A Loan Agreement, dated as of April 20, 2012, among Kellwood, certain of its domestic Subsidiaries from time to time party thereto (including the Borrower), the financial institutions from time to time party thereto, and Sun Kellwood Finance, LLC, as collateral agent, (e) that certain Fifth Amended and Restated Term Loan Agreement, dated as of June 28, 2013, among Kellwood, certain of its domestic Subsidiaries from time to time party thereto (including the Borrower), the financial institutions from time to time party thereto and Sun Kellwood Finance, LLC, as collateral agent, and (f) that certain Promissory Note, dated as of the date hereof, by Holdings and payable to Kellwood.

" PBGC " means the Pension Benefit Guaranty Corporation.

" PCAOB " means the Public Company Accounting Oversight Board.

" Pension Plan " means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

" Permitted Acquisition " means (i) any acquisition (including, if applicable, in the case of any Intellectual Property, by way of license) approved by the Required Lenders or (ii) an Acquisition in which all of the following conditions are satisfied:

(a) Such Acquisition shall have been approved by the Board of Directors of the Person (or similar governing body if such Person is not a corporation) which is the subject of such Acquisition and such Person shall not have announced that it will oppose such Acquisition or shall not have commenced any action which alleges that such Acquisition shall violate applicable Law;

(b) in the event the purchase price for the Acquisition exceeds $15,000,000, (i) the Agent shall have received the then current drafts of the documentation to be executed in connection with such Acquisition (with final copies of such documentation to be delivered to the Agent promptly upon becoming available), including all schedules and exhibits thereto and (ii) the Agent shall have received notice of the closing date for such Acquisition; provided that such notice shall be given unless doing so would materially interfere with, or would cause materially adverse economic consequences with respect to, the consummation of such Acquisition;

(c) any Person or assets or division acquired is, at the time of such Acquisition, and shall be in the same business or lines of business, or business reasonably related, ancillary or complementary thereto, in which the Borrower and/or its Subsidiaries are engaged as of the Closing Date;

(d) [Reserved];

(e) such Person shall have become a Restricted Subsidiary and, if such Person shall be a wholly-owned Domestic Subsidiary (and not an Excluded Subsidiary), a Guarantor and the provisions of Section 6.11 shall have been complied with to the reasonable satisfaction of the Agent provided that, notwithstanding the foregoing, the aggregate consideration expended in respect of Persons that shall not become Guarantors or wholly owned Subsidiaries may not exceed $15,000,000; and

(f) The Loan Parties shall have satisfied the Payment Conditions; provided, that with respect to an Acquisition being financed solely with the proceeds of incremental borrowings under the Term Facility, the condition set forth in this clause (f) shall only be required to be satisfied on the date on which definitive agreements with respect to such Acquisition are entered into, assuming that such incremental borrowings under the Term Facility are funded on such date, the proceeds thereof are applied on such date and the applicable Acquisition is consummated on such date.

" Permitted Amendment or Refinancing " shall mean, with respect to any Person, any Amendment or Refinancing of any Indebtedness of such Person; provided that (a) other than with respect to a Permitted Amendment or Refinancing in respect of Indebtedness of the Loan Parties under the Term Facility, the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so Amended or Refinanced except (i) by an amount equal to unpaid accrued interest and premium (including tender premiums and make whole amounts), thereon plus other reasonable and customary fees and expenses (including upfront fees, original issue discount and defeasance costs) incurred in connection with such Amendment or Refinancing and (ii) by an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Amendment or Refinancing in respect of Indebtedness permitted pursuant to Section 7.03(c), the Indebtedness resulting from such Amendment or Refinancing has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being Amended or Refinanced, (c) other than with respect to a Permitted Amendment or Refinancing in respect of Indebtedness permitted pursuant to

Sections 7.03(c), at the time thereof, no Event of Default shall have occurred and be continuing, (d) if such Indebtedness being Amended or Refinanced is Indebtedness permitted pursuant to Section 7.03(d), 7.03(i), 7.03(m), 7.03(n), 7.03(o) or 7.03(p), (i) to the extent such Indebtedness being Amended or Refinanced is subordinated in right of payment or in lien priority to the Obligations, the Indebtedness resulting from such Amendment or Refinancing is subordinated in right of payment or in lien priority, as applicable, to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being Amended or Refinanced, (ii) the terms and conditions of any such Amended or Refinanced Indebtedness under Section 7.03(m), 7.03(o) or 7.03(p) shall be usual and customary for high yield securities of the type issued, (iii) the other terms and conditions (including, if applicable, as to collateral but excluding as to subordination, pricing, premiums and optional prepayment or optional redemption provisions) of any such Amended or Refinanced Indebtedness, taken as a whole, are not materially less favorable to the Loan Parties or the Lenders than the terms and conditions of the Indebtedness being Amended or Refinanced, taken as a whole (provided that a certificate of a Responsible Officer delivered to the Agent at least five Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and conditions satisfy the requirements of clause (ii) and this clause (iii) unless the Agent notifies the Borrower within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees)) and (iv) the obligors (including any guarantors) in respect of the Indebtedness resulting from such modification, refinancing, refunding, renewal, replacement or extension shall be the same as the obligors (including any guarantors) of the Indebtedness being Amended or Refinanced and (e) in the case of any Permitted Amendment or Refinancing in respect of the Term Facility, such Permitted Amendment or Refinancing is secured only by all or any portion of the collateral securing the Indebtedness being Amended or Refinanced and (f) in the case of any Permitted Amendment or Refinancing that is guaranteed (including in respect of the Term Facility), such Permitted Amendment or Refinancing is guaranteed only by the Guarantors guaranteeing the Indebtedness being Amended or Refinanced. When used with respect to any specified Indebtedness, “Permitted Amendment or Refinancing” shall mean the Indebtedness incurred to effectuate a Permitted Amendment or Refinancing of such specified Indebtedness.

“ Permitted Discretion ” means a determination made by the Agent, in the exercise of its reasonable credit judgment from the viewpoint of an asset based lender, exercised in good faith in accordance with customary business practices for comparable asset based lending transactions.

“ Permitted Holder Lender ” means the Sponsor and its Affiliates (but excluding any portfolio companies of the foregoing), provided such Permitted Holder Lender executes a waiver in form and substance reasonably satisfactory to the Agent that it shall have no right whatsoever with respect to that portion of the Commitments which it holds (a) to consent to any amendment, modification, waiver, consent or other such action with respect to any of the terms of any Loan Document, (b) otherwise to vote on any matter related to any Loan Document (provided that , with respect to any amendment or other matter requiring a vote of the Lenders hereunder, the Commitments held by such Permitted Holder Lender (and any Obligation with respect thereto) shall be deemed to have been voted by such Permitted Holder Lender in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Permitted Holder Lenders), (c) to require the Agent or any Lender to undertake any action (or refrain from taking any action) with respect to any Loan Document, (d) to attend any meeting with the Agent or any Lender or receive any information from the Agent or any Lender including pursuant to Section 9.16(c) , (e) to the benefit of any advice provided by counsel to the Agent or the other Lenders or to challenge the attorney-client privilege of the communications between the Agent, such other Lenders and such counsel, or (f) to make or bring any claim, in its capacity as Lender, against the Agent with

respect to the fiduciary duties of the Agent or Lender and the other duties and obligations of the Agent hereunder; except, that, no amendment, modification or waiver to any Loan Document shall, without such Permitted Holder Lender's consent, deprive any Permitted Holder Lender of its pro rata share of any payments to which the Lenders as a group are otherwise entitled hereunder or otherwise single out, or intentionally discriminate against, the Permitted Holder Lender as such; and provided further that the amount of the Total Outstanding and Commitments held by Permitted Holder Lenders may not exceed 10% in the aggregate of all the Total Outstanding and Commitments outstanding.

" Permitted Investors " means the collective reference to (i) the Sponsor and Sponsor Affiliates, (ii) the Management Investors, (iii) any Permitted Transferees of any of the foregoing Persons, , and (iv) any "group" (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that in the case of such "group" and without giving effect to the existence of such "group" or any other "group," such Persons specified in clauses (i), (ii) or (iii) above, collectively, have beneficial ownership, directly or indirectly, of more than 50% of the total voting power of the voting stock of Holdings held by such "group," and provided further, that, in no event shall the Sponsor own a lesser percentage of voting stock than any other Person or group referred to in clauses (ii), (iii) and (iv).

" Permitted Overadvance " means an Overadvance made by the Agent to the Borrower, in its discretion, which:

(a) is made to maintain, protect or preserve the Collateral and/or the Credit Parties' rights under the Loan Documents or which is otherwise for the benefit of the Credit Parties; or

(b) is made to enhance the likelihood of, or to maximize the amount of, repayment of any Obligation;

(c) is made to pay any other amount chargeable to any Loan Party hereunder; and

(d) together with all other Permitted Overadvances then outstanding, shall not (i) exceed five percent (5%) of the Borrowing Base at any time or (ii) unless a Liquidation is occurring, remain outstanding for more than forty-five (45) consecutive Business Days, unless in each case, the Required Lenders otherwise agree.

provided however , that the foregoing shall not (i) modify or abrogate any of the provisions of Section 2.03 regarding the Lenders' obligations with respect to Letters of Credit or Section 2.04 regarding the Lenders' obligations with respect to Swing Line Loans, or (ii) result in any claim or liability against the Agent (regardless of the amount of any Overadvance) for Unintentional Overadvances, and such Unintentional Overadvances shall not reduce the amount of Permitted Overadvances allowed hereunder, and further provided that in no event shall the Agent make an Overadvance, if after giving effect thereto, the principal amount of the Credit Extensions would exceed the Aggregate Commitments (as in effect prior to any termination of the Commitments pursuant to Section 2.06 hereof).

" Permitted Seller Note " means a promissory note containing subordination and other related provisions reasonably acceptable to the Agent, representing Indebtedness of the Borrower or any of its Subsidiaries incurred in connection with any acquisition permitted under Section 7.02(f) and payable to the seller in connection therewith.

" Permitted Store Closings " means (a) store closures and related dispositions which do not exceed (i) in any Fiscal Year of the Borrower and its Subsidiaries, the greater of five (5) stores and 25% of the total number of stores in existence on the first day of such Fiscal Year (net of new store openings), and (b) the related Inventory is disposed of at such stores in accordance with liquidation agreements and with professional liquidators acceptable to the Agent.

" Permitted Transferee ": means (a) in the case of the Sponsor, (i) any Sponsor Affiliate, (ii) any managing director, general partner, limited partner, director, officer or employee of the Sponsor or any Sponsor Affiliate (collectively, the " Sponsor Associates "), (iii) the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of any Sponsor Associate and (iv) any trust, the beneficiaries of which, or a corporation or partnership, the stockholders or partners of which, include only a Sponsor Associate, his or her spouse, parents, siblings, members of his or her immediate family (including adopted children and step children) and/or direct lineal descendants; and (b) in the case of any Management Investor, (i) his or her executor, administrator, testamentary trustee, legatee or beneficiaries, (ii) his or her spouse, parents, siblings, members of his or her immediate family (including adopted children and step children) and/or direct lineal descendants or (iii) a trust, the beneficiaries of which, or a corporation or partnership, the stockholders or partners of which, include only a Management Investor and his or her spouse, parents, siblings, members of his or her immediate family (including adopted children) and/or direct lineal descendants.

" Person " means any natural person, corporation, limited liability company, unlimited liability company, trust, joint venture, association, company, partnership, limited partnership, Governmental Authority or other entity.

" Plan " means at a relevant time, any employee benefit plan within the meaning of Section 3(3) of ERISA and in respect of which the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

" Platform " has the meaning specified in Section 6.02 .

" Property " means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Equity Interests.

" Public Lender " has the meaning specified in Section 6.02 .

" Qualified Stock " means any Equity Interests that are not Disqualified Stock.

" Real Estate " means all Leases and all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Loan Party, including all easements, rights-of-way, and similar rights relating thereto and all leases, tenancies, and occupancies thereof.

" Recipient " means the Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

" Recovery Event " means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of the Borrowers or any Subsidiary Guarantor.

" Register " has the meaning specified in Section 10.06(c) .

" Registered Public Accounting Firm " has the meaning specified by the Securities Laws and shall be independent of the Borrower and its Subsidiaries as prescribed by the Securities Laws.

" Related Parties " means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

" Release " means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure or facility.

" Reorganization " means with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

" Reportable Event " means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

" Reports " has the meaning provided in Section 9.16(c) .

" Request for Credit Extension " means (a) with respect to a Borrowing, Conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

" Required Lenders " means, as of any date of determination, at least two (2) Lenders (or one (1) Lender to the extent that there is only one (1) Lender) holding more than 50% of the Aggregate Commitments or, if the Commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated, Lenders holding in the aggregate more than 50% of the Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

" Required Supermajority Lenders " means, as of any date of determination, Lenders holding more than 66 2/3% of the Aggregate Commitments or, if the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 , Lenders holding in the aggregate more than 66 2/3% of the Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed "held" by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Supermajority Lenders.

" Requirement of Law " means as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

" Reserves " means all Inventory Reserves and Availability Reserves. The Agent shall have the right, at any time and from time to time after the Closing Date in its Permitted Discretion to establish or modify Reserves upon three (3) Business Days prior written notice to the Borrower (during which period the Agent shall be available to discuss any such proposed Reserve with the Borrower and the Borrower may take such action as may be required so that the event, condition or matter that is the basis for such Reserve no longer exists, in a manner and to the extent reasonably satisfactory to the Agent), provided

that no such prior notice shall be required for (1) changes to any Availability Reserves resulting solely by virtue of mathematical calculations of the amount of the Reserve in accordance with the methodology of calculation previously utilized (such as, but not limited to, rent and Customer Credit Liabilities), or (2) if a Specified Event of Default has occurred and is continuing; provided further that all such Reserves (including the amount of such Reserve) shall bear a reasonable relationship to the circumstances, conditions, events or contingencies that are the basis for such Reserve. Notwithstanding anything herein to the contrary, Reserves shall not duplicate eligibility criteria contained in the definition of Eligible Credit Card Receivables, Eligible In-Transit Inventory, Eligible Inventory, Eligible Trade Receivables or reserves criteria deducted in computing the Appraised Value of Eligible Inventory. In the event the circumstances, conditions, events or contingencies underlying any such Reserve cease to exist or the liability that is the basis for any such Reserve has been reduced, such Reserve shall be rescinded or reduced by an amount as determined in the Agent's Permitted Discretion.

" Responsible Officer " means the chief executive officer, president, chief financial officer (or similar title), chief operating officer, controller or treasurer (or similar title) of the Parent, Holdings or the Borrower, as applicable, or (with respect to Section 6.03) any Restricted Subsidiary and, with respect to financial matters, the chief financial officer (or similar title) or treasurer (or similar title) of the Parent, Holdings or the Borrower, as applicable.

" Restricted Payment " has the meaning given to such term in Section 7.06 hereof.

" Restricted Subsidiary " means any Subsidiary of the Borrower which is not an Unrestricted Subsidiary.

" Retail DDA " means a DDA of any Loan Party used solely in the operation of a store location.

" Revolving Note " means the promissory note of the Borrower substantially in the form of Exhibit B-1, payable to the order of each Lender, evidencing the Committed Loans made by such Lender from time to time.

" RP Conditions " means, at the time of determination with respect to any Restricted Payment, that (i) no Event of Default exists or would arise as a result of the making of such Restricted Payment, (ii) immediately after giving pro forma effect to such Restricted Payment and projected on a pro forma basis for the immediately succeeding six (6) Fiscal Months following such Restricted Payment, Excess Availability shall be at least the greater of (1) 20% of the Loan Cap for each Fiscal Month during such projected six month period and (2) $7,500,000, and (iii) the Consolidated Fixed Charge Coverage Ratio for the Most Recently Ended period of twelve Fiscal Months preceding such Restricted Payment shall be greater than or equal to 1.1 to 1.0 (after giving pro forma effect to such Restricted Payment as if such Restricted Payment had been made as of the first day of such period), provided that the provisions of this clause (iii) shall not be applicable if Excess Availability, immediately after giving pro forma effect to such Restricted Payment and projected for the immediately succeeding six (6) Fiscal Months following such Restricted Payment, is at least the greater of (x) 35% of the Loan Cap and (y) $10,000,000; and (iv) the Borrower shall have delivered a Compliance Certificate to the Agent including a reasonably detailed calculation of such calculated Excess Availability and, if applicable, Consolidated Fixed Charge Coverage Ratio.

" S&P " means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

" Sarbanes-Oxley " means the Sarbanes-Oxley Act of 2002.

" SEC " means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

" Securities Laws " means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley, and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the PCAOB.

" Security Agreement " means the Guarantee and Collateral Agreement dated as of the Closing Date among the Loan Parties and the Agent.

" Security Documents " means the Security Agreement, the Blocked Account Agreements, the Mortgages, the Intercreditor Agreement, the Credit Card Notifications, the Collateral Assignment of Shared Services Agreement and each other security agreement or other instrument or document executed and delivered to the Agent pursuant to this Agreement or any other Loan Document granting a Lien to secure any of the Obligations.

" Settlement Date " has the meaning provided in Section 2.14(a) .

"Shared Services Agreement" the Shared Services Agreement, dated as of the date hereof, between the Borrower and Kellwood.

" Single Employer Plan " means any Plan that is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

" Solvent " means with respect to any Person, as of any date of determination, (a) on a going concern basis the amount of the "fair value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal, state, provincial, territorial, municipal, local and foreign laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an insufficient amount of capital with which to conduct its business, (d) such Person will be able to pay its debts as they mature, and (e) such Person is not "insolvent" within the meaning of Section 101(32) of the Bankruptcy Code. For purposes of this definition, (i) "debt" means liability on a "claim", (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable law, the amount of "contingent liabilities" at any time shall be the amount thereof which, in light of all the facts and circumstances existing at such time, can reasonably be expected to become actual or matured liabilities.

" Specified Equity Contribution " has the meaning given to such term in the definition of Consolidated EBITDA.

" Specified Event of Default " means the occurrence of any Event of Default described in any of Sections 8.01(a) , 8.01(b) (but only insofar as such an Event of Default arises from a breach of the provisions of Section 6.12 or Section 7.18 hereof), 8.01(b)(ii) (provided that , for purposes of this definition only, the grace period applicable thereto shall be five (5) Business Days), 8.01(d) (but only insofar as such Event of Default arises from a material misrepresentation contained in any Borrowing Base Certificate), or 8.01(f) .

" Specified Transaction " means (a) any Investment that results in a Person becoming a Restricted Subsidiary or an Unrestricted Subsidiary, any Permitted Acquisition or any Disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary of the Borrower, any Investment constituting an acquisition of assets constituting a business unit, line of business or division of another Person or any Disposition of a business unit, line of business or division of the Borrower or a Restricted Subsidiary, any designation of a Subsidiary as a Restricted Subsidiary or Unrestricted Subsidiary, in each case whether by merger, consolidation, amalgamation or otherwise or (b) any incurrence or repayment of Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit), Restricted Payment, and New Commitments that by the terms of this Agreement requires such test to be calculated on a "pro forma basis" or after giving "pro forma effect."

" Sponsor " means Sun Capital Partners V, L.P. and any Affiliates thereof (but excluding any portfolio companies of the foregoing).

" Sponsor Affiliate " means the collective reference to any entities (other than a portfolio company) controlled directly or indirectly by the Sponsor.

" Spot Rate " for a currency means the rate determined by the Agent or the L/C Issuer, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Agent or the L/C Issuer may obtain such spot rate from another financial institution designated by the Agent or the L/C Issuer if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

" Standby Letter of Credit " means any Letter of Credit that is not a Commercial Letter of Credit and that (a) is used in lieu or in support of performance guaranties or performance, surety or similar bonds (excluding appeal bonds) arising in the ordinary course of business, (b) is used in lieu or in support of stay or appeal bonds, (c) supports the payment of insurance premiums for reasonably necessary casualty insurance carried by any of the Loan Parties, or (d) supports payment or performance for identified purchases or exchanges of products or services in the ordinary course of business.

" Stated Amount " means at any time the maximum amount for which a Letter of Credit may be honored.

" Statutory Reserve Rate " means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the FRB to which the Agent is subject with respect to the Adjusted LIBOR Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBOR Rate Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

" Subordinated Indebtedness " means Indebtedness which is expressly subordinated in right of payment to the prior Payment in Full of the Obligations and which is in form and on terms reasonably satisfactory to the Agent.

" Subsidiary " of a Person means a corporation, partnership, joint venture, limited liability company, unlimited liability company or other business entity of which a majority of the shares of Equity Interests having ordinary voting power for the election of directors or other governing body are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Loan Parties.

" Subsidiary Guarantors " means each Subsidiary of the Borrower that is a Guarantor hereunder.

" Substantial Liquidation " means either (a) the Liquidation of substantially all of the Collateral, or (b) the sale or other disposition of substantially all of the Collateral by the Loan Parties.

" Swing Line Borrowing " means a borrowing of a Swing Line Loan pursuant to Section 2.04 .

" Swing Line Lender " means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

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

" Swing Line Loan Notice " means a notice of a Swing Line Borrowing pursuant to Section 2.04(b) , which, if in writing, shall be substantially in the form of Exhibit A-2.

" Swing Line Note " means the promissory note of the Borrower substantially in the form of Exhibit B-2, payable to the order of the Swing Line Lender, evidencing the Swing Line Loans made by the Swing Line Lender.

" Swing Line Sublimit " means an amount equal to the lesser of (a) $25,000,000 and (b) the Commitments. The Swing Line Sublimit is part of, and not in addition to, the Commitments. A permanent reduction of the Commitments shall not require a corresponding pro rata reduction in the Swing Line Sublimit; provided, however, that if the Commitments are reduced to an amount less than the Swing Line Sublimit, then the Swing Line Sublimit shall be reduced to an amount equal to (or, at Borrower's option, less than) the Commitments.

" Tax Credit " means a credit against, relief or remission for, or repayment of, any Taxes.

" Tax Deduction " means a deduction or withholding from a payment under any Loan Document for and on account of any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein with respect to such payments and all interest, penalties or similar liabilities with respect thereto.

" Taxes " means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other similar fees or charges in the nature of a tax, levy, et cetera, imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

" Tax Receivable Agreement " means that certain Tax Receivable Agreement, dated as of the date hereof and effective immediately prior to the IPO, by and among the Parent, the stockholders of the Parent party thereto and Sun Cardinal LLC, as stockholder representative, as amended, modified or supplemented from time to time not in violation of this Agreement.

" Term Agent " means Bank of America, N.A., in its capacity as administrative agent under the Term Facility, and any successor thereto.

" Term Facility " means the term loan financing facility evidenced by that certain Credit Agreement dated as of the Closing Date among Holdings and the Borrower, as borrowers, the Parent, as a guarantor, Bank of America, as administrative agent, the lenders party thereto and the other agents, arrangers and bookrunners identified therein, and any Permitted Amendment or Refinancing thereof.

" Termination Date " means the earliest to occur of (i) the Latest Maturity Date, (ii) the date on which the maturity of the Obligations is accelerated (or deemed accelerated) and the Commitments are irrevocably terminated (or deemed terminated) in accordance with Article VIII , or (iii) the termination of the Commitments in accordance with the provisions of Section 2.06 hereof.

" Total Outstandings " means, without duplication, the aggregate Outstanding Amount of all Loans and all L/C Obligations.

" Trading with the Enemy Act " has the meaning set forth in Section 10.19 .

" Trigger Amount " means, on any date, the greater of (x) 15% of the Loan Cap in effect on such date and (y) $5,000,000.

" Type " means, (i) when used with respect to a Committed Loan, its character as a Base Rate Loan or a LIBOR Rate Loan, and (ii) when used with respect to commitments, refers to whether such commitment is a Commitment, an Extended Commitment of a given Extension Series or a New Commitment.

" UCC " or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

" UCP 600 " means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

" UFCA " has the meaning specified in Section 10.23(d) .

" UFTA " has the meaning specified in Section 10.23(d) .

" Unintentional Overadvance " means an Overadvance which, to the Agent's knowledge, did not constitute a Overadvance when made but which has become a Overadvance resulting from changed circumstances beyond the control of the Credit Parties, including, without limitation, a reduction in the Appraised Value of property or assets included in the Borrowing Base or misrepresentation by any of the Loan Parties.

" United States " and " U.S. " mean the United States of America.

" Unreimbursed Amount " has the meaning specified in Section 2.03(c)(i) .

" Unrestricted Subsidiary " means (i) any Subsidiary of the Borrower designated as such and listed on Schedule 4.01 on the Closing Date and (ii) any Subsidiary of the Borrower that is designated by a resolution of the board of directors of the Borrower as an Unrestricted Subsidiary, but only to the extent that, in the case of each of clauses (i) and (ii), such Subsidiary: (a) has no Indebtedness other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with the Borrower or any Restricted Subsidiary unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Borrower; (c) is a Person with respect to which neither the Borrower nor any of the Restricted Subsidiaries has any direct or indirect obligation (x) to subscribe for additional Equity Interest or warrants, options or other rights to acquire Equity Interests or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; (d) has not guaranteed or otherwise provided credit support at the time of such designation for any Indebtedness of the Borrower or any of its Restricted Subsidiaries; (e) does not hold any assets constituting ABL Priority Collateral or otherwise of the type included in the Borrowing Base; and (f) to the extent requested by the Agent, such Subsidiary shall have entered into an agreement with the Agent, in form and substance reasonably satisfactory to the Agent, allowing the use of the assets and other property of such Subsidiary as may be necessary or desirable for the Liquidation of the ABL Priority Collateral or such other assets. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes hereof. Subject to the foregoing, the board of directors of the Borrower may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary or any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that (i) such designation shall only be permitted if no Default or Event of Default would be in existence following such designation and the Loan Parties would be in compliance with Section 7.18 on the date of such designation after giving pro forma effect to such designation, (ii) any designation of an Unrestricted Subsidiary as a Restricted Subsidiary shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary and (iii) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary shall be deemed to be an Investment in an Unrestricted Subsidiary and shall reduce amounts available for Investments in Unrestricted Subsidiaries permitted by Section 7.02 in an amount equal to the fair market value of the Subsidiary so designated; provided that the Borrower may subsequently redesignate any such Unrestricted Subsidiary as a Restricted Subsidiary so long as the Borrower does not subsequently re-designate such Restricted Subsidiary as an Unrestricted Subsidiary for a period of the succeeding four Fiscal Quarters.

" U.S. Person " means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

" U.S. Tax Compliance Certificate " has the meaning specified in Section 3.01(e)(ii)(B)(III) .

" Weighted Average Life to Maturity " shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of

principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness; provided, that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being Amended or Refinanced (the " Applicable Indebtedness "), the effects of any amortization of or prepayments made on such Applicable Indebtedness prior to the date of the applicable Amendment or Refinancing shall be disregarded.

1.02 Other Interpretive Provisions . With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words " include ," " includes " and " including " shall be deemed to be followed by the phrase "without limitation." The word " will " shall be construed to have the same meaning and effect as the word " shall ." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (iii) the words " herein ," " hereof " and " hereunder ," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words " asset " and " property " shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word " from " means " from and including ;" the words " to " and " until " each mean " to but excluding ;" and the word " through " means " to and including ."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms .

(a) Generally . All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statement, except as otherwise specifically prescribed herein.

(b) Changes in GAAP . (i) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Agent, the Lenders and the Borrower shall negotiate in good faith

to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that , until so amended, (x) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (y) upon request, the Borrower shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(ii) Notwithstanding any other provision contained herein, any lease that is treated as an operating lease for purposes of GAAP as of the date hereof shall not be treated as Indebtedness and shall continue to be treated as an operating lease (and any future lease, if it were in effect on the date hereof, that would be treated as an operating lease for purposes of GAAP as of the date hereof shall be treated as an operating lease), in each case for purposes of this Agreement, notwithstanding any change in GAAP after the date hereof.

(iii) Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used here shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to Statement of Financial Accounting Standards 141R or ASC 805 (or any other financial accounting standard having a similar result or effect).

1.04 [Reserved]

1.05 Rounding . Any financial ratios required to be maintained by the Loan Parties pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to two places more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.06 Times of Day . Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.07 Letter of Credit Amounts . Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the the maximum amount available to be drawn under such Letter of Credit as in effect at such time; provided , however , that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the maximum stated amount thereof, the amount of such Letter of Credit shall be deemed to be the the maximum amount available to be drawn under such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.08 Currency Equivalents Generally.

(a) For purposes of determining compliance with Sections 7.02 and 7.03 with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness or Investment is incurred (so long as such Indebtedness or Investment, at the time incurred, made or acquired, was permitted hereunder); *provided* that, for the avoidance of doubt, the below provisions of Section 1.09 shall otherwise apply to such Sections, including with respect to determining whether any Investment or Indebtedness may be incurred or made at any time under such Sections.

(b) For purposes of determining the Consolidated Fixed Charge Coverage Ratio, amounts denominated in a currency other than Dollars will be converted to Dollars at the currency exchange rates used in preparing the Borrower's financial statements corresponding to the test period with respect to the applicable date of determination and will, in the case of Indebtedness, reflect the currency translation effects, determined in accordance with GAAP, of Hedge Agreements permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar equivalent of such Indebtedness; *provided* that, notwithstanding anything to the contrary herein, Loans and L/C Obligations denominated in a currency other than Dollars will be converted to Dollars at the Spot Rate.

1.09 Pro Forma Basis.

(a) Notwithstanding anything to the contrary herein, the Consolidated Fixed Charge Coverage Ratio shall be calculated in the manner prescribed by this Section 1.09 .

(b) For purposes of calculating the Consolidated Fixed Charge Coverage Ratio, Specified Transactions (and the incurrence or repayment of any Indebtedness in connection therewith) that have been made (i) during the applicable period and (ii) subsequent to such period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a pro forma basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable period. If since the beginning of any applicable period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries since the beginning of such period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.09 , then the Consolidated Fixed Charge Coverage Ratio shall be calculated to give pro forma effect thereto in accordance with this Section 1.09 .

(c) Whenever pro forma effect is to be given to a Specified Transaction, the pro forma calculations shall be made in good faith by a Responsible Officer of the Borrower and include, for the avoidance of doubt, the amount of cost savings and synergies projected by the Borrower in good faith to be reasonably anticipated to be realizable within 12 months after the closing date of such Specified Transaction (*provided* that to the extent any such operational changes are not associated with a transaction, such changes shall be limited to those for which all steps have been taken for realizing such savings and are factually supportable, reasonably identifiable and supported by an officer's certificate delivered to the Agent) (calculated on a pro forma basis as though such cost savings and synergies had been realized on the first day of such period as if such cost savings and synergies were realized during the entirety of such period) relating to such Specified Transaction, net of the amount of actual benefits realized during such period from such actions; *provided* that any increase in Consolidated EBITDA as a result of cost savings and synergies shall be subject to the limitations set forth in the definition of Consolidated EBITDA.

(d) In the event that the Borrower or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Indebtedness included in the calculations of the Consolidated Fixed Charge Coverage Ratio, as the case may be (in each case, other than Indebtedness incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), (i) during the applicable period and (ii) subsequent to the end of the applicable period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then the Consolidated Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, to the extent required, as if the same had occurred on the last day of the applicable period.

ARTICLE II
THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans; Reserves

Subject to the terms and conditions set forth herein, each Lender severally agrees to make Committed Loans to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate principal amount not to exceed at any time outstanding the lesser of (x) the amount of the Commitment of such Lender, and (y) such Lender's Applicable Percentage of the Borrowing Base; subject in each case to the following limitations:

(a) after giving effect to any Committed Borrowing, the Total Outstandings shall not exceed Availability,

(b) after giving effect to any Committed Borrowing, the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans made to the Borrower shall not exceed the Commitment of such Lender, and

(c) The Outstanding Amount of all L/C Obligations shall not at any time exceed the Letter of Credit Sublimit.

Within the limits of the Commitment for each Lender, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01 , prepay under Section 2.05 , and reborrow under this Section 2.01 .

2.02 Borrowings, Conversions and Continuations of Committed Loans .

(a) Committed Loans (other than Swing Line Loans) shall be either Base Rate Loans or LIBOR Rate Loans as the Borrower may request subject to and in accordance with this Section 2.02 . All Swing Line Loans shall be only Base Rate Loans. All Committed Loans shall be made in Dollars.

(b) Subject to the other provisions of this Section 2.02 , Committed Borrowings of more than one Type may be incurred at the same time. Each Committed Borrowing, each Conversion of Committed Loans from one Type to the other, and each continuation of LIBOR Rate Loans shall be made upon the Borrower's irrevocable notice to the Agent, which may be given by telephone. Each such notice must be received by the Agent not later than 1:00 p.m. (i) three Business Days prior to the requested date of any Borrowing of, Conversion to or continuation of LIBOR Rate Loans or of any Conversion of LIBOR Rate Loans to Base Rate Loans, and (ii) one Business Day prior to the requested

date of any Borrowing of Base Rate Loans **;** provided , however , that if the Borrower wishes to request LIBOR Rate Loans having an Interest Period other than one, two, three or six months in duration as provided in the definition of "Interest Period", the applicable notice must be received by the Agent not later than 1:00 p.m. four Business Days prior to the requested date of such Borrowing, Conversion or continuation, whereupon the Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 1:00 p.m., three Business Days before the requested date of such Borrowing, Conversion or continuation, the Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each telephonic notice by the Borrower pursuant to this Section 2.02(b) must be confirmed promptly by delivery to the Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, Conversion to or continuation of LIBOR Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c) , each Borrowing of or Conversion to Base Rate Loans shall be in sum minimum amounts as the Agent may require. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Committed Borrowing, a Conversion of Committed Loans from one Type to the other, or a continuation of LIBOR Rate Loans, (ii) the requested date of the Borrowing, Conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, Converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be Converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a Conversion or continuation, then the applicable Committed Loans shall be made as, or Converted to, Base Rate Loans. Any such automatic Conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Rate Loans. If the Borrower requests a Borrowing of, Conversion to, or continuation of LIBOR Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be Converted to a LIBOR Rate Loan.

(c) Following receipt of a Committed Loan Notice, the Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a Conversion or continuation is provided by the Borrower, the Agent shall notify each Lender of the details of any automatic Conversion to Base Rate Loans described in Section 2.02(b) . In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Agent in immediately available funds at the Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01) the Agent shall make all funds so received available to the Borrower in like funds as received by the Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Agent by the Borrower; provided , however , that if, on the date the Committed Loan Notice with respect to such Borrowing is given by the Borrower, there are L/C Borrowings outstanding with respect to the Borrower, then the proceeds of such Borrowing, first , shall be applied to the payment in full of any such L/C Borrowings, and second , shall be made available to the Borrower as provided above.

(d) To the extent not paid by the Borrower when due (after taking into consideration any grace period), the Agent, without the request of the Borrower, may advance any interest, fee, service charge (including direct wire fees), expenses, or other payment to which any Credit Party is

entitled from the Loan Parties pursuant hereto or any other Loan Document and may charge the same to the Loan Account notwithstanding that an Overadvance may result thereby; provided, that the Agent may not charge amounts owing in respect of Other Liabilities to the Loan Account to the extent an Overadvance may result thereby. The Agent shall advise the Borrower of any such advance or charge promptly after the making thereof. Such action on the part of the Agent shall not constitute a waiver of the Agent's rights and the Borrower's obligations under Section 2.05(c) . Any amount which is added to the principal balance of the Loan Account as provided in this Section 2.02(d) shall bear interest at the interest rate then and thereafter applicable to Base Rate Loans.

(e) Except as otherwise provided herein, a LIBOR Rate Loan may be continued or converted only on the last day of an Interest Period for such LIBOR Rate Loan. During the existence of any Event of Default, no Loans may be requested as, converted to or continued as LIBOR Rate Loans without the consent of the Required Lenders.

(f) The Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for LIBOR Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Agent shall notify the Borrower and the Lenders of any change in Bank of America's "prime rate" used in determining the Base Rate promptly following the public announcement of such change.

(g) After giving effect to all Committed Borrowings, all Conversions of Committed Loans from one Type to another in accordance with the terms hereof, and all continuations of Committed Loans as the same Type, there shall not be more than (i) three (3) Interest Periods in effect with respect to Committed Loans having an Interest Period of two weeks, or (ii) ten (10) Interest Periods in effect unless otherwise agreed to between the Agent and the Borrower with respect to all Committed Loans.

(h) The Agent, the Lenders, the Swing Line Lender and the L/C Issuer shall have no obligation to make any Loan or to provide any Letter of Credit if an Overadvance would result. The Agent may, in its discretion, make Permitted Overadvances to the Borrower without the consent of any of the Borrower, the Lenders, the Swing Line Lender and the L/C Issuer and the Borrower and each Lender and L/C Issuer shall be bound thereby. Any Permitted Overadvance may constitute a Swing Line Loan. A Permitted Overadvance is for the account of the Borrower and shall constitute a Base Rate Loan and an Obligation and shall be repaid by the Borrower in accordance with the provisions of Section 2.05 (c) . The making of any such Permitted Overadvance on any one occasion shall not obligate the Agent or any Lender to make or permit any Permitted Overadvance on any other occasion or to permit such Permitted Overadvances to remain outstanding. The making by the Agent of a Permitted Overadvance shall not modify or abrogate any of the provisions of Section 2.03 regarding the Lenders' obligations to purchase participations with respect to Letter of Credits issued for the Borrower or of Section 2.04 regarding the Lenders' obligations to purchase participations with respect to Swing Line Loans. The Agent shall have no liability for, and no Loan Party or Credit Party shall have the right to, or shall, bring any claim of any kind whatsoever against the Agent with respect to Unintentional Overadvances regardless of the amount of any such Overadvances.

2.03 Letters of Credit .

(a) The Letter of Credit Commitment .

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03 , (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of the Borrower or a Restricted Subsidiary, and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.03(b) below, and (2) to honor drawings under the Letters of Credit; and (B) the applicable Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or Restricted Subsidiary and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Outstandings shall not exceed the Loan Cap, (y) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the applicable Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit, if:

(A) subject to Section 2.03(b)(iii) , the expiry date of such requested Standby Letter of Credit would occur more than twelve months after the date of issuance or last extension (or such other period as may be acceptable to the Agent and the L/C Issuer), unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Commercial Letter of Credit would occur more than one (1) year after the date of issuance (or such other period as may be acceptable to the Agent and the Issuer), unless the Required Lenders have approved such expiry date; or

(C) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless either such Letter of Credit is Cash Collateralized on or prior to the date of issuance of such Letter of Credit or, with respect to an Auto-Extension Letter of Credit, on or prior to the date of any extension of such Letter of Credit which would extend the expiry date thereof to a date beyond the Letter of Credit Expiration Date (or, in each case, such later date as to which the Agent may agree) or all the Lenders have approved such expiry date; or.

(D) any order, judgment or decree of any Governmental Authority or arbitrator having binding powers shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Requirement of Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it (for which the L/C Issuer is not otherwise compensated);

(E) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(F) such Letter of Credit is to be denominated in a currency other than Dollars, except as may be approved by the Agent and the L/C Issuer, each in their sole discretion;

(G) the L/C Issuer does not as of the issuance date of such requested Letter of Credit issue Letters of Credit in the requested currency;

(H) such Letter of Credit contains any provisions for automatic reinstatement of the Stated Amount after any drawing thereunder; or

(I) any Lender is at that time a Defaulting Lender, unless (i) after giving effect to the requested issuance, there would exist no Fronting Exposure (in the good faith determination of the L/C Issuer) or (ii) the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its good faith determination) with the Borrower or such Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.16(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iii) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof or if the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(iv) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit .

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower and the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Agent not later than 1:00 p.m. at least two Business Days (or such other date and time as the Agent and the L/C Issuer may agree in a particular

instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and currency thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the Borrower or Restricted Subsidiary for whose account the Letter of Credit is being issued, and (H) such other matters as the L/C Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may reasonably require. Additionally, the Borrower shall furnish to the L/C Issuer and the Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Agent may reasonably require.

(ii) Subject to the provisions of Section 2.02(b)(iv) hereof, promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Agent (by telephone or in writing) that the Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied or unless the L/C Issuer would not be permitted, or would have no obligation, at such time to issue such Letter of Credit under the terms hereof (by reason of the provisions of Section 2.03(a)(ii) or otherwise), then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance or amendment of each Letter of Credit, each Lender having a Commitment to the Borrower shall be deemed to (without any further action), and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer, without recourse or warranty, a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the Stated Amount of such Letter of Credit. Upon any change in the Commitments under this Agreement, it is hereby agreed that with respect to all L/C Obligations, there shall be an automatic adjustment to the participations hereby created to reflect the new Applicable Percentages of the assigning and assignee Lenders.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole and absolute discretion, agree to issue a Standby Letter of Credit that has automatic extension provisions (each, an " Auto-Extension Letter of Credit "); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Standby Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the " Non-Extension Notice Date ") in each such twelve-month period to be agreed upon at the time such Standby Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Standby Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided , however , that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Standby Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the

provisions of Section 2.03(a)(ii) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Agent that the Required Lenders have elected not to permit such extension or (2) from the Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Any L/C Issuer (other than Bank of America or any of its Affiliates) shall notify the Agent in writing on each Business Day of all Letters of Credit issued on the prior Business Day by such L/C Issuer, provided that (A) until the Agent advises any such Issuing Bank that the provisions of Section 4.02 are not satisfied, or (B) the aggregate amount of the Letters of Credit issued in any such week exceeds such amount as shall be agreed by the Agent and the L/C Issuer, such L/C Issuer shall be required to so notify the Agent in writing only once each week of the Letters of Credit issued by such L/C Issuer during the immediately preceding week as well as the daily amounts outstanding for the prior week, such notice to be furnished on such day of the week as the Agent and such L/C Issuer may agree. The L/C Issuer will also deliver (contemporaneously with the notification set forth in the first sentence hereof) to the Borrower and the Agent a true and complete copy of such Letter of Credit or amendment.

(v) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations .

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Agent thereof; provided , however , that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the L/C Issuer and the Lenders with respect to any such payment. Not later than 1:00 p.m. on the second Business Day immediately following the day that the Borrower receives notice from the L/C Issuer of a drawing under a Letter of Credit to be reimbursed in Dollars (each such date, an " Honor Date "), the Borrower shall reimburse the L/C Issuer through the Agent in an amount equal to the amount of such drawing and in the applicable currency, together with all interest accruing on such amount from the date of such drawing. If any Borrower fails to so reimburse the L/C Issuer by such time, the Agent shall promptly notify each applicable Lender of the Honor Date, the amount of the unreimbursed drawing (the " Unreimbursed Amount "), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, subject to the amount of the unutilized portion of the Loan Cap and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by the L/C Issuer or the Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each applicable Lender shall upon any notice from the Agent pursuant to Section 2.03(c)(i) make funds available to the Agent (and the Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer, in Dollars, at the Agent's Office for Dollar-denominated payments in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Agent, whereupon, subject to the provisions of Section 2.03(c)(iii) , each such Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Agent shall remit the funds so received to the L/C Issuer in Dollars.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Committed Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate for Base Rate Loans. In such event, each Lender's payment to the Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03 .

(iv) Until each applicable Lender funds its Committed Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Committed Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c) , shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, any Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default or Event of Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided , however , that each Lender's obligation to make Committed Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii) , the, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations .

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender its L/C Advance in respect of such payment in accordance with Section 2.03(c) , if the L/C Issuer, or the Agent for the account of the L/C Issuer, receives any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or

otherwise, including proceeds of Cash Collateral applied thereto by the Agent pursuant to Section 2.03(g)), the L/C Issuer shall distribute any payment it receives to the Agent and the Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in Dollars and in the same funds as those received by the Agent.

(ii) If any payment received by the L/C Issuer or by Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each applicable Lender shall pay to the Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the Payment in Full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute . Subject to the limitations set forth below, the obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a

trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Borrower or any of its Subsidiaries; or

(ix) the fact that any Default or Event of Default shall have occurred and be continuing.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of non-compliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer . Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Loan Party or to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence, bad faith or willful misconduct; (iii) any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit or any error in interpretation of technical terms; (iv) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document, or (v) for any action, neglect or omission under or in connection with any Letter of Credit or Issuer Documents, including, without limitation, the issuance or amendment of any Letter of Credit, the failure to issue or amend any Letter of Credit, or the honoring or dishonoring of any demand under any Letter of Credit, and such action or neglect or omission will be binding upon the Loan Parties and the Lenders; provided that the Borrowers may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to punitive, consequential or exemplary, damages suffered by the Borrower were caused by the L/C Issuer's willful misconduct, bad faith or gross negligence. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided , however , that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(e) ; provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct, bad faith or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents

that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Cash Collateral . If, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations in an amount equal to 103% of the Outstanding Amount of all L/C Obligations, pursuant to documentation in form and substance reasonably satisfactory to the Agent and the L/C Issuer (which documents are hereby Consented to by the Lenders). Sections 2.05, 2.06(c) and 8.02(c) set forth certain additional requirements to deliver Cash Collateral hereunder. The Borrower hereby grants to the Agent a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing to secure all Obligations. Such cash collateral shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America; provided that interest may be earned on the investment of such deposits, which investments shall be made at the option and in the sole discretion of the Agent (at the request of the Borrower and at the Borrower's risk and expense). If at any time the Agent determines that any funds held as cash collateral are subject to any right or claim of any Person other than the Agent or that the total amount of such funds is less than the aggregate Outstanding Amount of all L/C Obligations, the Borrower will, forthwith upon demand by the Agent, pay to the Agent, as additional funds to be deposited as cash collateral, an amount equal to the excess of (x) such aggregate Outstanding Amount over (y) the total amount of funds, if any, then held as cash collateral that the Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as cash collateral, such funds shall be applied to reimburse the L/C Issuer and, to the extent not so applied, shall thereafter be applied to satisfy other Obligations. The Agent may, at any time and from time to time after the initial deposit of Cash Collateral, request that additional Cash Collateral be provided in order to protect against the results of exchange rate fluctuations.

(h) Applicability of ISP and UCP; Limitation of Liability . Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each Standby Letter of Credit, and (ii) the rules of the UCP shall apply to each Commercial Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Requirement of Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade—International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(i) Letter of Credit Fees . The Borrower shall pay to the Agent for the account of each applicable Lender in accordance with its Applicable Percentage, in Dollars, a Letter of Credit fee (the " Letter of Credit Fee ") for each Letter of Credit issued for the account of the Borrower or a Restricted Subsidiary equal to the Applicable Rate for the relevant period times the Dollar Equivalent

of the daily Stated Amount under each such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit). For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of the Letter of Credit shall be determined in accordance with Section 1.07 . Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand, and (ii) computed on a quarterly basis in arrears. Notwithstanding anything to the contrary contained herein, while any Specified Event of Default exists, all overdue Letter of Credit Fees shall accrue at the Default Rate as provided in Section 2.08(b) hereof.

(j) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer . The Borrower shall pay directly to the L/C Issuer for its own account, in Dollars, a fronting fee (the " Fronting Fee ") with respect to each Letter of Credit, at a rate equal to 0.125% per annum, computed on the daily amount available with respect to each Letter of Credit, on a quarterly basis in arrears. Such fronting fees shall be due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of the Letter of Credit shall be determined in accordance with Section 1.07 . In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(k) Conflict with Issuer Documents . In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

2.04 Swing Line Loans .

(a) The Swing Line . Subject to the terms and conditions set forth herein, the Swing Line Lender agrees, in reliance upon the agreements of the other Lenders set forth in this Section 2.04 , to make loans (each such loan, a " Swing Line Loan ") to the Borrower from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Committed Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Commitment; provided , however , that after giving effect to any Swing Line Loan, (i) the Total Outstandings shall not exceed Loan Cap, and (ii) the aggregate Outstanding Amount of the Committed Loans of any Lender to the Borrower at such time, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations of the Borrower at such time, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans at such time shall not exceed such Lender's Commitment, and provided , further , that the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and provided further that the Swing Line Lender shall not be obligated to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit extension may have, Fronting Exposure). Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04 , prepay under Section 2.05 , and reborrow under this Section 2.04 . Each Swing Line Loan shall bear interest only at a rate based on the Base Rate. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk

participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage *multiplied by* the amount of such Swing Line Loan. The Swing Line Lender shall have all of the benefits and immunities (A) provided to the Agent in Article IX with respect to any acts taken or omissions suffered by the Swing Line Lender in connection with Swing Line Loans made by it or proposed to be made by it as if the term "Agent" as used in Article IX included the Swing Line Lender with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Swing Line Lender.

(b) Borrowing Procedures . Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of $100,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Agent (by telephone or in writing) that the Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Agent at the request of the Required Lenders prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the provisos to the first sentence of Section 2.04(a) , or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender may, not later than 4:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transferring such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Swing Line Lender by the Borrower; provided , however , that if, on the date of the proposed Swing Line Loan, there are L/C Borrowings of the Borrower outstanding, then the proceeds of such Borrowing, first , shall be applied to the payment in full of any such L/C Borrowings, and second , shall be made available to the Borrower as provided above.

(c) Refinancing of Swing Line Loans .

(i) In addition to settlements required under Section 2.14 hereof, the Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02 , without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Loan Cap and the conditions set forth in Section 4.02 . The Swing Line Lender shall furnish the Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available to the Agent in immediately available funds for the account of the Swing Line Lender at the Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii) , each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Committed Borrowing in accordance with Section 2.04(c)(i) , the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund their risk participation in the relevant Swing Line Loan and each Lender's payment to the Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i) , the Swing Line Lender shall be entitled to recover from such Lender (acting through the Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan to the Borrower included in the relevant Committed Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Committed Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, any Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or an Event of Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided , however , that each Lender's obligation to make Committed Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02 . No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations .

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender, or the Agent on behalf of the Swing Line Lender, receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute such payment to the Agent and the Agent shall distribute to each such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender, or the Agent on behalf of the Swing Line Lender, in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the Payment in Full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender . The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender . The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments; Loan Reallocation .

(a) The Borrower may, upon irrevocable notice from the Borrower to the Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that provided that (A) such notice must be received by the Agent not later than 11:00 a.m. (1) two Business Days prior to any date of prepayment of LIBOR Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any prepayment of LIBOR Rate Loans shall be in a principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof; (D) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if LIBOR Rate Loans, the Interest Period(s) of such Loans. The Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBOR Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05 . Subject to Section 2.16 , each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) The Borrower may, upon irrevocable notice to the Swing Line Lender (with a copy to the Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given, then the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Outstandings at any time exceed the Loan Cap as then in effect, the Borrower shall immediately prepay the Loans and L/C Borrowings and Cash Collateralize the L/C Obligations (other than L/C Borrowings) in an aggregate amount equal to such excess, to be applied to such Loans, L/C Borrowings and L/C Obligations as the Borrower and the Agent may agree; provided , however , that the Borrower shall not be required to Cash Collateralize the L/C Obligations (other than L/C Borrowings) pursuant to this Section 2.05(c) unless after the prepayment in full of the Loans the Total Outstandings exceed the Loan Cap as then in effect.

(d) The Borrower shall prepay the Loans pursuant to the provisions of Section 6.12 hereof and, after the occurrence and during the continuance of a Specified Event of Default or to the extent required by the provisions of Section 2.06, Cash Collateralize the L/C Obligations to the extent required pursuant to the provisions of Section 2.03(g) hereof.

(e) Prepayments made on account of the Obligations first , shall be applied ratably to the L/C Borrowings and the Swing Line Loans made to the Borrower, second , shall be applied ratably to the outstanding Committed Loans, third , after the occurrence and during the continuance of a Specified Event of Default, shall be used to Cash Collateralize the remaining L/C Obligations; and, fourth, the amount remaining, if any, after the prepayment in full of all L/C Borrowings, Swing Line Loans and Committed Loans outstanding at such time and the Cash Collateralization of the remaining L/C Obligations (to the extent required hereunder) in full shall be deposited by the Agent in a deposit account of the Borrower and may be utilized by the Borrower in the ordinary course of its business to the extent otherwise permitted hereunder. Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Borrower or any other Loan Party) to reimburse the L/C Issuer or the Lenders, as applicable, and, to the extent not so applied, shall thereafter be applied to satisfy other Obligations.

(f) Any prepayments of the Loans or other Obligations pursuant to this Section 2.05 shall not reduce the Commitments.

2.06 Termination or Reduction of Commitments.

(a) The Borrower may, upon irrevocable notice from the Borrower to the Agent (except as set forth below), terminate the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit or from time to time permanently reduce in part the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit; provided that (i) any such notice shall be received by the Agent not later than 1:00 p.m. three (3) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $1,000,000 or any whole multiple of $100,000 in excess thereof and (iii) the Borrower shall not reduce (A) the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations (other than L/C Borrowings) not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, and (C) the Swing Line Sublimit if, after giving effect thereto, and to any concurrent payments hereunder, the Outstanding Amount of Swing Line Loans made to the Borrower hereunder would exceed the Swing Line Sublimit. Notwithstanding anything to the contrary contained herein, the Borrower may rescind any notice of reduction or termination of the Commitments provided pursuant to this Section 2.06(a) , if such termination or reduction was to have been made with the proceeds of an Amendment or Refinancing of all part of the Committed Loans hereunder or from the proceeds of an asset sale or an Equity Issuance, which Amendment or Refinancing, asset sale or Equity Issuance shall not have been consummated or shall otherwise have been delayed.

(b) If, after giving effect to any reduction of the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Commitments, such Letter of Credit Sublimit or Swing Line Sublimit shall be automatically reduced by the amount of such excess.

(c) The Agent will promptly notify the Lenders of any termination or reduction made pursuant to this Section 2.06 . Upon any reduction of the Aggregate Commitments, the Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees (including, without limitation, Commitment Fees and Letter of Credit Fees) and interest in respect of the Aggregate Commitments accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Obligations .

(a) The Borrower shall repay to the Agent, for the account of the Lenders on the Termination Date the aggregate principal amount of Obligations outstanding on such date.

2.08 Interest .

(a) Subject to the provisions of Section 2.08(b) below, (i) each LIBOR Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the LIBOR Rate for such Interest Period plus the Applicable Margin; (ii) each Base Rate Loan made to the Borrower shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin); and (iii) each Swing Line Loan made to the Borrower shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) (i) If any amount payable under any Loan Document is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall, at the Agent's option, thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Requirement of Law.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Except as provided in Section 2.08(b)(ii) , interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in subsections (i) and (j) of Section 2.03 :

(a) Commitment Fee . The Borrower shall pay to the Agent for the account of each Lender (other than a Defaulting Lender) in accordance with its Applicable Percentage, a commitment fee equal to the Commitment Fee Percentage *multiplied by* the average daily amount by which the Aggregate Commitments exceed the Total Outstandings (excluding outstanding Swing Line Loans) (subject to adjustment as provided in Section 2.16) during the immediately preceding quarter. For purposes of calculating the amount of the commitment fee only, the Aggregate Commitments and the Commitment of any Lender who is also the Swing Line Lender shall be reduced by the average daily amount of Swing Line Loans outstanding during the applicable quarter. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period.

(b) Other Fees . The Borrower shall pay to the Arranger and the Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

(a) All computations of interest for Base Rate Loans shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a) , bear interest for one day. Each determination by the Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) All calculations of interest payable by the Loan Parties under this Agreement or any other Loan Document are to be made on the basis of the nominal interest rate described herein and therein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest which principle does not apply to any interest calculated under this Agreement or any Loan Document. The parties hereto acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

2.11 Evidence of Debt .

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by the Agent (the " Loan Account ") in the ordinary course of business. In addition, each Lender may record in such Lender's internal records, an appropriate notation evidencing the date and amount of each Loan from such Lender, each payment and prepayment of principal of any such Loan, and each payment of interest, fees and other amounts due in connection with the Obligations due to such Lender. The accounts or records maintained by the Agent and each Lender acting solely as a non-fiduciary agent for the Borrower, shall be prima facie evidence of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Agent in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Agent, the Borrower shall execute and deliver to such Lender (through the Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto. Upon receipt of an affidavit of a Lender as to the loss, theft, destruction or mutilation of such Lender's Note and upon cancellation of such Note, the Borrower will issue, in lieu thereof, a replacement Note in favor of such Lender, in the same principal amount thereof and otherwise of like tenor.

(b) In addition to the accounts and records referred to in Section 2.11(a) , each Lender and the Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error.

2.12 Payments Generally; Agent's Clawback .

(a) General . All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made, as applicable, to the Agent, for the account of the respective Lenders to which such payment is owed, at the Agent's Office in Dollars in immediately available funds not later than 2:00 p.m. on the date specified herein. All payments received by the Agent after after 2:00 p.m. at the option of the Agent be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment (other than with respect to payment of a LIBOR Rate Loan) to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Agent . Unless the Agent shall have received notice from a Lender prior to the proposed date of any Committed Borrowing of LIBOR Rate Loans (or in the case of any Committed Borrowing of Base Rate Loans, prior to 1:00 p.m. on the date of such Committed Borrowing) that such Lender will not make available to the Agent, such Lender's share of such Committed Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or in the case of a Committed Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Agent, then the applicable Lender and the Borrower, severally agree to pay to the Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Agent at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation plus any administrative processing or similar fees customarily charged by the Agent in connection with the foregoing. If the applicable Borrower and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Agent.

(ii) Payments by Borrower; Presumptions by Agent . Unless the Agent shall have received notice from the Parent or the Borrower prior to the time at which any payment is due to the Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the applicable Lenders or the L/C Issuer, as the case may be, severally agrees to

repay to the Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to, as applicable, the Agent, at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

A notice of the Agent to any Lender or the Borrower with respect to any amount owing under this Section 2.12(b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent . If any Lender makes available to the Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II , and such funds are not made available to the Borrower by the Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof (subject to the provisions of the last paragraph of Section 4.02 hereof), the Agent shall promptly return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several . The obligations of the Lenders hereunder to make Committed Loans to the Borrower, to fund participations in Letters of Credit and Swing Line Loans and to make payments hereunder are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment hereunder on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment hereunder.

(e) Funding Source . Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders . If, other than as expressly provided elsewhere herein, any Credit Party shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, interest on, or other amounts with respect to the Obligations resulting in such Credit Party's receiving payment of a proportion of the aggregate amount of such Obligations, greater than its pro rata share thereof as provided herein (including as in contravention of the priorities of payment set forth in Section 8.03), then the Credit Party receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Obligations of the other Credit Parties, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Credit Parties ratably and in the priorities set forth in Section 8.03 , provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) payments made in accordance with Sections 2.15 or 2.17 , or (z) any payment obtained by a

Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Requirement of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Settlement Amongst Lenders.

(a) The amount of each Lender's Applicable Percentage of outstanding Loans (including outstanding Swing Line Loans) shall be computed weekly (or more frequently in the Agent's discretion) and shall be adjusted upward or downward based on all Loans (including Swing Line Loans) and repayments of Loans (including Swing Line Loans) received by the Agent as of 3:00 p.m. on the first Business Day (such date, the " Settlement Date ") following the end of the period specified by the Agent.

(b) The Agent shall deliver to each of the Lenders promptly after a Settlement Date a summary statement of the amount of outstanding Committed Loans and Swing Line Loans for the period and the amount of repayments received for the period. As reflected on the summary statement, (i) the Agent shall transfer to each applicable Lender its Applicable Percentage of repayments, and (ii) each Lender shall transfer to the Agent, or the Agent shall transfer to each Lender, such amounts as are necessary to insure that, after giving effect to all such transfers, the amount of Committed Loans made by each Lender to the Borrower shall be equal to such Lender's Applicable Percentage of all Committed Loans outstanding to the Borrower as of such Settlement Date. If the summary statement requires transfers to be made to the Agent by the Lenders and is received prior to 1:00 p.m. on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 p.m. that day; and, if received after 1:00 p.m., then no later than 3:00 p.m. on the next Business Day. The obligation of each Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Agent. If and to the extent any Lender shall not have so made its transfer to the Agent, such Lender agrees to pay to the Agent forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Agent equal to the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation plus any administrative, processing, or similar fees customarily charged by the Agent in connection with the foregoing.

2.15 Increase in Commitments.

(a) Request for Increase . Provided no Default then exists or would arise therefrom, upon notice to the Agent (which shall promptly notify the Lenders), and without the Lenders' consent, the Borrower may request (i) an increase in the Aggregate Commitments in an aggregate amount not exceeding $20,000,000; provided that any such request for a Commitment Increase shall be in a minimum amount of $5,000,000 (or if less, for the Borrower, the remaining unused amount available under this Section 2.15(a)) ; and (ii) the Borrower may make a maximum of four (4) such requests for a Commitment Increase. Each then existing Lender may (but shall have no obligation to) participate in such Commitment Increase. At the time of sending such request for a Commitment Increase, the Borrower (in consultation with the Agent) shall specify the time period within which each then existing Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase . Each Lender shall notify the Agent within such time period whether or not it agrees to increase its applicable Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested Commitment Increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Agent; Additional Commitment Lenders . The Agent shall notify the Borrower and each applicable Lender of the Lenders' responses to each request made hereunder for a Commitment Increase. To achieve the full amount of a requested Commitment Increase, to the extent that the existing applicable Lenders decline to increase their Commitments, or decline to increase their Commitments to the amount requested by the Borrower, the Borrower may, at its option, request the Agent or any of its Affiliates to, and the Agent and such Affiliates shall, use its reasonable efforts to arrange for other Eligible Assignees to become a Lender hereunder and to issue commitments in an amount equal to the amount of the increase in the Aggregate Commitments requested by the Borrower and not accepted by the existing Lenders (each such Eligible Assignee issuing a commitment and becoming a Lender, an " Additional Commitment Lender "), provided , however , that without the consent of the Agent, at no time shall the Commitment of any Additional Commitment Lender be less than $5,000,000.

(d) Effective Date and Allocations . If the Aggregate Commitments are increased in accordance with this Section 2.15 , the Agent, in consultation with the Borrower, shall determine the effective date (the " Increase Effective Date ") and the final allocation of such Commitment Increase. The Agent shall promptly notify the Borrower and the Lenders of the final allocation of such Commitment Increase and the Increase Effective Date and on the Increase Effective Date (i) the Aggregate Commitments under, and for all purposes of, this Agreement shall be increased by the aggregate amount of such Commitment Increase, and (ii) Schedule 2.01 shall be deemed modified, without further action, to reflect the revised Commitments and Applicable Percentages of the Lenders.

(e) Conditions to Effectiveness of Increase . As a condition precedent to such increase, (i) the Borrower shall deliver to the Agent a certificate of each Loan Party dated as of the Increase Effective Date signed by a Responsible Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (B) in the case of the Borrower, certifying that, before and after giving effect to such increase, the representations and warranties contained in Article V and the other Loan Documents are true and correct in all material respects on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and except to the extent that such representations and warranties are qualified by materiality, in which case they are true and correct in all respects, and except that for purposes of this Section 2.15(e) , the representations and warranties contained in Section 5.01 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 , (ii) the Borrower, the Agent, and any Additional Commitment Lender shall have executed and delivered a Joinder Agreement; (iii) the Borrower shall have paid such fees and other compensation to the Additional Commitment Lenders and to any existing Lender increasing its Commitment as the Borrower and such Lenders shall agree; (iv) the Borrower shall have paid such arrangement fees to the Agent and such Affiliates as the Borrower and the Agent may agree; (v) the Borrower, the Additional Commitment Lenders and any existing Lender increasing its Commitment shall have delivered such other instruments, documents and agreements evidencing the Commitment Increase as the Agent may reasonably have requested; and (vi) no Default exists.

(f) Adjustments to Credit Exposure . Upon each increase in the Commitments pursuant to this Section 2.15, (x) each applicable Lender will automatically and without further act be deemed to have assigned to each Lender providing a portion of the Commitment Increase in respect of such increase, and each such Additional Commitment Lender and existing Lender increasing its applicable Commitment will automatically and without further act be deemed to have assumed, a portion of such Lender's participations hereunder in outstanding Letters of Credit and Swing Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding (i) participations hereunder in Letters of Credit, (ii) participations hereunder in Swing Loans held by each applicable Lender will equal the percentage of the applicable Commitments of all such Lenders and (y) if, on the date of such increase, there are any Loans of such class outstanding, such Loans shall on or prior to the effectiveness of such Commitment Increase be prepaid from the proceeds of additional Loans made hereunder (reflecting such increase in the applicable Commitments), which prepayment shall be accompanied by accrued interest on such Loans being prepaid and any costs incurred by any Lender in accordance with Section 3.05. The Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(g) Conflicting Provisions . This Section 2.15 shall supersede any provisions in Sections 2.13 or 10.01 to the contrary.

(h) The terms and provisions of any Commitment Increase shall be, except as otherwise set forth in the relevant Joinder Agreement, identical to those of the applicable Loans and for purposes of this Agreement, any Commitment Increase shall be deemed to be Loans and Commitments. Each Joinder Agreement may, without the consent of any other Lender or Credit Party, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Agent and the Borrower, to effect the provisions of this Section 2.15 .

2.16 Defaulting Lenders.

(a) Adjustments . Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Requirement of Law:

(i) Waivers and Amendments . Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 10.01 .

(ii) Defaulting Lender Waterfall . Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 10.08 shall be applied at such time or times as may be determined by the Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender; fourth, as the Borrower may

request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; fifth, if so determined by the Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.16(a)(iv) . Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees .

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.16(a)(ii) .

(C) With respect to any fee payable under Section 2.09(a) or any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure . All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Outstanding Amount of Obligations of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans . If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to them hereunder or under applicable Requirement of Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.03(g) .

(b) Defaulting Lender Cure . If the Borrower, the Agent, the Swing Line Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Committed Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.16(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.17 Extensions of Loans.

(a) Extension of Commitments . The Borrower may at any time and from time to time request that all or a portion of the Commitments of a given Type (each, an " Existing Revolver Tranche ") be amended to extend the Maturity Date with respect to all or a portion of any principal amount of such Commitments (any such Commitments which have been so amended, " Extended Commitments ") and to provide for other terms consistent with this Section 2.17 ; provided that there shall be no more than three (3) Types of Loans and Commitments outstanding at any time. In order to establish any Extended Commitments, the Borrower shall provide a notice to the Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Revolver Tranche) (each, an " Extension Request ")

setting forth the proposed terms (which shall be determined in consultation with the Agent) of the Extended Commitments to be established, which shall (x) be identical as offered to each Lender under such Existing Revolver Tranche (including as to the proposed interest rates and fees payable) and offered pro rata to each Lender under such Existing Revolver Tranche and (y) be identical to the Commitments under the Existing Revolver Tranche from which such Extended Commitments are to be amended, except that: (i) the Maturity Date of the Extended Commitments shall be later than the Maturity Date of the Commitments of such Existing Revolver Tranche, (ii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Commitments); and (iii) all borrowings under the Commitments and repayments thereunder shall be made on a pro rata basis (except for (I) payments of interest and fees at different rates on Extended Commitments (and related outstandings) and (II) repayments required upon the termination date of the non-extending Commitments); provided further , that (A) the conditions precedent to a Borrowing set forth in Section 4.02 shall be satisfied as of the date of such Extension Amendment and at the time when any Loans are made in respect of any Extended Commitment, (B) in no event shall the final maturity date of any Extended Commitments of a given Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of any other Revolving Commitments hereunder, (C) any such Extended Commitments (and the Liens securing the same) shall be permitted by the terms of the Intercreditor Agreement (to the extent any Intercreditor Agreement is then in effect) and (D) all documentation in respect of the such Extension Amendment shall be consistent with the foregoing. Any Extended Commitments amended pursuant to any Extension Request shall be designated a series (each, an " Extension Series ") of Extended Commitments for all purposes of this Agreement; provided that any Extended Commitments amended from an Existing Revolver Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Extension Series with respect to such Existing Revolver Tranche. Each Extension Series of Extended Commitments incurred under this Section 2.17 shall be in an aggregate principal amount reasonably acceptable to the Agent.

(b) Extension Request . The Borrower shall provide the applicable Extension Request at least five (5) Business Days (or such shorter period as may be agreed by the Agent) prior to the date on which Lenders under the Existing Revolver Tranche are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Agent, in each case acting reasonably, to accomplish the purposes of this Section 2.17 . No Lender shall have any obligation to agree to provide any Extended Commitment pursuant to any Extension Request. Any Lender (each, an " Extending Lender ") wishing to have all or a portion of its Commitments under the Existing Revolver Tranche subject to such Extension Request amended into Extended Commitments shall notify the Agent (each, an " Extension Election ") on or prior to the date specified in such Extension Request of the amount of its Commitments under the Existing Revolver Tranche which it has elected to request be amended into Extended Commitments (subject to any minimum denomination requirements imposed by the Agent). In the event that the aggregate principal amount of Commitments under the Existing Revolver Tranche in respect of which applicable Lenders shall have accepted the relevant Extension Request exceeds the amount of Extended Commitments requested to be extended pursuant to the Extension Request, Commitments subject to Extension Elections shall be amended to reflect allocations of the Extended Commitments, which Extended Commitments shall be allocated as agreed by Agent and the Borrower.

(c) New Revolving Commitment Lenders . Following any Extension Request made by the Borrower in accordance with Sections 2.17(a) and 2.17(b) , if the Lenders shall have declined to agree during the period specified in Section 2.17(b) above to provide Extended Commitments in an aggregate principal amount equal to the amount requested by the Borrower in such Extension Request, the Borrower may request that banks, financial institutions or other institutional lenders or investors other than the

Lenders or Extending Lenders which qualify as Eligible Assignees (the " New Commitment Lenders "), which New Commitment Lenders may elect to provide an Extended Commitment hereunder (a " New Commitment "); provided that such Extended Commitments of such New Commitment Lenders (i) shall be in an aggregate principal amount for all such New Commitment Lenders not to exceed the aggregate principal amount of Extended Commitments so declined to be provided by the existing Lenders and (ii) shall be on identical terms to the terms applicable to the terms specified in the applicable Extension Request (and any Extended Commitments provided by existing Lenders in respect thereof); provided further that, as a condition to the effectiveness of any Extended Commitment of any New Commitment Lender, the Agent, the L/C Issuer and the Swing Line Lender shall have consented (such consent not to be unreasonably withheld) to each New Commitment Lender if such consent would be required under Section 10.06(b) for an assignment of Commitments to such Person. Notwithstanding anything herein to the contrary, any Extended Commitment provided by New Commitment Lenders shall be pro rata to each New Commitment Lender. Upon effectiveness of the Extension Amendment to which each such New Commitment Lender is a party, (a) the Commitments of all existing Lenders of each Type specified in the Extension Amendment in accordance with this Section 2.17 will be permanently reduced pro rata by an aggregate amount equal to the aggregate principal amount of the Extended Commitments of such New Commitment Lenders and (b) the Commitment of each such New Commitment Lender will become effective. The Extended Commitments of New Commitment Lenders will be incorporated as Commitments hereunder in the same manner in which Extended Commitments of existing Lenders are incorporated hereunder pursuant to this Section 2.17 , and for the avoidance of doubt, all Borrowings and repayments of Loans from and after the effectiveness of such Extension Amendment shall be made pro rata across all Types of Commitments including such New Commitment Lenders (based on the outstanding principal amounts of the respective Types of Commitments) except for (x) payments of interest and fees at different rates for each Type of Commitments and (y) repayments required on the Maturity Date for any particular Type of Commitments. Upon the effectiveness of each New Commitment pursuant to this Section 2.17(c) , (a) each Lender of all applicable existing Types of Commitments immediately prior to such effectiveness will automatically and without further act be deemed to have assigned to each New Commitment Lender, and each such New Commitment Lender will automatically and without further act be deemed to have assumed, a portion of such Lender's participations hereunder in outstanding Letters of Credit and Swingline Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swingline Loans held by each Lender of each Type of Commitments (including each such New Commitment Lender) will equal the percentage of the aggregate Commitments of all Types of Lenders represented by such Lender's Commitment and (b) if, on the date of such effectiveness, there are any Loans outstanding, such Loans shall on or prior to the effectiveness of such New Commitment be prepaid from the proceeds of Loans outstanding after giving effect to such New Commitments, which prepayment shall be accompanied by accrued interest on the Loans being prepaid and any costs incurred by any Lender in accordance with Section 3.04 . The Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(d) Extension Amendment . Extended Commitments and New Commitments shall be established pursuant to an amendment (each, an " Extension Amendment ") to this Agreement among the Borrower, the Agent and each Extending Lender and each New Commitment Lender, if any, providing an Extended Commitment or a New Commitment, as applicable, thereunder, which shall be consistent with the provisions set forth in Sections 2.17(a) , (b) and (c) above (but which shall not require the consent of any other Lender). The effectiveness of any Extension Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.02 and, to the extent reasonably requested by the Agent, receipt by the Agent of (i) legal opinions, board resolutions and officers' certificates

consistent with those delivered on the Closing Date other than changes to such legal opinion resulting from a Change in Law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Agent and (ii) reaffirmation agreements and/or such amendments to the Collateral Documents as may be reasonably requested by the Agent in order to ensure that the Extended Commitments or the New Commitments, as the case may be, are provided with the benefit of the applicable Loan Documents. The Agent shall promptly notify each Lender as to the effectiveness of each Extension Amendment. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended Commitments or the New Commitments, as the case may be, incurred pursuant thereto, (ii) make such other changes to this Agreement and the other Loan Documents (without the consent of the Required Lenders) and (iii) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Agent and the Borrower, to effect the provisions of this Section, and the Required Lenders hereby expressly authorize the Agent to enter into any such Extension Amendment.

(e) No conversion of Loans pursuant to any Extension in accordance with this Section 2.17 shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes .

(a) All payments made by or on account of the Borrower under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes unless required by applicable Requirement of Law. If any Taxes are required to be withheld by any applicable withholding agent from any amounts payable hereunder or under any other Loan Document, (i) the applicable withholding agent shall make such deductions, (ii) the applicable withholding agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Requirement of Law, and (iii) to the extent the deduction is on account of Non-Excluded Taxes or Other Taxes, the amounts so payable to the Agent or such Lender shall be increased to the extent necessary to yield to the Agent or such Lender (after deduction or withholding of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement.

(b) Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Requirement of Law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Agent for the account of the Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof if such receipt is obtainable, or, if not, other reasonable evidence of payment. The Borrower shall indemnify the Agent and the Lenders for any Non-Excluded Taxes payable in connection with any payments made by the Borrower under any Loan Document and any Other Taxes (including Non-Excluded Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, however, that if an indemnitee does not notify the

Borrower of any indemnification claim under this Section 3.01(c) within 180 days after such indemnitee has received written notice of the claim of a taxing authority giving rise to such indemnification claim, the Borrower shall not be required to indemnify such indemnitee for any incremental interest or penalties resulting from the such indemnitee's failure to notify the Borrower within such 180 day period. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf, shall be conclusive absent manifest error.

(d) If the Agent or any Lender determines, in good faith, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by any Borrower or with respect to which any Borrower has paid additional amounts pursuant to Section 3.01 or Section 3.02 , it shall promptly pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.01 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrower, upon the request of the Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent or such Lender in the event the Agent or such Lender is required to repay such refund to such Governmental Authority; provided, further, that no Borrower shall be required to repay to the Agent or such Lender an amount in excess of the amount paid over by such party to the Borrower pursuant to this Section. This paragraph shall not be construed to require the Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Borrower or any other Person. The agreements in this Section shall survive the termination of this Agreement and the payment of the Obligations.

(e) Status of Lenders; Tax Documentation .

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable Requirement of Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A) , (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed originals of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a " U.S. Tax Compliance Certificate ") and (y) executed originals of IRS Form W-8BEN; or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3 , IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed originals of any other form prescribed by applicable Requirement of Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Requirement of Law to permit the Borrower or the Agent to determine the withholding or deduction required to be made;

(D) on or before the date the Agent becomes a party to this Agreement, the Agent shall provide to the Borrower two accurate and complete original, signed copies of IRS Form W-9 or the applicable IRS Form W-8, as the case may be; and

(E) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable Requirement of Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(ii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(f) Survival . Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

(g) Evidence of Payments . Upon request by the Borrower or the Agent, as the case may be, after any payment of Taxes by the Borrower or by the Agent to a Governmental Authority as provided in this Section 3.01 , the Borrower shall deliver to the Agent or the Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Agent, as the case may be.

(h) For purposes of this Section 3.01, the term "Lender" includes the L/C Issuer.

3.02 Illegality . If any Lender reasonably determines that any Requirement of Law or Change in Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund LIBOR Rate Loans, or to determine or charge interest rates based upon the LIBOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Agent, (i) any obligation of such Lender to make or continue LIBOR Rate Loans or to Convert Base Rate Loans to

LIBOR Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the LIBOR Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Agent without reference to the LIBOR Rate component of the Base Rate, in each case, until such Lender notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of LIBOR Rate Loans Loans and shall, upon demand from such Lender (with a copy to the Agent), prepay or, if applicable, Convert all LIBOR Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Agent without reference to the LIBOR Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBOR Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the LIBOR Rate, the Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the LIBOR Rate component thereof until the Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the LIBOR Rate. Upon any such prepayment or Conversion, the Borrower shall also pay accrued interest on the amount so prepaid or Converted.

3.03 Inability to Determine Rates . If the Required Lenders determine that for any reason in connection with any request for a LIBOR Rate Loan or a Conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such LIBOR Rate Loan, (b) adequate and reasonable means do not exist for determining the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Rate Loan or (c) the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain LIBOR Rate Loans shall be suspended, and (y) in the event of a determination described in the preceding sentence with respect to the LIBOR Rate component of the Base Rate, the utilization of the LIBOR Rate component in determining the Base Rate shall be suspended, in each case until the Agent (upon the instruction of the Required Lenders) revokes such notice (any such time period, the “LIBOR Unavailability Period”). Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, Conversion to or continuation of LIBOR Rate Loans or, failing that, will be deemed to have Converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein.

3.04 Increased Costs; Reserves on LIBOR Rate Loans .

(a) Increased Costs Generally . If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirements reflected in the LIBOR Rate) or the L/C Issuer; or

(ii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or LIBOR Rate Loans made by such Lender or any Letter of Credit or participation therein, in each case that is not otherwise accounted for in the definition of Adjusted LIBOR Rate or this clause (a);

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any LIBOR Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, within fifteen (15) days after demand therefor by such Lender or the L/C Issuer setting forth in reasonable detail such increased costs, the Loan Parties will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered; provided that in no event shall this Section apply to Taxes, which shall be exclusively governed by Section 3.01 .

(b) Capital Requirements . If any Lender or the L/C Issuer reasonably determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital or liquidity of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time upon demand of such Lender or L/C Issuer setting forth in reasonable detail the charge and calculation of such reduced rate of return the Loan Parties will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement . A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Loan Parties shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests . Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Loan Parties shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on LIBOR Rate Loans . Without duplication of any reserves specified in the definition of "LIBOR Rate", the Borrower shall pay to each Lender, as long as such Lender shall be required to maintain LIBOR liabilities, additional interest on the unpaid principal amount of each LIBOR Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 15 days' prior notice (with a copy to the Agent) of such additional interest from such Lender. If a Lender fails to give notice 15 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 15 days from receipt of such notice.

3.05 Compensation for Losses . Upon written demand of any Lender (with a copy to the Agent) from time to time, which such demand shall set forth in reasonable detail the basis for requesting such amount, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, Conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or Convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower;

(c) any assignment of a LIBOR Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.13 ;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05 , each Lender shall be deemed to have funded each LIBOR Rate Loan made by it at the LIBOR Rate for such Loan by a matching deposit or other borrowing in the London interbank market for a comparable amount and for a comparable period, whether or not such LIBOR Rate Loan was in fact so funded.

3.06 Mitigation Obligations .

If any Lender requests compensation under Section 3.04 , or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 , or if any Lender gives a notice pursuant to Section 3.02 , then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02 , as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender in any material economic, legal or regulatory respect. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

3.07 Survival . All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Agent.

ARTICLE IV
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions to Initial Credit Extension.

The agreement of each Lender and L/C Issuer to make the initial Credit Extension requested to be made by it is subject to the satisfaction (or waiver), prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Credit Agreement; Security Documents . The Agent shall have received (i) this Agreement, executed and delivered by the Agent, the L/C Issuer, each Loan Party and each Lender whose name appears on the signature pages hereof, (ii) the Security Documents specified on the Closing Checklist attached hereto as Exhibit K required to be delivered on the Closing Date (except to the extent set forth in Sections 6.12(b) , 6.12(c) and 6.22 hereof), executed and delivered by the Loan Parties, the Agent and Kellwood (with respect to the Collateral Assignment of Shared Services Agreement), (iii) an Acknowledgement and Consent in the form attached to the Security Agreement executed and delivered by each Issuer (as defined therein), if any, that is not a Loan Party, (iv) a Note executed by the Borrower in favor of each Lender requesting a Note, and (v) all other Loan Documents specified on the Closing Checklist attached hereto as Exhibit K and required to be delivered on the Closing Date (except to the extent set forth in Section 6.22 hereof), each duly executed by the applicable Loan Parties and all other Persons party thereto.

(b) Payoff Indebtedness . (i) The Parent, Holdings, the Borrower and its Restricted Subsidiaries shall have no Indebtedness for borrowed money outstanding as of the Closing Date other than under the Term Facility, this Agreement and the other Indebtedness permitted by Section 7.03 and (ii) the Borrower shall be released from its obligations under the Payoff Indebtedness, which releases shall be in form and substance reasonably satisfactory to the Agent, including, without limiting the foregoing, if applicable, (a) proper termination statements (Form UCC-3 or the appropriate equivalent) for filing under the Uniform Commercial Code or equivalent statute or regulation of each jurisdiction where a financing statement or application for registration (Form UCC-1 or the appropriate equivalent) was filed with respect to the Borrower in connection with the security interests created with respect to the Payoff Indebtedness and (b) terminations of any security interest in, or Lien on, any patents, trademarks, copyrights, or similar interests of the Borrower and (iii) other than with respect to the letters of credit covered by a back to back letter of credit issued hereunder on the Closing Date, the Parent and its Subsidiaries shall have made arrangements reasonably satisfactory to the Agent and the Arranger for the cancellation of any letters of credit issued for the account of the Parent, Holdings or the Borrower and outstanding thereunder.

(c) Term Facility. Substantially concurrently with the satisfaction of the other conditions precedent set forth in this Section 4.01(c) , the Parent, Holdings, and the Borrower shall have entered into the Term Facility and the Agent shall have received a counterpart of the Intercreditor Agreement, signed by the administrative agent under the Term Facility and acknowledged by the Loan Parties party thereto.

(d) Fees. The Agent and the Lenders shall have received (i) all fees required to be paid under the Fee Letter, and (ii) all reasonable out-of-pocket expenses for which reasonably detailed invoices have been presented (including reasonable and documented out-of-pocket fees, disbursements and other charges of counsel to the Agent), in each case under this clause (ii) required to be paid pursuant to Section 10.04 on or before the Closing Date.

(e) Closing and Solvency Certificate. The Agent shall have received a closing and solvency certificate signed by the chief financial officer on behalf of the Parent, substantially in the form of Exhibit F hereto.

(f) Lien Searches . The Agent shall have received the results of a recent lien search in each of the jurisdictions in which Uniform Commercial Code financing statements or other filings or recordations should be made to evidence or perfect security interests in all assets of the Loan Parties, and such search shall reveal no liens on any of the assets of the Loan Party, except for Liens permitted by Section 7.01 or liens to be discharged (or requiring estoppel letters) on or prior to the Closing Date.

(g) Legal Opinions . The Agent shall have received an executed legal opinion of Kirkland & Ellis LLP, counsel to the Loan Parties, in form and substance reasonably satisfactory to the Agent.

(h) Pledged Stock; Stock Powers; Pledged Notes . The Agent shall have received (i) copies of the certificates representing the shares, if any, of Equity Interests of Holdings and the Borrower and (to the extent required by the terms of the Security Documents) each of the Borrower's Subsidiaries pledged to the Agent pursuant to (and, in the case of the Equity Interests of any Foreign Subsidiary (other than Excluded Subsidiaries), subject to the limitations of) the Security Documents, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) copies of each promissory note (if any) required to be pledged to the Agent pursuant to the Security Documents endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof. The original certificates and notes shall have been delivered to the Term Agent.

(i) Filings, Registrations and Recordings . Each document (including, without limitation, any Uniform Commercial Code financing statement) required by the Security Documents to be filed, registered or recorded in order to create in favor of the Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein with the priority provided for in the Security Documents, shall have been delivered to the Agent in proper form for filing, registration or recordation and the Agent shall have received evidence reasonably satisfactory to it that such filings have been made or have been provided for.

(j) Insurance . Except as otherwise provided in Section 6.22 hereof, the Agent shall have received insurance certificates satisfying the requirements of Section 6.07 .

(k) Pro Forma Balance Sheet; Financial Statements; Financial Plan . The Lenders shall have received (i) the unaudited pro forma consolidated balance sheet of the Parent and its consolidated Subsidiaries (the " Pro Forma Balance Sheet "), certified by the Parent as having been prepared giving effect (as if such events had occurred on such date) to (A) the loans to be made under the Term Facility on the Closing Date and the use of the proceeds thereof, (B) the IPO and (C) the payment of fees and expenses in connection with the foregoing; and (ii) the financial statements of the Parent and its

Subsidiaries referred to in Section 5.01 . The Pro Forma Balance Sheet shall have been prepared based upon the best information available to the Parent as of the date of delivery thereof, and present fairly in all material respects on a pro forma basis the estimated financial position of the Parent and its consolidated Subsidiaries as at the end of the fiscal quarter ending August 3, 2013, assuming that the events specified in the preceding sentence had actually occurred at such date, and shall be so certified by the Parent.

(l) Certificate of Representations and Warranties . The Agent shall have received a certificate of representations and warranties covering all of the Loan Parties, executed by a financial officer of the Borrower, substantially in the form attached hereto as Exhibit G.

(m) Kellwood Collateral Access Agreement . The Agent shall have received a Collateral Access Agreement executed by Kellwood in form and substance satisfactory to the Agent.

(n) Excess Availability . After giving effect to all Letters of Credit to be issued at, or immediately subsequent to, the establishment of the credit facility contemplated hereby, Excess Availability shall be not less than $10,000,000.

(o) Borrowing Base Certificate . The Agent shall have received a Borrowing Base Certificate dated the Closing Date, relating to the Fiscal Month ended on **[ ]** , and executed by a Responsible Officer.

(p) No Material Adverse Effect . There shall have been no Material Adverse Effect since [ ].

(q) Separation of Cash Management . The Agent shall have received evidence reasonably satisfactory to it of the termination of all links between the Loan Parties' deposit accounts and any deposit account maintained by Kellwood.

(r) Shared Services Agreement . The Shared Services Agreement shall be in full force and effect.

(s) No Litigation . There shall exist no action, suit, investigation or proceeding pending or, to the knowledge of the Loan Parties, threatened in writing in any court or before any arbitrator or governmental authority in which there is a reasonable possibility of a decision which would reasonably be expected to have a Material Adverse Effect.

(t) IPO . The IPO shall have been consummated.

(u) Consents . Any consents or approvals required in connection with the effectiveness of the IPO, the Term Facility, this Agreement and the other Loan Documents shall have been obtained and shall be in full force and effect.

4.02 Conditions to all Credit Extensions . The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a Conversion of Committed Loans to the other Type, or a continuation of LIBOR Rate Loans) and of each L/C Issuer to issue each Letter of Credit is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party contained in Article V or in any other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and (ii) in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects.

(b) No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Agent and, if applicable, the L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) After giving effect to the Credit Extension requested to be made on any such date and the use of proceeds thereof, no Overadvance shall exist.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a Conversion of Committed Loans to the other Type or a continuation of LIBOR Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty by the Borrower that the conditions specified in Section 4.02 have been satisfied on and as of the date of the applicable Credit Extension. The conditions set forth in this Section 4.02 are for the sole benefit of the Credit Parties but until the Required Lenders otherwise direct the Agent to cease making Loans and issuing Letters of Credit, the applicable Lenders will fund their Applicable Percentage of all Loans and L/C Advances and participate in all Swing Line Loans and Letters of Credit whenever made or issued, which are requested by the Borrower and which, notwithstanding the failure of the Loan Parties to comply with the provisions of this Article IV , are agreed to by the Agent, provided , however, the making of any such Loans or the issuance of any Letters of Credit shall not be deemed a modification or waiver by any Credit Party of the provisions of this Article IV on any future occasion or a waiver of any rights or the Credit Parties as a result of any such failure to comply.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

To induce the Credit Parties to enter into this Agreement and to make Loans and to issue Letters of Credit hereunder, each Loan Party represents and warrants to the Agent and the other Credit Parties that:

5.01 Financial Condition

(a) The (i) audited income statement of Vince for the fiscal years ending as at January 29, 2011, January 28, 2012 and February 2, 2013, reported on by and accompanied by an unqualified report from PricewaterhouseCoopers LLP, and (ii) unaudited consolidated balance sheet of Vince as of April 27, 2013 and August 3, 2013, and related consolidated statements of income and of cash flows for the fiscal quarters ended on such dates present fairly in all material respects the financial condition of Vince as at such dates, and the results of its operations and its cash flows (as applicable) for the respective periods then ended. All such financial statements, including the related schedules and notes thereto and normal year end adjustments, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein and, in the case of such unaudited financial statements, subject to normal year-end adjustments and the absence of footnotes). Except as set forth on Schedule 5.01, as of the Closing Date, none of Parent or its Subsidiaries (i) has any material Guarantee Obligations, contingent liabilities or material liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without

limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, which are not reflected in the most recent financial statements referred to in this paragraph but which would in accordance with GAAP be so reflected in a consolidated balance sheet of the Parent its Subsidiaries as of the Closing Date and (ii) is party to any arrangement to pay principal or interest with respect to any Indebtedness of any Person which is not reflected in the most recent financial statements referred to in this paragraph, (x) which was incurred by the Parent or any of its Subsidiaries or guaranteed by the Parent or any of its Subsidiaries at any time or the proceeds of which are or were transferred to or used by the Parent or any of its Subsidiaries and (y) the payments in respect of which are intended to be made with the proceeds of payments to such Person by the Parent or any of its consolidated Subsidiaries or with any Indebtedness or Equity Interests issued by the Parent or any such Subsidiary.

5.02 No Change.

There has been no event, circumstance, development, change or effect since the date of the Audited Financial Statement that has had a Material Adverse Effect.

5.03 Existence, Compliance with Requirements of Law. Each of the Parent, Holdings, the Borrower and its Restricted Subsidiaries (a) (i) is duly organized (or incorporated), validly existing and in good standing (or, only where if applicable, the equivalent status in any foreign jurisdiction) under the laws of the jurisdiction of its organization or incorporation, (ii) has the corporate or organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged except, in each case, to the extent that any such failure to have such power, authority or right would not reasonably be expected to have a Material Adverse Effect and (iii) is duly qualified as a foreign corporation or limited liability company and in good standing (where such concept is relevant) under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except, in each case, to the extent that the failure to be so qualified or in good standing (where such concept is relevant) would not reasonably be expected to have a Material Adverse Effect and (b) is in compliance with all applicable Requirements of Law except to the extent that any such failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

5.04 Corporate Power; Authorization; Enforceable Obligations. Each Loan Party has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder. Each Loan Party has taken all necessary corporate or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. Except as would not reasonably be expected to have a Material Adverse Effect, no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority is required in connection with the extensions of credit hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, except (i) consents, authorizations, filings and notices, which consents, authorizations, filings and notices have been obtained or, within any period set forth in the relevant Security Document, will be obtained or made and are or will be in full force and effect or the failure to obtain which would not reasonably be expected to have a Material Adverse Effect, (ii) filings to perfect the Liens created by the Security Documents, (iii) filings pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq.), in respect of Accounts of the Parent and its Subsidiaries the Obligor in respect of which is the United States of America or any department, agency or instrumentality thereof, and (iv) the

filings referred to in Section 5.17 . Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing.

5.05 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not (a) violate the organizational or governing documents of any of the Loan Parties, (b) violate, in any material respect, any applicable Requirement of Law or any material Contractual Obligation of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries, or (c) result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any applicable Requirement of Law or any such Contractual Obligation (other than Liens required to be granted in favor of the Agent and the Term Agent pursuant to the Loan Documents).

5.06 No Material Litigation. No litigation, proceeding or, to the knowledge of the Parent and the Borrower, investigation of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Parent and the Borrower, likely to be commenced within a reasonable time period against the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries or against any of their Properties or revenues which, taken as a whole, (a) are material and adverse with respect to any of the Loan Documents or (b) would reasonably be expected to have a Material Adverse Effect.

5.07 No Default. No Default or Event of Default has occurred and is continuing.

5.08 Ownership of Property; Liens.

Except as set forth in Schedule 5.08(a) , each of the Parent, Holdings, the Borrower and their respective Restricted Subsidiaries has good and marketable title in fee simple to, or a valid leasehold interest in or in the case of real property subject to a license, a right to use, all its real property, and good title to, or a valid leasehold interest in or right to use, all its other Property (other than Intellectual Property), in each case, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and none of such Property is subject to any Lien other than Liens permitted by Section 7.01 . Schedule 5.08(b) lists all real property which is owned, leased or licensed to use by any Loan Party as of the Closing Date.

5.09 Intellectual Property. Each of the Parent, Holdings, the Borrower and its respective Restricted Subsidiaries owns, or has a valid license to use, all Intellectual Property necessary for the conduct of its business as currently conducted free and clear of all Liens, except for Liens permitted by Section 7.01 and except where the failure to so own or have a license to use would not reasonably be expected to have a Material Adverse

Effect. To the Parent's, Holdings', and the Borrower's knowledge, no holding, injunction, decision or judgment has been rendered by any Governmental Authority and none of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries has entered into any settlement stipulation or other agreement (except license agreements in the ordinary course of business) which would cancel the validity of the Parent's, Holdings', the Borrower's or any Restricted Subsidiary's rights in any Intellectual Property owned by the Parent, Holdings', the Borrower or any Restricted Subsidiary (the " Borrower Intellectual Property ") in any respect that would reasonably be expected to have a Material Adverse Effect. To the Parent's, Holdings' and the Borrower's knowledge, no pending claim has been asserted or threatened in writing by any Person challenging the use by the Parent, Holdings, the Borrower or any Restricted Subsidiaries of any Borrower Intellectual Property or the validity of any Borrower Intellectual Property, except in each case as would not reasonably be expected to have a Material Adverse Effect. To the Parent's, Holdings' and the Borrower's knowledge, the use of any Borrower Intellectual Property by the Parent, Holdings, the Borrower or its Restricted Subsidiaries does not infringe on the rights of any other Person in a manner that would reasonably be expected to have a Material Adverse Effect. The Parent, Holdings, the Borrower and its Restricted Subsidiaries have taken all commercially reasonable actions that in the exercise of their reasonable business judgment should be taken to protect the Borrower Intellectual Property, including Borrower Intellectual Property that is confidential in nature, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

5.10 Taxes. Each of the Parent, Holdings, the Borrower and each of its Restricted Subsidiaries (i) has timely filed or caused to be filed all federal, state, provincial, territorial and other Tax returns that are required to be filed by it, and (ii) has duly and timely paid all Taxes shown to be due and payable on said returns and all other Taxes, fees or other charges imposed on it or any of its Property, assets, income, businesses and franchises by any Governmental Authority responsible for administering Taxes (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which any reserves required in conformity with GAAP have been provided on the books of the Parent, Holdings, the Borrower or such Restricted Subsidiary, as the case may be), except in each case where the failure to do so would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. There are no current, proposed or, to the knowledge of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries, pending Tax assessments, deficiencies or audits against the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries, as the case may be, except those that are currently being contested in good faith by appropriate proceedings and with respect to which any reserves required in conformity with GAAP have been provided on the books of the Parent, Holdings, the Borrower or such Restricted Subsidiary, as the case may be, or that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

5.11 Federal Regulations.

No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the regulations of the Federal Reserve Board. If requested by any Lender (through the Agent) or the Agent, the Borrower will furnish to the Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1 referred to in Regulation U.

5.12 ERISA .

(a) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412(a) of the Code or Section 302(a)(2) of ERISA) has occurred during the five-year period prior to the date on which this representation is made with respect to any Single Employer Plan, and each Plan has complied with the applicable provisions of ERISA and the Code; no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Single Employer Plan has arisen, during such five-year period; the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Single Employer Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Single Employer Plan allocable to such accrued benefits; none of the Parent, Holdings, the Borrower nor any of its Restricted Subsidiaries has had (or reasonably expects to have) a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a liability under ERISA and, to the knowledge of the Parent and the Borrower, no Multiemployer Plan is in Reorganization or Insolvent.

(b) the Parent, Holdings, the Borrower and its Restricted Subsidiaries have not incurred, and do not reasonably expect to incur, any liability under ERISA or the Code with respect to any plan within the meaning of Section 3(3) of ERISA which is subject to Title IV of ERISA that is maintained by a Commonly Controlled Entity (other than the Parent, Holdings, the Borrower and its Restricted Subsidiaries) (a " Commonly Controlled Plan ") merely by virtue of being treated as a single employer under Title IV of ERISA with the sponsor of such plan that would reasonably be likely to have a Material Adverse Effect and result in a direct obligation of the Parent, Holdings, the Borrower and its Restricted Subsidiaries to pay money.

(c) With respect to any Pension Plan under the laws of any foreign jurisdiction, none of the following events or conditions exists and is continuing that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect: (a) substantial non-compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders; (b) failure to be maintained, where required, in good standing with applicable regulatory authorities; (c) any obligation of the Parent or its Subsidiaries in connection with the termination or partial termination of, or withdrawal from, any such foreign plan; (d) any Lien on the property of the Parent or its Subsidiaries in favor of a Governmental Authority as a result of any action or inaction regarding such a foreign plan; (e) for each such foreign plan which is a funded or insured plan, failure to be funded or insured on an ongoing basis to the extent required by applicable non-U.S. law (using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities); (f) any facts that, to the best knowledge of the Parent or any of its Subsidiaries, exist that would reasonably be expected to give rise to a dispute and any pending or threatened disputes that, to the best knowledge of the Parent or any of its Subsidiaries, would reasonably be expected to result in a material liability to the Parent or any of its Subsidiaries concerning the assets of any such foreign plan (other than individual claims for the payment of benefits); and (g) failure to make all contributions in a timely manner to the extent required by applicable non-U.S. law.

5.13 Investment Company Act . No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.14 Subsidiaries.

(a) The Subsidiaries listed on Schedule 5.14 constitute all the Subsidiaries of the Parent at the Closing Date. Schedule 5.14 sets forth as of the Closing Date the name and jurisdiction of incorporation of each Subsidiary and, as to each Subsidiary, the percentage of each class of Equity Interests owned by any Loan Party and the designation of such Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary. There are no Excluded Subsidiaries as of the Closing Date.

(b) As of the Closing Date, except as set forth on Schedule 5.14 , there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments of any nature relating to any Equity Interests of the Borrower or any of its Restricted Subsidiaries.

5.15 Environmental Compliance.

Other than exceptions to any of the following that would not reasonably be expected to have a Material Adverse Effect: none of the Parent, the Borrower or any of its Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law for the operation of the business; or (ii) has become subject to any Environmental Liability.

5.16 Accuracy of Information, etc.

No statement or information (excluding the projections and pro forma financial information referred to below and information of a general economic or general industry nature) contained in this Agreement, any other Loan Document or any certificate furnished to the Agent or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents when taken as a whole, contained as of the date such statement, information, or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not materially misleading in light of the circumstances under which such statements contained therein. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact, that such financial information is subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties, that no assurance can be given that the projected results will be realized, and that actual results during the period or periods covered by such projections and financial information may differ significantly from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to the Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

5.17 Security Documents.

(a) The Security Documents are effective to create in favor of the Agent for the benefit of the Secured Parties referred to therein, a legal, valid and enforceable security interest (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing) in the Collateral described therein (including any proceeds of any item of Collateral) to the extent required by the Security Documents. In the case of (i) the Pledged Securities described in the Security Agreement, when any stock certificates or notes, as applicable, representing

such Pledged Securities are delivered to the Term Agent (as agent for the Agent pursuant to the Intercreditor Agreement) and (ii) the other Collateral described in the Security Documents, when financing statements in appropriate form are filed, within the time periods (if any) required by applicable law, in the offices specified on Schedule 5.17 (which financing statements have been duly completed and executed (as applicable) and delivered to the Agent) and such other filings as are specified on Schedule 5.17 are made, the Agent shall have a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (including any proceeds of any item of Collateral) (to the extent a security interest in such Collateral can be perfected through the filing of financing statements in the offices specified on Schedule 5.17 and the filings specified on Schedule 5.17 , and through the delivery of the Pledged Securities required to be delivered on the Closing Date), as security for the Obligations, in each case prior and superior in right to any other Person (except (i) Liens in favor of the Term Agent, (ii) in the case of Collateral other than Pledged Securities, Liens permitted by Section 7.01 and (iii) Liens having priority by applicable Requirements of Law) to the extent required by the Security Documents.

(b) Upon the execution and delivery of any Mortgage to be executed and delivered pursuant to Section 4.01(m) and Section 6.11(b) , such Mortgage shall be effective to create in favor of the Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien on the mortgaged property described therein and proceeds thereof; and when such Mortgage is filed in the recording office designated by the Borrower, such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such mortgaged property and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (other than the Term Agent, Liens permitted by Section 7.01 , or other encumbrances or rights permitted by the relevant Mortgage).

5.18 Solvency.

After giving effect to the transactions contemplated by this Agreement, and before and after giving effect to each Credit Extension, the Loan Parties, on a Consolidated basis, are and will be Solvent.

5.19 Senior Indebtedness.

All Borrowings permitted under this Agreement are, and when incurred or issued will be, permitted under (and shall give rise to no breach or violation of) the Term Facility any other Junior Indebtedness or any Permitted Amendment or Refinancing of any of the foregoing (or under the definitive documentation relating thereto).

5.20 Labor Matters .

There are no strikes or other labor disputes against the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries pending or, to the knowledge of the Parent or the Borrower, threatened that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Parent, Holdings, the Borrower and its Restricted Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. All payments due from the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries on account of employee health and welfare insurance that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of the Parent, Holdings, the Borrower or the relevant Restricted Subsidiary.

5.21 Regulation H. No Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968.

5.22 Anti-Money Laundering and Economic Sanctions Laws.

(a) No Loan Party, none of its Subsidiaries and, to the knowledge of senior management of each Loan Party, none of its Affiliates and none of the respective officers, directors, brokers or agents of such Loan Party, such Subsidiary or, to the knowledge of senior management of each Loan Party, Affiliate (i) has violated or is in violation of any applicable Anti-Money Laundering Law or (ii) has engaged or engages in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds of the Loans from any category of offenses designated in any applicable law, regulation or other binding measure implementing the "Forty Recommendations" and "Nine Special Recommendations" published by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

(b) No Loan Party, none of its Subsidiaries and, to the knowledge of senior management of each Loan Party, none of its Affiliates and none of the respective officers, directors, brokers or agents of such Loan Party, such Subsidiary or, to the knowledge of senior management of each Loan Party, such Affiliate that is acting or benefiting in any capacity in connection with the Loans is an Embargoed Person.

(c) Except as otherwise authorized by OFAC, to the extent applicable to such Person, no Loan Party, none of its Subsidiaries and, to the knowledge of senior management of each Loan Party, none of its Affiliates and none of the respective officers, directors, brokers or agents of such Loan Party, such Subsidiary or, to the knowledge of senior management of each Loan Party, such Affiliate acting or benefiting in any capacity in connection with the Loans (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Embargoed Person, (ii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any applicable Economic Sanctions Laws or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the applicable prohibitions set forth in any Economic Sanctions Laws.

5.23 Insurance. The properties of the Loan Parties and the Restricted Subsidiaries are insured with financially sound and reputable insurance companies (after giving effect to any self-insurance compatible with the following standards), in such amounts, with such deductibles and covering such risks (including, without limitation, workmen's compensation, public liability, business interruption, property damage and directors and officers liability insurance) as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties or the applicable Restricted Subsidiary operates. Schedule 5.24 sets forth a description of all insurance maintained by or on behalf of the Loan Parties and the Restricted Subsidiaries as of the Closing Date. As of the Closing Date, each insurance policy listed on Schedule 5.24 is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

5.24 Deposit Accounts; Credit Card Arrangements .

(a) Annexed hereto as Schedule 5.25(a) is a list of all DDAs maintained by the Loan Parties as of the Closing Date, which Schedule includes, with respect to each DDA (i) the name and address of the depository; (ii) the account number(s) maintained with such depository; (iii) a contact person at such depository, (iv) the identification of each Blocked Account Bank, and (v) whether such DDA is an Excluded DDA or a Retail DDA, if applicable.

(b) Annexed hereto as Schedule 5.25(b) is a list of all agreements as of the Closing Date to which any Loan Party is a party with respect to the processing and/or payment to such Loan Party of the proceeds of any credit card charges and debit card charges for sales made by such Loan Party.

5.25 Shared Services Agreement. The Shared Services Agreement is in full force and effect (except to extent that each of the services to be provided by Kellwood under the Shared Services Agreement are no longer necessary to the successful operation of the Loan Parties or are now being performed by one or more other Persons) and both of the Borrower and Kellwood have performed, and are performing, all material obligations required to be performed thereunder.

ARTICLE VI
AFFIRMATIVE COVENANTS

Until the Payment in Full of the Obligations, each Loan Party shall, and shall (except in the case of the covenants set forth in Sections 6.01 , 6.02 , and 6.03) cause each Restricted Subsidiary to:

6.01 Financial Statements. Furnish to the Agent for delivery to each Lender (which may be delivered via posting on Intralinks):

(a) within 120 days after the end of each Fiscal Year of the Parent, commencing with the Fiscal Year ending on or around February 1, 2014, (x) a copy of the audited consolidated balance sheet of Parent, Holdings, the Borrower and its Subsidiaries as at the end of such Fiscal Year and the related audited consolidated statements of income and of cash flows for such Fiscal Year, setting forth in each case in comparative form the figures as of the end of and for the previous Fiscal Year, reported on by independently certified public accountants of nationally recognized standing, and (y) an opinion of such Registered Public Accounting Firm independently assessing Loan Parties' internal controls over financial reporting in accordance with Item 308 of SEC Regulation S-K, PCAOB Auditing Standard No. 2, and Section 404 of Sarbanes-Oxley expressing a conclusion that contains no statement that there is a material weakness in such internal controls;

(b) as soon as available, but in any event not later than 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Parent, commencing with the Fiscal Quarter ending on or around November 2, 2013 (provided, that for the Fiscal Quarter ending on or around November 2, 2013, such financial statements shall be due within the time period prescribed by the SEC reporting requirements), the unaudited consolidated balance sheet of the Parent, Holdings, the Borrower and its Restricted Subsidiaries as at the end of such Fiscal Quarter and the related unaudited consolidated statements of income and of cash flows for such Fiscal Quarter and the portion of the Fiscal Year through

the end of such Fiscal Quarter, setting forth in each case in comparative form (i) the figures as of the end of and for the corresponding period in the previous Fiscal Year, and (ii) the figures for such period set forth in the projections delivered pursuant to Section 6.02(d) hereof, in each case, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the lack of notes);

(c) as soon as available, but in any event not later than 30 days after the end of each Fiscal Month of each Fiscal Year of the Parent upon the occurrence and during the continuation of a Monthly Reporting Event, the unaudited consolidated balance sheet of the Parent, Holdings, the Borrower and its Restricted Subsidiaries as at the end of such Fiscal Month and the related unaudited consolidated statements of income and of cash flows for such Fiscal Month and the portion of the Fiscal Year through the end of such Fiscal Month, setting forth in each case in comparative form (i) the figures as of the end of and for the corresponding period in the previous Fiscal Year, and (ii) the figures for such period set forth in the projections delivered pursuant to Section 6.02(d) hereof, in each case, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the lack of notes); and

(d) all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein and except, in the case of the financial statements referred to in clauses (b) and (c) , for customary year-end adjustments and the absence of footnotes);

If the Parent has filed (within the time period required above) a Form 10-Q or 10-K, as applicable, with the SEC for any fiscal quarter or fiscal year described above, then to the extent that such quarterly or annual report on Form 10-Q or 10-K contains any of the foregoing items, the Lenders will accept such Form 10-Q or 10-K in lieu of such items ; provided that such filings shall be delivered to the Agent and each Lender in the same manner as set forth below. Documents required to be delivered pursuant to this Section 6.01 may be delivered by posting such documents electronically with notice of such posting to the Agent and each Lender and if so posted, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's' website on the Internet at the website address listed on Schedule 10.02 , or (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Agent have been granted access (whether a commercial, third-party website or whether sponsored by the Agent).

6.02 Certificates; Other Information. Furnish to the Agent, in form and detail reasonably, satisfactory to the Agent, for delivery to each Lender, or, in the case of clause (i), to the relevant Lender:

(a) concurrently with the delivery of the financial statements referred to in Section 6.01(a) , a certificate of the independent certified public accountants of the Parent in customary form reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate (which certificate may be limited to the extent required by accounting rules or guidelines and will not be required if such accountants no longer provide such certificates to its customers (or their lenders) generally);

(b) concurrently with the delivery of any financial statements pursuant to Section 6.01 or immediately upon the occurrence of a Covenant Compliance Event, (i) a certificate of a Responsible Officer on behalf of the Parent stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) (x) if applicable for such period, a Compliance Certificate containing all information and calculations necessary for determining compliance by the Parent, Holdings, the Borrower and its Restricted Subsidiaries with the provisions of Section 7.18 as of the last day of the Fiscal Month, Fiscal Quarter or Fiscal Year of the Parent, as the case may be, and (y) to the extent not previously disclosed to the Agent, a description of any new Subsidiary and a listing of any new registrations, and applications for registration, of Intellectual Property acquired or made by any Loan Party since the date of the most recent list delivered pursuant to this clause (y) (or, in the case of the first such list so delivered, since the Closing Date);

(c) on the fifteenth (15) Business Day after the end of each Fiscal Month (or, if such day is not a Business Day, on the next succeeding Business Day), or more frequently at the Borrower's discretion (but in any event not more frequently than twice a month), a Borrowing Base Certificate showing the Borrowing Base as of the close of business as of the last day of the immediately preceding Fiscal Month, each Borrowing Base Certificate to be certified as complete and correct in all material respects by a Responsible Officer of the Borrower; provided that at any time that an Accelerated Borrowing Base Delivery Event has occurred and is continuing, such Borrowing Base Certificate shall be delivered on Wednesday of each week (or, if Wednesday is not a Business Day, on the next succeeding Business Day), as of the close of business on the immediately preceding Saturday;

(d) as soon as available, but in any event not later than 90 days after the end of each Fiscal Year of the Parent (commencing with the Fiscal Year ending on or nearest to February 1, 2014), a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Parent, Holdings, the Borrower and its Subsidiaries and the related consolidated statements of projected cash flow and projected income, together with a projection of the Borrowing Base and Excess Availability, in each case prepared on a month by month basis);

(e) promptly upon delivery thereof to the Parent, Holdings or the Borrower and to the extent permitted, copies of any accountants' letters addressed to its Board of Directors (or any committee thereof);

(f) promptly after the same are sent, copies of all financial statements and reports that the Parent, Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities (except for materials sent solely to Permitted Investors) and, promptly after the same are filed, copies of all financial statements and reports that the Parent, Holdings or the Borrower may make to, or file with, the SEC, in each case to the extent not already provided pursuant to Section 6.01 or any other clause of this Section 6.02 ;

(g) the financial and collateral reports described on Schedule 6.02 hereto, at the times set forth in such Schedule;

(h) promptly, such additional financial and other information as the Agent (for its own account or upon the reasonable request from any Lender) may from time to time reasonably request; and

(i) concurrently with the delivery of any financial statements pursuant to Section 6.01 , a copy of management's discussion and analysis with respect to such financial statements in the form included with the Parent's financial reporting to the SEC.

Documents required to be delivered pursuant to Section 6.01(a), (b)(b) , or (c) or Section 6.02(d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.02 ; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent).

The Loan Parties hereby acknowledge that (a) the Agent and/or the Arranger will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, " Borrower Materials ") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the " Platform ") and (b) certain of the Lenders may be "public-side" Lenders (i.e. , Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a " Public Lender "). The Loan Parties hereby agree that they will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Loan Parties shall be deemed to have authorized the Agent, the Arranger, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Loan Parties or their securities for purposes of United States Securities Laws (provided , however , that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (z) the Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

6.03 Notices. Promptly upon a Responsible Officer of the Parent or any Loan Party obtaining knowledge thereof, give notice to the Agent of:

(a) of the occurrence of any Default or Event of Default;

(b) any litigation, investigation or proceeding which may exist at any time between the Parent, the Borrower or any of its Restricted Subsidiaries and any other Person, that in either case, could reasonably be expected to have a Material Adverse Effect;

(c) the following events, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, as soon as possible and in any event within 30 days after the Parent, the Borrower or any of its Restricted Subsidiaries knows thereof, as applicable: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to a Single Employer Plan, the creation of any Lien in favor of the PBGC or a Single Employer Plan or any withdrawal from, or the termination or partial termination, Reorganization or Insolvency of any Multiemployer Plan, (ii) the institution of proceedings or the taking of any other action by the PBGC or the Parent or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination or partial termination, Reorganization or Insolvency of, any Plan, or (iii) the occurrence of any similar events with respect to a Commonly Controlled Plan, that would reasonably be likely to result in a direct obligation of the Parent, the Borrower or any of its Restricted Subsidiaries to pay money;

(d) the occurrence of any default under the Shared Services Agreement or the Tax Receivable Agreement;

(e) any development or event that has had or could reasonably be expected to have a Material Adverse Effect;

(f) the acquisition of any Property after the Closing Date in which the Agent does not already have a perfected security interest and in which a security interest is required to be created or perfected pursuant to Section 6.11 ;

(g) of any casualty or other insured damage to any material portion of the ABL Priority Collateral or the commencement of any action or proceeding for the taking of any interest in a material portion of the ABL Priority Collateral under power of eminent domain or by condemnation or similar proceeding or if any material portion of the ABL Priority Collateral is damaged or destroyed;

(h) the occurrence of any default or event of default under the Term Facility;

(i) of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof;

(j) of the filing of any Lien for unpaid Taxes against any Loan Party in excess of $2,500,000; and

(k) of any failure by any Loan Party to pay rent (which failure continues for more than ten (10) days following the day on which such rent first came due) at (i) any of the Loan Parties' distribution centers, fulfillment centers or warehouses; (ii) ten percent (10%) or more of such Loan Party's Store locations or any of such Loan Party's other locations if such failure would be reasonably likely to result in a Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Parent, the Borrower or the relevant Restricted Subsidiary has taken or proposes to take with respect thereto.

6.04 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material Taxes, governmental assessments and governmental charges, except (i) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves required in conformity with GAAP with respect thereto have been provided on the books of the Parent, Holdings, the Borrower or its Subsidiaries, as the case may be, and such contest effectively suspends collection of the contested obligation and enforcement of any Lien securing such obligation, or (ii) to the extent that failure to pay or satisfy such obligations could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. Nothing contained herein shall be deemed to limit the rights of the Agent with respect to determining Reserves pursuant to this Agreement.

6.05 Preservation of Existence, Etc. (a) (i) Preserve, renew and keep in full force and effect its corporate or other existence and (ii) take all reasonable action to maintain all rights (other than Intellectual Property rights, the maintenance of which is addressed in Section 6.06(c)), privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.04 or except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all applicable Requirement of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties

(a).

(a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in reasonably good working order and condition, ordinary wear and tear excepted; and

(b) Take all commercially reasonable and necessary steps, including, in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Borrower Intellectual Property, including, filing of applications for renewal, affidavits of use and affidavits of incontestability, except in each case to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.07 Maintenance of Insurance.

(a) Maintain insurance with financially sound and reputable insurance companies insurance on all its material Property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business. All such insurance shall, to the extent customary (but in any event, not including business interruption insurance and personal injury insurance) (i) provide that no cancellation thereof shall be effective until at least 10 days after receipt by the Agent of written notice thereof and (ii) name the Agent as insured party or loss payee.

(b) If any portion of any Property subject to a Mortgage is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then the Borrower shall, or shall cause each Loan Party to (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (ii) deliver to the Agent evidence of such compliance in form and substance reasonably acceptable to the Agent.

(c) (i) Cause fire and extended coverage policies maintained with respect to any Collateral to be endorsed or otherwise amended to include (A) a non-contributing mortgage clause (regarding improvements to real estate) and lenders' loss payable clause (regarding personal property), in form and substance reasonably satisfactory to the Agent, which endorsements or amendments shall provide that the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Agent, (B) a provision to the effect that none of the Loan Parties, Credit Parties or any other Person shall be a co-insurer and (C) such other provisions as the Agent may reasonably require

from time to time to protect the interests of the Credit Parties, (ii) cause commercial general liability policies to be endorsed to name the Agent as an additional insured, (iii) cause business interruption policies to name the Agent as a loss payee, and (iv) cause each such policy referred to in this Section 6.07 to also provide that it shall not be canceled, modified or not renewed (A) by reason of nonpayment of premium except upon not less than ten (10) days' prior written notice thereof by the insurer to the Agent (giving the Agent the right to cure defaults in the payment of premiums) or (B) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Agent.

(d) Deliver to the Agent, prior to the cancellation, modification materially adverse to the Lenders or non-renewal of any such policy of insurance, notice of such cancellation, modification or non-renewal and, if requested by the Agent, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Agent, including an insurance binder) together with evidence reasonably satisfactory to the Agent of payment of the premium therefor

6.08 Compliance with Requirements of Laws. Comply in all material respects with the Requirements of Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except if the failure to comply therewith could not reasonably be expected individually or in the aggregate to have a Material Adverse Effect.

6.09 [Reserved].

6.10 Inspection Rights.

(a) (i) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all applicable Requirement of Law shall be made of all material dealings and transactions in relation to its business and activities, (ii) permit representatives of any Lender to visit and inspect any of its properties (in the case of any real property lease, to the extent permitted in the relevant lease agreement) and examine and make abstracts from any of its books and records upon reasonable prior notice and during normal business hours (provided that such visits shall be coordinated by the Agent), (iii) permit representatives of any Lender to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Parent, Holdings, the Borrower and its Restricted Subsidiaries with officers and employees of the Parent, Holdings, the Borrower and its Restricted Subsidiaries, and (provided that any Lender shall coordinate any request for such discussions through the Agent), (iv) permit representatives of the Agent to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Parent, Holdings, the Borrower and its Restricted Subsidiaries with its independent certified public accountants; provided that a Responsible Officer of the Parent or the Borrower shall be present during such discussion and any such discussions with the Parent's independent certified public accountants at the Parent's expense shall, except while an Event of Default has occurred and is continuing, be limited to one meeting per calendar year; provided , however , that when an Event of Default exists the Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Loan Parties at any time during normal business hours with reasonable prior notice.

(b) Upon the request of the Agent after reasonable prior written notice, permit the Agent or professionals (including investment bankers, consultants, accountants, lawyers and appraisers) retained by the Agent to conduct commercial finance examinations and inventory appraisals, including,

without limitation, of (i) the Borrower's practices in the computation of the Borrowing Base and (ii) the assets included in the Borrowing Base and related financial information such as, but not limited to, sales, gross margins, payables, accruals and reserves. Subject to the immediately succeeding sentence, the Loan Parties shall pay the reasonable and documented out-of-pocket fees and expenses of the Agent and such professionals with respect to such examinations and inventory appraisals. The Agent may conduct (A) one (1) commercial finance examination and one (1) inventory appraisal in any twelve month period at the Borrower's expense, provided that , in the event that Excess Availability is less than 25% of the Loan Cap for longer than three (3) consecutive Business Days, the Agent may undertake two (2) commercial finance examinations and two (2) inventory appraisals in any twelve month period at the Borrower's expense, and (B) one (1) additional commercial finance examination and one (1) additional inventory appraisal in any twelve month period as the Agent may require at the expense of the Lenders, and (C) additional commercial finance examinations and inventory appraisals as the Agent may require in its reasonable discretion if a Specified Event of Default has occurred and is continuing, at the expense of the Borrower.

6.11 Additional Collateral and Additional Loan Parties. (a) With respect to any Property (other than Excluded Property (as defined in the Security Documents)) located in the United States acquired after the Closing Date by any Loan Party (other than (x) any interests in real property and any Property described in paragraph (b) of this Section 6.11 , (y) any Property subject to a Lien expressly permitted by Section 7.01 (g) and (z) Instruments, Certificated Securities, Securities and Chattel Paper, which are referred to in the last sentence of this paragraph (a)) as to which the Agent for the benefit of the Secured Parties does not have a perfected Lien, promptly (i) give notice of such Property to the Agent and execute and deliver to the Agent such amendments to the Security Documents or such other documents as the Agent reasonably requests to grant to the Agent for the benefit of the Secured Parties a security interest in such Property and (ii) take all actions reasonably requested by the Agent to grant to the Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required hereunder) in such Property (with respect to Property of a type owned by a Loan Party as of the Closing Date to the extent the Agent for the benefit of the Secured Parties, has a perfected security interest in such Property as of the Closing Date), including, without limitation, if applicable, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Security Documents or by law or as may be reasonably requested by the Agent. Any Instrument, Certificated Security (other than in respect of the Equity Interests of any Subsidiary to the extent that the delivery of certificates representing such Equity Interests are not otherwise required to be delivered pursuant to clause (c) or (d) below), Security or Chattel Paper in excess of $500,000 shall be promptly delivered to the Agent indorsed in a manner reasonably satisfactory to the Agent to be held as Collateral pursuant to the relevant Security Document.

(b) With respect to any fee interest in any real property located in the United States having a value (together with improvements thereof) of at least $2,000,000 acquired after the Closing Date by any Loan Party (other than any such real property subject to a Lien expressly permitted by Section 7.01(g)), (i) give notice of such acquisition to the Agent and execute and deliver a first priority Mortgage (subject to Liens permitted by Section 7.01) in favor of the Agent for the benefit of the Secured Parties, covering such real property (provided that no Mortgage nor survey shall be obtained if the Agent determines in consultation with the Borrower that the costs of obtaining such Mortgage or survey are excessive in relation to the value of the security to be afforded thereby), (ii) provide the Lenders with (1) a lenders' title insurance policy with extended coverage covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Agent) as well as (2) "Life-of-Loan" flood hazard determination (together with an executed notice to the Borrower) and evidence of flood insurance, if applicable and (3) a current ALTA survey thereof, together with a surveyor's certificate unless the title insurance policy

referred to above shall not contain an exception for any matter shown by a survey (except to the extent an existing survey has been provided and specifically incorporated into such title insurance policy) and shall include all reasonably requested survey-related endorsements, each in form and substance reasonably satisfactory to the Agent, and (iii) deliver to the Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Agent.

(c) With respect to any new Domestic Subsidiary that is a Material Subsidiary (and is not an Unrestricted Subsidiary) created or acquired after the Closing Date (which, for the purposes of this paragraph, shall include (x) any previously non-wholly owned Domestic Subsidiary that becomes wholly owned and is a Material Subsidiary (and is not an Unrestricted Subsidiary) and (y) any Domestic Subsidiary that was previously an Immaterial Subsidiary or an Unrestricted Subsidiary and becomes a Material Subsidiary (and is not an Unrestricted Subsidiary) or a Restricted Subsidiary, as applicable) by any Loan Party, promptly (i) give notice of such acquisition or creation to the Agent and, if requested by the Agent, execute and deliver to the Agent such amendments to the Security Documents or such other documents as the Agent reasonably deems necessary to grant to the Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required hereby) in the Equity Interests of such new Subsidiary that is owned by such Loan Party, (ii) deliver to the Agent copies the certificates, if any, representing such Equity Interests, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Loan Party (with originals to be delivered to the Term Agent), and (iii) if such new Subsidiary is a wholly owned Domestic Subsidiary (and is not an Unrestricted Subsidiary or an Immaterial Subsidiary), cause such new Subsidiary (A) to provide a Facility Guaranty and become a party to the Security Documents and (B) to take such actions necessary or advisable to grant to the Agent for the benefit of the Secured Parties a perfected security interest (to the extent required by the Security Documents and with the priority required hereby) in the Collateral described in the Security Documents with respect to such new Subsidiary (to the extent the Agent, for the benefit of the Secured Parties, has a perfected security interest in the same type of Collateral as of the Closing Date), including, without limitation, if applicable, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Security Documents or by law or as may be reasonably requested by the Agent.

(d) With respect to any new first tier Foreign Subsidiary that is a Material Subsidiary (and is not an Unrestricted Subsidiary) created or acquired after the Closing Date (which, for the purposes of this paragraph, shall include any first-tier Foreign Subsidiary that previously was an Immaterial Subsidiary or an Unrestricted Subsidiary and becomes a Material Subsidiary or a Restricted Subsidiary, as applicable) by any Loan Party, promptly (i) give notice of such acquisition or creation to the Agent and, if requested by the Agent, execute and deliver to the Agent such amendments to the Security Documents or such other documents as the Agent deems necessary or reasonably advisable in order to grant to the Agent, for the benefit of the Secured Parties, a perfected security interest (to the extent required by the Security Documents and with the priority required hereby) in the Equity Interests of such new Subsidiary that is owned by such Loan Party (provided that in no event shall more than 65% of the total outstanding voting Equity Interests of any Foreign Subsidiary be required to be so pledged except to the extent such Foreign Subsidiary is a Loan Party hereunder), and, if applicable, (ii) to the extent permitted by applicable law, deliver to the Agent copies of the certificates, if any, representing such Equity Interests, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Loan Party (with originals to be delivered to the Term Agent), and take such other action as may be necessary or, in the reasonable opinion of the Agent, necessary to perfect or ensure appropriate priority the Lien of the Agent thereon.

Notwithstanding any provision set forth herein or in any other Loan Documents to the contrary, in no event shall (x) any Foreign Subsidiary be required to guarantee the obligations of the Borrower or any Domestic Subsidiary, (y) the assets of any Foreign Subsidiary constitute security or secure, or such assets or the proceeds of such assets be required to be available for, payment of the obligations of the Borrower or any Domestic Subsidiary, or (z) more than 65% of the voting stock of any Foreign Subsidiary directly held by the Borrower and its Domestic Subsidiaries be required to be pledged to secure the obligations of the Borrower or any Domestic Subsidiary.

In no event shall compliance with this Section 6.11 waive or be deemed a waiver or Consent to any transaction giving rise to the need to comply with this Section 6.11 if such transaction was not otherwise expressly permitted by this Agreement or constitute or be deemed to constitute, with respect to any Subsidiary, an approval of such Person as the Borrower or permit the inclusion of any acquired assets in the computation of the Borrowing Base.

6.12 Cash Management .

(a) On or prior to the Closing Date, each of the Loan Parties shall:

(i) deliver to the Agent copies of notifications (each, a " Credit Card Notification ") substantially in the form attached hereto as Exhibit H which have been executed on behalf of such Loan Party and delivered to each of such Loan Party's Credit Card Processors which Credit Card Processors are listed on Schedule 5.25(b) ; and

(ii) enter into a Blocked Account Agreement in form and substance reasonably satisfactory to the Agent with each bank at which one or more Blocked Accounts are maintained (each, a " Blocked Account Bank ") covering such Blocked Accounts; provided that, such Blocked Account Agreements may be put in place within sixty (60) days following the Closing Date (or such longer period as the Agent may agree in its Permitted Discretion).

(b) The Loan Parties shall ACH or wire transfer no less frequently than daily (and whether or not there are then any outstanding Obligations) to a Blocked Account subject to a Blocked Account Agreement all of the following (other than, in each case, amounts maintained in any Excluded DDA or proceeds from the sale of Inventory in the Loan Parties' retail stores on deposit in one or more Retail DDAs):

(i) all proceeds of collections of Accounts;

(ii) all net proceeds, and all other cash payments received by a Loan Party from any Person or from any source or on account of any sale or other transaction or event;

(iii) all available cash receipts from the sale of Inventory (including without limitation, proceeds of credit card charges) and other assets (whether or not constituting Collateral); and

(iv) the then contents of each DDA (other than any Excluded DDA or Retail DDA) (net of any minimum balance, not to exceed $300,000 in the aggregate for all DDAs (other than any Excluded DDA or Retail DDA) at any time).

(c) The Loan Parties shall promptly (and, in any event, within two (2) Business Days) ACH or wire transfer (and whether or not there are then any outstanding Obligations) to a Blocked Account subject to a Blocked Account Agreement all amounts on deposit in each of the Retail DDAs to the extent that those amounts exceed: (i) $50,000 on deposit in any individual Retail DDA, or (ii) $5,000,000 on deposit in all Retail DDAs in the aggregate.

(d) Upon the occurrence and during the continuance of a Cash Dominion Event and receipt of notice from the Agent (and whether or not there are then any outstanding Obligations), in addition to the requirements set forth in clause (b) above:

(i) the Loan Parties shall ACH or wire transfer no less frequently than daily to a concentration account maintained by the Agent at Bank of America (the " Collection Account ") the then contents of each DDA (other than any Excluded DDA) (net of any minimum balance, not to exceed $300,000 in the aggregate for all DDAs (other than any Excluded DDA) at any time); and

(ii) the Loan Parties shall, and shall cause each Blocked Account Bank to, ACH or wire transfer no less frequently than daily to the Collection Account the then entire ledger balance of each Blocked Account (net of any minimum balance, not to exceed $2,500 for each Blocked Account, as may be required to be kept in the subject Blocked Account by the Blocked Account Bank).

The Loan Parties shall undertake all action which may be necessary to effectuate the foregoing ACH and wire transfers as and when required hereunder.

(e) The Collection Account shall at all times be under the sole dominion and control of the Agent. The Loan Parties hereby acknowledge and agree that (i) the Loan Parties have no right of withdrawal from the Collection Account, (ii) the funds on deposit in the Collection Account shall at all times be collateral security for the Obligations, and (iii) the funds on deposit in the Collection Account shall be applied as provided in this Agreement. In the event that, notwithstanding the provisions of this Section 6.12 , any Loan Party receives or otherwise has dominion and control of any such proceeds or collections while a Cash Dominion Event exists, such proceeds and collections shall be held in trust by such Loan Party for the Agent, shall not be commingled with any of such Loan Party's other funds or deposited in any account of such Loan Party and shall, not later than the Business Day after receipt thereof, be deposited into the Collection Account or dealt with in such other fashion as such Loan Party may be instructed by the Agent. Notwithstanding the foregoing, to the extent that no Obligations are outstanding, any amounts deposited in the Collection Account shall be disbursed by the Agent to such depository accounts as may be designated by the Borrower.

(f) Upon the reasonable request of the Agent, the Loan Parties shall cause bank statements and/or other reports to be delivered to the Agent not less often than monthly, accurately setting forth all amounts deposited in each Blocked Account to ensure the proper transfer of funds as set forth above.

6.13 Cycle Counts; Physical Count .

Cause cycle counts to be undertaken, at the expense of the Loan Parties, consistent with past practices, following such methodology as is consistent with the past business practices of the Loan Parties. Cause a physical count of the Inventory to be undertaken, at the expense of the Loan Parties, no less than one time per Fiscal Year. Upon the Agent's reasonable request therefor, the Borrower shall provide the Agent with the results of any such cycle count and/or physical count.

6.14 Environmental Laws .

Except, in each case, to the extent that the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) comply, and take all reasonable actions to cause any lessees and other Persons operating or occupying its properties to comply with all applicable Environmental Laws and Environmental Permits; (b) obtain and renew all Environmental Permits necessary for its operations and properties; and, (c) in each case to the extent required by applicable Environmental Laws, conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Materials of Environmental Concern from any of its properties, in accordance with the requirements of all applicable Environmental Laws.

6.15 Further Assurances.

Maintain the security interest created by the Security Documents as a perfected security interest having at least the priority described herein (if applicable, to the extent such security interest can be perfected through the filing of UCC-1, financing statements and other filings required under applicable Requirement of Law, the Intellectual Property filings to be made pursuant to the Security Documents or the delivery of Pledged Securities required to be delivered under the Security Documents), subject to the rights of the Loan Parties under the Loan Documents to dispose of the Collateral. From time to time the Loan Parties shall execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, or of renewing the rights of the Secured Parties with respect to the Collateral as to which the Agent, for the ratable benefit of the Secured Parties, has a perfected Lien pursuant hereto or thereto, including, without limitation, filing any financing or continuation statements or financing change statements under the Uniform Commercial Code or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby.

6.16 Post-Closing Obligations.

Perform all actions identified on Schedule 6.16 by the deadlines set forth therein as such deadlines may be extended by the Agent in its reasonable discretion.

ARTICLE VII
NEGATIVE COVENANTS

Until the Payment in Full of the Obligations, no Loan Party shall, nor shall it permit any Restricted Subsidiary to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for:

(a) Liens for taxes, assessments or other governmental charges or levies not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Restricted Subsidiaries, as the case may be, to the extent required by GAAP;

(b) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 90 days, that are being contested in good faith by appropriate proceedings or the existence of which, individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect

(c) [reserved];

(d) deposits and other Liens to secure the performance of bids, trade contracts (other than for borrowed money), leases, subleases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, zoning restrictions, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not materially detract from the value of the Property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Restricted Subsidiaries;

(f) Liens (i) in existence on the date hereof listed on Schedule 7.01(e) (or to the extent not listed on Schedule 7.01(f) , where the fair market value of the Property to which such Lien is attached is less than $500,000), (ii) securing Indebtedness permitted by Section 7.03(d) and (iii) created after the date hereof in connection with any refinancing, refundings, or renewals or extensions thereof permitted by Section 7.03(d) ; provided that no such Lien (other than Liens in favor of landlords filed prior to the date hereof) encumbers ABL Priority Collateral or is spread to cover any additional Property of the Borrower or any Restricted Subsidiary after the Closing Date other than (y) after-acquired property that is affixed or incorporated into the property covered by such Lien or financed by such Indebtedness, and (z) proceeds and products thereof;

(g) Liens securing Indebtedness of the Borrower or any Restricted Subsidiary incurred pursuant to Section 7.03(c) , 7.03(f) , 7.03(j) or 7.03(o) ; provided that in the case of any such Liens securing Indebtedness incurred pursuant to Section 7.03(c) or 7.03(j) to the extent incurred to finance Permitted Acquisitions or Investments permitted under Section 7.02 , (x) such Liens shall be created substantially concurrently with the acquisition of the assets financed by such Indebtedness, such Liens do not at any time encumber any Property of the Borrower or any Restricted Subsidiary other than the Property financed by such Indebtedness (which shall not include ABL Priority Collateral) and the proceeds thereof and after-acquired property subjected to a Lien securing Indebtedness and other obligations incurred prior to such time (and which Indebtedness and other obligations are permitted hereunder) that require, pursuant to their terms at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any property which such requirement would not have applied but for such acquisition;

(h) Liens created pursuant to the Security Documents;

(i) any interest or title of a lessor or licensor under any leases or subleases, licenses or sublicenses entered into by the Borrower or any Restricted Subsidiary in the ordinary course of its business and covering only the assets so leased or licensed, and any financing statement filed in connection with any such lease or license;

(j) Liens arising from judgments in circumstances not constituting an Event of Default under Section 8.01(g) ;

(k) Liens on Property (other than ABL Priority Collateral) acquired pursuant to a Permitted Acquisition under Section 7.02(f) (and the proceeds thereof) or Property (other than ABL Priority Collateral) of a Subsidiary Guarantor in existence at the time such Subsidiary Guarantor is acquired pursuant to a Permitted Acquisition under Section 7.02(f) and not created in contemplation thereof;

(l) Liens on Property of Non-Guarantor Subsidiaries securing Indebtedness or other obligations not prohibited by this Agreement to be incurred by such Non-Guarantor Subsidiaries;

(m) with respect to any Non-Guarantor Subsidiaries, receipt of progress payments and advances from customers in the ordinary course of business to the extent same creates a Lien on the related inventory and proceeds thereof;

(n) Liens in favor of customs and revenue authorities arising as a matter of law to secure the payment of customs duties in connection with the importation of goods;

(o) Liens arising out of consignment or similar arrangements for the sale by the Borrower and its Restricted Subsidiaries of goods through third parties in the ordinary course of business;

(p) Liens solely on any cash earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with an Investment permitted by Section 7.02 ;

(q) Liens deemed to exist in connection with Investments permitted by Section 7.02(b) that constitute repurchase obligations;

(r) Liens upon specific items of inventory or other goods and proceeds of any Non-Guarantor Subsidiaries arising in the ordinary course of business securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(s) Liens on cash or cash equivalents securing any Hedge Agreement permitted hereunder;

(t) other Liens covering Property other than ABL Priority Collateral with respect to obligations (other than for borrowed money) that do not exceed $5,000,000 in the aggregate at any one time outstanding;

(u) the rights reserved or vested in any Person by the terms of any lease, license, franchise, grant or permit held by the Borrower or any of its Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(v) banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution;

(w) Liens arising from Uniform Commercial Code financing statement regarding operating leases or consignments entered into by the Borrower and its Restricted Subsidiaries in the ordinary course of business;

(x) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business; and (iii) in favor of a banking institution arising as a matter of law encumbering deposits, securities and movables) and which are within the general parameters customary in the banking industry;

(y) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(z) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any Restricted Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(aa) Liens solely on any cash earnest money deposits made by the Borrower or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement not prohibited hereunder;

(bb) Liens arising by operation of law under Article 2 of the Uniform Commercial Code in favor of a reclaiming seller of goods or buyer of goods;

(cc) security given to a public or private utility or any governmental authority as required in the ordinary course of business;

(dd) Liens on securities which are the subject of repurchase agreements incurred in the ordinary course of business; and

(ee) so long as the same is subject to the Intercreditor Agreement, Liens on Collateral securing Indebtedness incurred pursuant to Section 7.03(u) and any other "Obligations" as defined in the Term Facility.

7.02 Investments . Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Equity Interests, bonds, notes, debentures or other debt securities of, or all or substantially all of the assets constituting an ongoing business from, or make any other investment in, any other Person, other than guarantees of operating leases in the ordinary course of business (all of the foregoing, " Investments "), except:

(a) extensions of trade credit in the ordinary course of business;

(b) Investments in Cash Equivalents;

(c) Investments arising in connection with the incurrence of Indebtedness permitted by Sections 7.03(b) , (e) and (h) ;

(d) loans and advances to employees of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries in the ordinary course of business in an aggregate amount (for the Parent, Holdings, the Borrower and all such Restricted Subsidiaries) not to exceed $2,000,000 (excluding (for purposes of such cap) travel and entertainment expenses, but including relocation expenses) at any one time outstanding;

(e) Investments (other than those relating to the incurrence of Indebtedness permitted by Section 7.03(c)) by the Borrower or any of its Restricted Subsidiaries in the Borrower or any Person that, prior to such Investment, is a Subsidiary Guarantor or is a Subsidiary that becomes a Subsidiary Guarantor at the time of such Investment;

(f) Permitted Acquisitions by the Borrower;

(g) loans by the Borrower or any of its Restricted Subsidiaries to the officers or directors of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries in connection with management incentive plans; provided that such loans represent cashless transactions pursuant to which such officers or directors directly invest the proceeds of such loans in the Equity Interests of the Parent;

(h) as long as no Specified Event of Default has occurred and is continuing, Investments by the Borrower and its Restricted Subsidiaries in joint ventures or similar arrangements in an aggregate amount (for the Borrower and all Restricted Subsidiaries) not to exceed $5,000,000 at any one time outstanding;

(i) Investments (including debt obligations) received in the ordinary course of business by the Borrower or any Restricted Subsidiary in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising out of the ordinary course of business;

(j) Investments by any Non-Guarantor Subsidiary in any other Non-Guarantor Subsidiary;

(k) Investments in existence on the Closing Date and listed on Schedule 7.02 ;

(l) Investments of the Borrower or any Restricted Subsidiary under Hedge Agreements permitted hereunder;

(m) Investments of any Person in existence at the time such Person becomes a Restricted Subsidiary; provided that such Investment was not made in connection with or anticipation of such Person becoming a Restricted Subsidiary; provided , that Investments in Non-Guarantor Subsidiaries and joint ventures permitted under this clause (m) shall be subject to the baskets applicable thereto in Sections 7.02(h) and 7.02(o) ;

(n) Subsidiaries of the Borrower may be established or created, if (i) to the extent such new Subsidiary is a Domestic Subsidiary, the Borrower and such Subsidiary comply with the provisions of Section 6.11(c) and (ii) to the extent such new Subsidiary is a Foreign Subsidiary, the Borrower complies with the provisions of Section 6.11(d) ; provided that, in each case, to the extent such new Subsidiary is created solely for the purpose of consummating a merger transaction pursuant to an acquisition or Investment permitted by Section 7.02(f) , 7.02(p) , 7.02(w) or 7.02(x) , and such new Subsidiary at no time holds any assets or liabilities other than any merger consideration contributed to it contemporaneously with the closing of such merger transactions, such new Subsidiary shall not be required to take the actions set forth in Section 6.11(c) or 6.11(d) , as applicable, until the respective acquisition is consummated (at which time the surviving entity of the respective merger transaction shall be required to so comply within ten Business Days);

(o) as long as no Specified Event of Default has occurred and is continuing, Investments by the Borrower or any Subsidiary Guarantor in any Non-Guarantor Subsidiary in an aggregate amount (for the Borrower and all Subsidiary Guarantors) not to exceed $5,000,000 less the amount of Indebtedness incurred pursuant to Section 7.03(h) at any time outstanding;

(p) Investments arising directly out of the receipt by the Borrower or any Restricted Subsidiary of non-cash consideration for any sale of assets (other than assets of the type included in the Borrowing Base) permitted under Section 7.05 ; provided that such non-cash consideration shall in no event exceed 25% of the total consideration received for such sale;

(q) Investments resulting from pledges and deposits referred to in Sections 7.02(c) and (d);

(r) the forgiveness or conversion to equity of any Indebtedness permitted by Section 7.03(b) , (e) or (h) ;

(s) any Investment in a Foreign Subsidiary to the extent such Investment is substantially contemporaneously repaid in full with a dividend or other distribution from such Foreign Subsidiary;

(t) Guarantee Obligations permitted by Section 7.03 and any payments made in respect of such Guarantees Obligations; and

(u) other Investments of the types not described above, provided that the Payment Conditions are satisfied at the time of making any such Investment.

It is further understood and agreed that for purposes of determining the value of any Investment outstanding for purposes of this Section 7.02 , such amount shall deemed to be the amount of such Investment when made, purchased or acquired less any returns on such Investment (not to exceed the original amount invested).

7.03 Indebtedness . Create, issue, incur, assume, or suffer to exist any Indebtedness, except:

(a) Indebtedness of the Parent, Holdings, the Borrower or any Subsidiary Guarantor pursuant to any Loan Document or Hedge Agreements;

(b) Indebtedness (i) of the Borrower to any of its Restricted Subsidiaries, (ii) of any Subsidiary Guarantor to the Borrower or any Restricted Subsidiary, and (iii) of any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary; provided that (x) in the case of Indebtedness owing to a Loan Party, such Indebtedness shall be evidenced by one or more promissory notes that are pledged to the Agent (or the Term Agent in accordance with the terms of the Intercreditor Agreement) for the benefit of the Secured Parties pursuant to the Guarantee and Collateral Agreement and (y) in the case of any Indebtedness owing by a Loan Party to a Restricted Subsidiary that is not a Subsidiary Guarantor, (A) such Indebtedness shall be on subordination terms reasonably satisfactory to the Agent and (B) such Indebtedness shall be otherwise permitted under the provisions of Section 7.02.

(c) (i) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.01(g) in an aggregate principal amount not to exceed, together with any Permitted Amendment or Refinancing referred to in the following clause (iii) hereof, $10,000,000 at any one time outstanding; (ii) Indebtedness arising out of sale and leaseback transactions permitted by Section 7.15 ; and (iii) any Permitted Amendment or Refinancing of any of the foregoing;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.03(d) and any Permitted Amendment or Refinancing thereof;

(e) Guarantee Obligations (i) by the Borrower or any of its Restricted Subsidiaries of obligations of the Borrower or any Subsidiary Guarantor, (ii) by any Non-Guarantor Subsidiary of obligations of any Non-Guarantor Subsidiary or (iii) by Parent of lease obligations of Borrower or a Restricted Subsidiary;

(f) Indebtedness of Non-Guarantor Subsidiaries in respect of local lines of credit, letters of credit, bank guarantees, factoring arrangements, sale/leaseback transactions and similar extensions of credit in the ordinary course of business not to exceed at any one time outstanding an aggregate principal amount equal to $5,000,000;

(g) Indebtedness of the Borrower or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn by the Borrower or such Restricted Subsidiary in the ordinary course of business against insufficient funds, so long as such Indebtedness is promptly repaid;

(h) (i) Indebtedness of any Non-Guarantor Subsidiary to the Borrower or any Subsidiary Guarantor and (ii) Guarantee Obligations of the Borrower or any Subsidiary Guarantor of Indebtedness of any Non-Guarantor Subsidiaries, in an aggregate principal amount for all such Indebtedness and, without duplication, Guarantee Obligations not to exceed, together with any Investments under Section 7.02(p) , $5,000,000 at any one time outstanding;

(i) additional Indebtedness of the Borrower or any of its Restricted Subsidiaries in an aggregate principal amount (for the Borrower and all Restricted Subsidiaries) not to exceed $10,000,000 at any one time outstanding; provided that up to $5,000,000 of such indebtedness may be secured by Liens permitted by Section 7.01(t) ;

(j) Indebtedness under a Permitted Seller Note issued as consideration in connection with an acquisition permitted under Section 7.02(f) , in an aggregate principal amount not to exceed, together with any Permitted Amendment or Refinancing referred to in this clause (j) $10,000,000 at any one time outstanding together with any Permitted Amendment or Refinancing thereof; provided that any such Indebtedness shall be subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent;

(k) Indebtedness of the Borrower or any of its Restricted Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits, property casualty or liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations, performance, bid and surety bonds and completion guaranties, in each case in the ordinary course of business;

(l) Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries arising from agreements providing for indemnification or adjustment of purchase price or similar obligations in any case incurred in connection with an acquisition or other Investment permitted by Section 7.02(f) or the disposition of any business, assets or Restricted Subsidiary;

(m) unsecured, senior, senior subordinated or subordinated Indebtedness of Parent, Holdings, the Borrower (including guarantees thereof by any Subsidiary Guarantor) (such Indebtedness and/or guarantees incurred under this clause (m) or any Permitted Amendment or Refinancing thereof being collectively referred to as the " Junior Indebtedness "); provided that (i) no scheduled principal payments, prepayments, redemptions or sinking fund or like payments of any Junior Indebtedness shall be required prior to the date at least 180 days after the then Latest Maturity Date), (ii) the terms of any Junior Indebtedness shall be usual and customary for high yield securities, (iii) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such Indebtedness or would result therefrom, (iv) in the case of Junior Indebtedness that is subordinated Indebtedness, (A) the terms of subordination applicable to any Junior Indebtedness shall be reasonably satisfactory to the Agent and shall, in any event, define "senior indebtedness" or a similar phrase for purposes thereof to include all of the Obligations of the Loan Parties and (B) after giving effect to the incurrence of such Junior

Indebtedness, the Parent shall be in compliance with Section 7.18 , calculated on a pro forma basis for the period as if such Junior Indebtedness had been incurred on the first day of such period ending on or prior to such date) and (v) in the case of Junior Indebtedness that is unsecured senior Indebtedness, after giving effect to the incurrence of such Junior Indebtedness, the Parent shall be in compliance with Section 7.18 , calculated on a pro forma basis as if such Junior Indebtedness had been incurred on the first day of such period ending on or prior to such date);

(n) other unsecured Indebtedness of the Borrower; provided that (i) no scheduled principal payments, prepayments, redemptions or sinking fund or like payments of any Unsecured Indebtedness shall be required prior to the date at least 180 days after the Maturity Date, (ii) the terms of any such unsecured Indebtedness shall be usual and customary for high yield securities, (iii) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such Indebtedness or would result therefrom, and (iv) after giving effect to the incurrence of such unsecured Indebtedness, the Payment Conditions shall be satisfied;

(o) Indebtedness of any Person that becomes a Restricted Subsidiary as part of a Permitted Acquisition or any Investment permitted by Section 7.02 after the Closing Date and any Permitted Amendment or Refinancing thereof; provided that (A) such acquired Indebtedness exists at the time such Person becomes a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary (except to the extent such acquired Indebtedness refinanced (and did not increase principal (except for accrued interest and premium (including tender premiums and make whole amounts) thereon plus other reasonable and customary fees and expenses including upfront fees, original issue discount and defeasance costs) or shorten maturity during the term of this Agreement) other Indebtedness to facilitate such entity becoming a Restricted Subsidiary), (B) the aggregate principal amount of Indebtedness permitted by this clause (o)(i) shall not at any one time outstanding exceed together with any Permitted Amendment or Refinancing referred to in the following clause (ii) hereof, $5,000,000 and (ii) any Permitted Amendment or Refinancing;

(p) [reserved];

(q) [reserved];

(r) Indebtedness consisting of promissory notes issued by the Borrower or any Guarantor to current or former officers, consultants and directors or employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of the Parent or Holdings issued in lieu of cash payment; provided that such purchase or redemption is permitted under Section 7.06 ;

(s) Indebtedness of the Borrower or any Restricted Subsidiary consisting of the financing of insurance premiums in the ordinary course of business;

(t) guaranties in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of the Borrower and its Restricted Subsidiaries;

(u) Indebtedness of a Borrower or a Guarantor in respect of the Term Facility and any Permitted Amendment or Refinancing thereof; and

(v) Indebtedness consisting of earn-outs and similar deferred consideration in consideration in connection with a Permitted Acquisition or other Investment permitted by Section 7.02 in an aggregate amount outstanding at any one time not to exceed $10,000,000.

7.04 Fundamental Changes . Consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its Property or business, except that:

(a) (i) any Restricted Subsidiary may be merged, amalgamated, liquidated or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or (ii) any Restricted Subsidiary may be merged, amalgamated, liquidated or consolidated with or into any Subsidiary Guarantor (provided that (x) a Subsidiary Guarantor shall be the continuing or surviving corporation or (y) simultaneously with such transaction, the continuing or surviving corporation shall become a Subsidiary Guarantor and the Borrower shall comply with Section 6.11 in connection therewith);

(b) any Non-Guarantor Subsidiary may be merged or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary;

(c) any Non-Guarantor Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding-up or otherwise) to any Restricted Subsidiary;

(d) Dispositions permitted by Section 7.05 may be consummated;

(e) any Investment expressly permitted by Section 7.02 may be structured as a merger, consolidation or amalgamation;

(f) any Excluded Subsidiary may be dissolved or liquidated; and

(g) So long as no Default or Event of Default is continuing or would result therefrom, Holdings may be merged with and into Vince, with Vince being the surviving entity in such merger.

7.05 Dispositions . Dispose of any of its owned Property (including, without limitation, receivables) whether now owned or hereafter acquired, or, in the case of any Restricted Subsidiary, issue or sell any shares of such Restricted Subsidiary's Equity Interests to any Person, except:

(a) the Disposition of surplus, obsolete or worn out property in the ordinary course of business;

(b) (i) the sale of inventory in the ordinary course of business, (ii) the cross-licensing or licensing of Intellectual Property, in the ordinary course of business and (iii) the contemporaneous exchange, in the ordinary course of business, of Property for Property of a like kind (other than as set forth in clause (ii)), to the extent that the Property received in such exchange is of a value equivalent to the value of the Property exchanged (provided that after giving effect to such exchange, the value of the Property of the Borrower or any Subsidiary Guarantor subject to perfected first priority Liens in favor of the Agent under the Security Documents is not materially reduced, [and provided that the terms of such licenses shall not restrict the right of the Agent to use such Intellectual Property in connection with the conduct of a Liquidation)];

(c) Dispositions permitted by Section 7.04 ;

(d) (i) the Disposition of other assets not constituting ABL Priority Collateral, so long as at least (i) 75% of the consideration received by the disposing Person is cash or Cash Equivalents, (ii) any such Disposition is made for fair market value, as determined in good faith and approved by the board of directors or similar governing body of the disposing Person and (ii) any Recovery Event;

(e) the sale or issuance of any Subsidiary's Equity Interests to the Borrower or any Subsidiary Guarantor; provided that the sale or issuance of Equity Interests of an Unrestricted Subsidiary to the Borrower or any Subsidiary Guarantor is otherwise permitted by Section 7.02 ;

(f) bulk sales or other dispositions of Inventory of a Loan Party not in the ordinary course of business, at arms' length, in connection with (i) Permitted Store Closings and (ii) additional store closings not to exceed in any Fiscal Year of the Borrower and its Subsidiaries, 10% of the total number of stores in existence on the first day of such Fiscal Year so long as, with respect to any store closing permitted under this subclause (ii) , a new store is opened within twelve (12) months of such store closing and no more than thirty (30) miles from the location of the store that is closed (it being understood and agreed that any new store opened under this subclause (ii) in the Fiscal Year following the year in which the store it replaced closed shall not be included in the "net" calculation referenced in the parenthetical set forth in the definition of "Permitted Store Closings");

(g) the leasing, occupancy agreements or sub-leasing of Property that would not materially interfere with the required use (if any) of such Property by the Borrower or their respective Restricted Subsidiaries;

(h) the sale or discount, in each case without recourse and in the ordinary course of business, of overdue accounts receivable arising in the ordinary course of business, but only (i) in connection with the compromise or collection thereof consistent with the Borrower's commercially reasonable business judgment (and not as part of any bulk sale or financing of receivables), and (ii) provided that, if such overdue accounts constitute Eligible Credit Card Receivables or Eligible Trade Receivables, the Borrower receives not less than the amounts borrowed or available to be borrowed under the Borrowing Base therefor;

(i) transfers of condemned property as a result of the exercise of "eminent domain" or other similar policies to the respective Governmental Authority or agency that has condemned same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement;

(j) the Disposition of any Immaterial Subsidiary or any Unrestricted Subsidiary or their respective assets;

(k) the transfer of Property (i) by the Borrower or any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor provided that any such transfer made by any Loan Party in a Foreign Subsidiary shall be subject to satisfaction of the Payment Conditions; or (ii) from a Non-Guarantor Subsidiary to (A) the Borrower or any Subsidiary Guarantor for no more than fair market value or (B) any other Non-Guarantor Subsidiary that is a Restricted Subsidiary; provided that any sale or issuance of Equity Interests of an Unrestricted Subsidiary to the Borrower or any Subsidiary Guarantor is otherwise permitted by Section 7.02 ;

(l) the Disposition of Cash Equivalents in the ordinary course of business;

(m) sale and leaseback transactions permitted by Section 7.15 ;

(n) Liens permitted by Section 7.01 ;

(o) Restricted Payments permitted by Section 7.06 ;

(p) the cancellation of intercompany Indebtedness among the Borrower and any Subsidiary Guarantor;

(q) Investments permitted by Section 7.02 ; and

(r) the sale or issuance of the Equity Interests of (i) any Foreign Subsidiary that is a Restricted Subsidiary to any other Foreign Subsidiary that is a Restricted Subsidiary or (ii) any Foreign Subsidiary that is an Unrestricted Subsidiary to any other Foreign Subsidiary that is an Unrestricted Subsidiary, in each case, including, without limitation, in connection with any tax restructuring activities not otherwise prohibited hereunder.

7.06 Restricted Payments . Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement, cancellation, termination or other acquisition of, any Equity Interests of the Parent, Holdings, the Borrower or any Subsidiary, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Parent, Holdings, the Borrower or any Restricted Subsidiary, or enter into any derivatives or other transaction with any financial institution, commodities or stock exchange or clearinghouse (a " Derivatives Counterparty "), obligating the Parent, Holdings the Borrower or any Restricted Subsidiary to make payments to such Derivatives Counterparty as a result of any change in market value of any such Equity Interests (collectively, " Restricted Payments "), except that:

(a) any Subsidiary may make Restricted Payments, directly or indirectly, to the Borrower;

(b) Non-Guarantor Subsidiaries may make Restricted Payments to other Non-Guarantor Subsidiaries or to any Loan Party;

(c) the Loan Parties and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(d) [Reserved]

(e) [Reserved];

(f) the Borrower may make other Restricted Payments to Holdings who, in turn, may make other Restricted Payments to the Parent to permit the Parent to make payments required under the Tax Receivable Agreement;

(g) the Borrower may make other Restricted Payments to Holdings who, in turn, may make other Restricted Payments to the Parent who, in turn, may make other Restricted Payments to its stockholders so long as the RP Conditions are satisfied;

(h) the Borrower may declare and pay cash dividends to Holdings, and Holdings may declare and pay cash dividends to the Parent, not to exceed an amount necessary to permit Holdings or the Parent, as applicable, to pay its proportionate share of (i) reasonable and customary corporate and operating

expenses (including reasonable out-of-pocket expenses for legal, administrative and accounting services provided by third parties, and compensation, benefits and other amounts payable to officers and employees in connection with their employment in the ordinary course of business and to board of director observers), and (ii) franchise fees or similar taxes and fees required to maintain its corporate existence;

(i) Investments constituting Restricted Payments and permitted by Section 7.02 ;

(j) the Parent may make Restricted Payments in the form of common stock of the Parent or preferred stock of the Parent; and

(k) so long as no Default or Event of Default shall have occurred and be continuing, the Borrower may make Restricted Payments to Holdings and Holdings may make Restricted Payments to Parent, to permit Holdings or the Parent to purchase its common stock or common stock options from present or former officers, consultants and directors or employees (and their heirs, estates and assigns) of Parent, Holdings, the Borrower or any Subsidiary upon the death, disability or termination of employment of such officer or employee; provided that the aggregate amount of payments under this clause (k) in any fiscal year of the Parent shall not exceed the sum of (i) $2,000,000 plus any proceeds received from key man life insurance policies and (ii) any Restricted Payments permitted (but not made) pursuant to this clause (k) in the immediately prior fiscal year.

7.07 Prepayments of Indebtedness . Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Indebtedness, or make any payment in violation of any subordination terms of any Junior Indebtedness, except:

(a) payments of principal (including mandatory prepayments), interest and fees as and when due in respect of any Indebtedness (other than Subordinated Indebtedness) permitted under Section 7.03 hereof;

(b) the Borrower may prepay, redeem, repurchase or defease any Junior Indebtedness with the proceeds of any Permitted Amendment or Refinancing or pursuant to any asset sale tender offers required by the terms of such Indebtedness;

(c) voluntary prepayments, repurchases, redemptions or defeasances of (i) Indebtedness permitted under Section 7.03 hereof and not described in clause (b), above, and not constituting Subordinated Indebtedness or intercompany Indebtedness, as long as the Payment Conditions are satisfied, (ii) Subordinated Indebtedness in accordance with the applicable subordination terms thereof and as long as the Payment Conditions are satisfied, and (iii) intercompany Indebtedness in accordance with the applicable subordination terms thereof; and

(d) any Permitted Amendment or Refinancing of any such Indebtedness.

7.08 Change in Nature of Business.

(a) In the case of the Parent and Holdings, notwithstanding anything to the contrary in this Agreement or any other Loan Document:

(i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than (i) those incidental to its ownership of the Equity Interests of Holdings, the Borrower and (indirectly) the Subsidiaries of the Borrower and those incidental to Investments by or in the Parent or Holdings, as applicable, permitted hereunder, (ii) those incidental to the issuance of and performance under the Term Facility (or any other Indebtedness permitted under Section 7.03(p) , (q) or (u)) or any Permitted Amendment or Refinancing of the foregoing, (iii) activities incidental to the maintenance of its existence and compliance with applicable laws and legal, tax and accounting matters related thereto and activities relating to its employees (including but not limited to payment or reimbursement of indemnification obligations to its directors or officers and payment of board of directors fees), (iv) activities relating to the performance of obligations under the Loan Documents to which it is a party or expressly permitted thereunder, (v)engaging in activities incidental to being a public company, (vi) the receipt and payment of Restricted Payments permitted under Section 7.06 and (vii) the other transactions expressly permitted under this Section 7.08 ;

(ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (i) Indebtedness permitted by Section 7.03(m)(ii) nonconsensual obligations imposed by operation of law, (iii) pursuant to the Loan Documents to which it is a party, (iv) obligations with respect to its Equity Interests and options in respect thereof, (v) in respect of the Term Facility (or any other Indebtedness permitted under Section 7.03(p) , (q) or (u)) or any Permitted Amendment or Refinancing of the foregoing and (vi) obligations to its employees, officers and directors not prohibited hereunder; and (vii) guarantees permitted by 7.03(v).

(b) In the case of each of the Loan Parties, engage in any business, services, or activities substantially different from the business, services, or activities conducted by the Loan Parties and their Subsidiaries on the Closing Date or any business, service or activity incidental or directly related or similar to any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

7.09 Transactions with Affiliates . Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Parent, Holdings the Borrower or any Restricted Subsidiary) unless such transaction is (a) otherwise not prohibited under this Agreement and (b) upon fair and reasonable terms no less favorable to the Parent, Holdings the Borrower or such Restricted Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate. Notwithstanding the foregoing, the Borrower and its Restricted Subsidiaries may without being subject to the terms of this Section 7.09 , (i) enter into any transaction with any Person which is an Affiliate of the Parent only by reason of such Person and the Parent having common directors; (ii) enter into and perform its or their obligations under the agreements set forth on Schedule 7.9 , as in effect on the Closing Date or as the same may be amended, supplemented, replaced or otherwise modified from time to time in a manner that does not materially increase the obligations of the Loan Parties thereunder, and (iii) enter into transactions with Affiliates permitted by Sections 7.02(c) , 7.02(o) , 7.02(s) , 7.03(h) , 7.03(i) , 7.03(r) , 7.04(c) , 7.05(e) , 7.05(k)(ii) and 7.06 hereof. For the avoidance of doubt, this Section 7.09 shall not apply to employment arrangements with, and payments of compensation, indemnification payments, expense reimbursement or benefits to or for the benefit of, current or former employees, officers or directors of the Parent, Holdings the Borrower or any of its Restricted Subsidiaries.

7.10 Burdensome Agreements . Enter into any agreement that prohibits or limits the ability of the Parent, Holdings the Borrower or any of its Restricted Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired, to secure the Obligations or, in the case of any Guarantor, its obligations under the Security Documents, other than (a) this Agreement and the other Loan Documents, the Loan Documents under (and as defined in) the Term Facility and any agreement related to any Junior Indebtedness, and any Permitted Amendment or Refinancing thereof (b) any agreements governing any secured Indebtedness otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby and the proceeds thereof), (c) software and other Intellectual Property licenses pursuant to which the Parent, Holdings the Borrower or such Restricted Subsidiary is the licensee or licensor of the relevant software or Intellectual Property, as the case may be, (in which case, any prohibition or limitation shall relate only to the assets subject of the applicable license), (d) Contractual Obligations incurred in the ordinary course of business and on customary terms which limit Liens on the assets subject of the applicable Contractual Obligation or impose restrictions on cash or other deposits with respect thereto, (e) any agreements regarding Indebtedness of any Non-Guarantor Subsidiary not prohibited under Section 7.02 (in which case, any prohibition or limitation shall only be effective against the assets of such Non-Guarantor Subsidiary and its Subsidiaries), (f) prohibitions and limitations in effect on the date hereof and listed on Schedule 7.10 , (g) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business, (h) customary provisions restricting the subletting or assignment of any lease governing a leasehold interest, (i) customary restrictions and conditions contained in any agreement relating to an asset sale permitted by Section 7.04 or 7.05 (j) any agreement in effect at the time any Person becomes a Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary, and (k) any restrictions on Liens imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (f) and (j) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Borrower, no more restrictive with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

7.11 Use of Proceeds . Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund Indebtedness originally incurred for such purpose, or (b) for any purposes other than (i) the acquisition of working capital assets in the ordinary course of business, (ii) to finance Capital Expenditures of the Loan Parties and their Subsidiaries, and (iii) for general corporate purposes (including Permitted Acquisitions), in each case to the extent expressly permitted under Requirements of Law and the Loan Documents.

7.12 Amendment of Material Documents; Designation of Indebtedness .

(a) Amend, modify or otherwise change, or consent or agree to any amendment, modification, waiver or other change to (i) any agreement or instrument governing or evidencing Junior Indebtedness in any manner that is materially adverse to the Lenders without the prior consent of the Agent (which shall not be unreasonably withheld, conditioned or delayed).

7.13 Fiscal Year .

Change the Fiscal Year of any Loan Party, or, other than as permitted pursuant to Section 1.03 , the accounting policies or reporting practices of the Loan Parties, except as required by GAAP.

7.14 Deposit Accounts; Credit Card Processors .

Open new DDAs (other than Excluded DDAs and Retail DDAs) unless the Loan Parties shall have delivered to the Agent appropriate Blocked Account Agreements consistent with the provisions of Section 6.12 and otherwise satisfactory to the Agent. No Loan Party shall maintain any bank accounts or enter into any agreements with Credit Card Issuers or Credit Card Processors other than the ones expressly contemplated herein or in Section 6.12 hereof.

7.15 Sales and Leasebacks.

Enter into any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of real or personal property which is to be sold or transferred by the Borrower or such Restricted Subsidiary (a) to such Person or (b) to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or such Restricted Subsidiary, except for (i) sales or transfers that do not exceed $5,000,000 in the aggregate at any one time outstanding, (ii) sales or transfers by the Borrower or any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor and (iii) sales or transfers by any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary that is a Restricted Subsidiary.

7.16 Clauses Restricting Subsidiary Distributions.

Enter into any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) make Restricted Payments in respect of any Equity Interests of such Restricted Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any Restricted Subsidiary or (b) make Investments in the Borrower or any Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions with respect to such Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Equity Interests or assets of such Restricted Subsidiary, (iii) any restrictions set forth in the documentation for the Term Facility or any Junior Indebtedness or any Permitted Amendment or Refinancing of any of the foregoing, (iv) any restrictions contained in agreements related to Indebtedness of (A) the Borrower or any Subsidiary Guarantor with respect to the disposition of assets securing such Indebtedness (in which case, any prohibition or limitation shall only be effective against the assets financed thereby and the proceeds thereof) and (B) any Non-Guarantor Subsidiary not prohibited under Section 7.02 (in which case such restriction shall relate only to such Non-Guarantor Subsidiary and its Subsidiaries), (v) any restrictions regarding licenses or sublicenses by the Borrower and its respective Restricted Subsidiaries of Intellectual Property in the ordinary course of business (in which case such restriction shall relate only to such Intellectual Property), (vi) Contractual Obligations incurred in the ordinary course of business which include customary provisions restricting the assignment of any agreement relating thereto, (vii) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business, (viii) customary provisions restricting the subletting or assignment of any lease governing a leasehold interest, (ix) customary restrictions and conditions contained in any agreement relating to an asset sale permitted by Section 7.04 or 7.05 , (x) any agreement in effect at the time any Person becomes a Restricted Subsidiary, so long as such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary and (xi) such restrictions in effect on the

Closing Date and listed on Schedule 7.16 , (xii) negative pledges and restrictions on Liens and asset dispositions in favor of any holder of Indebtedness for borrowed money permitted under Section 7.03 but only if such negative pledge or restriction expressly permits Liens for the benefit of the Agent and the Lenders with respect to the credit facilities established hereunder and the Obligations under the Loan Documents on a senior basis and without a requirement that such holders of such Indebtedness be secured by such Liens equally and ratably or on a junior basis and (xiii) negative pledges and restrictions on Liens and asset dispositions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (x) and (xi) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Borrower, no more restrictive with respect to such encumbrance and other restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

7.17 Limitation on Hedge Agreements.

Enter into any Hedge Agreement other than Hedge Agreements entered into in the ordinary course of business or as required hereby, and not for speculative purposes, to protect against changes in interest rates or foreign exchange rates or commodity, raw material, energy or utility prices.

7.18 Financial Covenant .

(a) Minimum Consolidated EBITDA . During the continuance of a Covenant Compliance Event, permit the Consolidated EBITDA of the Parent, Holdings, the Borrower and its Restricted Subsidiaries to be less than $20,000,000, calculated as of the last day of each Fiscal Month as of the Most Recently Ended period of twelve Fiscal Months, commencing with the Fiscal Month ended on or immediately prior to the date that the Covenant Compliance Event occurs.

7.19 Tax Receivable Agreement.

Terminate, or agree to the termination of, the Tax Receivable Agreement.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment . The Borrower or any other Loan Party fails to pay (i) any amount of principal of any Loan or any L/C Obligation, or deposit any funds as Cash Collateral in respect of L/C Obligations when and as required to be paid, or (ii) any interest, fee or any other amount payable hereunder or under any other Loan Document, in each case within five Business Days after any such interest or other amount becomes due; or

(b) Specific Covenants . Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of (i) Sections 6.01 (a) , 6.01(b) , 6.02(b) , 6.03(a) , 6.05(a)(i) or Article VII , (ii) Section 6.02(c) (after a two (2) Business Day grace period), (iii) Section 6.01(c) (after a five (5) Business Day grace period), (iv) Sections 6.07 , 6.10(b) or 6.12) provided that, if (A) any such Default described in this clause (b)(iv) is of a type that can be cured within five (5) Business Days and (B) such Default could not materially adversely impact the Agent's Liens on the Collateral, such Default shall not constitute an Event of Default for five (5) Business Days after the occurrence of such Default so long as the Loan Parties are diligently pursuing the cure of such Default; or

(c) Other Defaults . Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the date that such Loan Party receives from the Agent or any Lender notice of the existence of such default; or

(d) Representations and Warranties . Any representation, warranty, certification or statement of fact made or deemed made by any Loan Party herein, in any other Loan Document, or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document (including, without limitation, any Borrowing Base Certificate) shall prove to have been inaccurate in any material respect when made or deemed made; or

(e) Cross-Default . The Parent, Holdings, the Borrower or any of their respective Restricted Subsidiaries shall (i) default in making any payment of any principal of any Material Indebtedness (excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event of default shall occur, the effect of which payment or other default or other event of default described in clauses (i), (ii) or (iii) of this paragraph (e) is to cause, or to permit the holder or beneficiary of such Material Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or to become payable; provided that this paragraph (e) shall not apply to (A) secured Indebtedness that becomes due as a result of the sale, transfer, destruction or other disposition of the Property or assets securing such Indebtedness if such sale, transfer, destruction or other disposition is not prohibited hereunder or (B) any Guarantee Obligations except to the extent such Guarantee Obligations shall become due and payable by any Loan Party and remain unpaid after any applicable grace period or period permitted following demand for the payment thereof; provided further that no such event under the Term Facility shall constitute an Event of Default under this paragraph (e) (other than an event of default thereunder which constitutes an independent Event of Default under this Agreement without regard to the provisions of the Term Facility) until the earliest to occur of (x) the date that is sixty (60) days after such event or circumstance (but only if such event or circumstance has not been waived or cured), (y) the acceleration of the Indebtedness under the Term Facility and (z) the Exercise of Secured Creditor Remedies (as defined in the Intercreditor Agreement) by the Term Agent in respect of any Collateral; or

(f) Insolvency Proceedings, Etc. The Parent, any Loan Party or any of their respective Restricted Subsidiaries which are not Immaterial Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall make a general assignment for the

benefit of its creditors; or (ii) there shall be commenced against the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding, or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against substantially all of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall consent to or approve of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries (other than any Immaterial Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) Judgments . There is entered against the Parent, any Loan Party or any of their respective Restricted Subsidiaries which are not Immaterial Subsidiaries (i) one or more judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $15,000,000 (to the extent not paid or covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 45 days from the entry thereof; or

(h) ERISA . (i) The Parent, Holdings, the Borrower or any of its Restricted Subsidiaries shall incur any liability in connection with any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan or any Lien in favor of the PBGC or a Single Employer Plan shall arise on the assets of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is reasonably likely to result in the termination of such Single Employer Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries shall, or is reasonably likely to, incur any liability as a result of a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition (other than one which could not reasonably be expected to result in a violation of any applicable law or of the qualification requirements of the Code) shall occur or exist with respect to a Plan or a Commonly Controlled Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to result in a direct obligation of the Parent, Holdings, the Borrower or any of its Restricted Subsidiaries to pay money that would have a Material Adverse Effect; or

(i) Invalidity of Loan Documents . (i) Any provision of any Loan Document, at any time after its execution and delivery and for any reason, other than as expressly permitted hereunder or thereunder (including as a result of a transaction permitted under Section 7.04 or 7.05) or as a result of acts or omissions by any Agent or any Lender or the Payment in Full of the Obligations, ceases to be in

full force and effect in any material respect, or any Loan Party contests in writing the validity or enforceability of any provision of any Loan Document; or any Loan Party denies in writing that it has any or further liability or obligation under any provision of any Loan Document (other than as a result of Payment in Full of the Obligations), or purports in writing to revoke, terminate or rescind any Loan Document; or (ii) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted in writing by any Loan Party not to be, a valid and perfected Lien on any material portion of the Collateral, with the priority required by (but subject to the limitations set forth in) the applicable Security Document and this Agreement except (i) as a result of the sale, release or other disposition of the applicable Collateral in a Disposition permitted by Section 7.05 or other transaction permitted under the Loan Documents, or (ii) relating to an immaterial amount of Collateral not constituting ABL Priority Collateral, or (iii) as a result of the failure of the Agent, through its acts or omissions and through no fault of the Loan Parties, to maintain the perfection of its Liens in accordance with applicable Requirement of Law; or

(j) Change of Control . There occurs any Change of Control; or

(k) Cessation of Business . Except as otherwise expressly permitted hereunder, the determination of the Loan Parties, whether by vote of the Loan Parties' board of directors or otherwise to: suspend the operation of the Loan Parties' business in the ordinary course, liquidate all or substantially all of their assets or Store locations, or employ an agent or other third party to conduct any so-called store closing, store liquidation or "Going-Out-Of-Business" sales for all or substantially all of the Loan Parties' stores; or

(l) Subordination . (i) The subordination provisions of the documents evidencing any Subordinated Indebtedness (or subordinated Junior Indebtedness) (collectively, the " Subordinated Provisions ") shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable Subordinated Indebtedness; or (ii) the Borrower or any other Loan Party shall, directly or indirectly, disavow or contest in any manner (A) the effectiveness, validity or enforceability of any of the Subordination Provisions, (B) that the Subordination Provisions exist for the benefit of the Credit Parties, or (C) that all payments of principal of or premium and interest on the applicable Subordinated Indebtedness, or realized from the liquidation of any property of any Loan Party, shall be subject to any of the Subordination Provisions.

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Agent may, or, at the request of the Required Lenders shall, take any or all of the following actions:

(a) declare the Commitments of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such Commitments and obligations shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties;

(c) require that the Loan Parties Cash Collateralize the L/C Obligations; and

(d) whether or not the maturity of the Obligations shall have been accelerated pursuant hereto, proceed to protect, enforce and exercise all rights and remedies of the Credit Parties under this Agreement, any of the other Loan Documents or Requirement of Law, including, but not limited to, by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are evidenced, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Credit Parties;

provided , however , that upon the occurrence of any Default or Event of Default with respect to any Loan Party or any Subsidiary thereof under Section 8.01(f) , the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans, all interest accrued thereon and all other Obligations shall automatically become due and payable, and the obligation of the Loan Parties to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Agent or any Lender.

No remedy herein is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other Requirement of Law.

8.03 Application of Funds

(a) After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received from any Loan Party, from the liquidation of any Collateral of any Loan Party, or on account of the Obligations, shall be applied by the Agent against the Obligations in the following order:

First , to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Agent and amounts payable under Article III) payable to the Agent, in its capacity as such;

Second , to payment of that portion of the Obligations constituting indemnities, expenses, and other amounts (other than principal, interest and fees) payable to the Lenders and the L/C Issuer (on account of Letters of Credit) (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer (on account of Letters of Credit) and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third , to the extent not previously reimbursed by the Lenders, to payment to the Lenders of that portion of the Obligations constituting principal and accrued and unpaid interest on any Permitted Overadvances, ratably among the Lenders in proportion to the amounts described in this clause Third payable to them;

Fourth , to the extent that Swing Line Loans made to the Borrower have not been refinanced by a Committed Loan, payment to the Swing Line Lender of that portion of the Obligations constituting accrued and unpaid interest on the Swing Line Loans made to the Borrower;

Fifth , to the extent that Swing Line Loans made to the Borrower have not been refinanced by a Committed Loan, payment to the Swing Line Lender of that portion of the Obligations constituting unpaid principal on the Swing Line Loans made to the Borrower;

Sixth , to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, L/C Borrowings and other Obligations, and fees (including Letter of Credit Fees), ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Sixth payable to them;

Seventh , to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, and to the Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Seventh held by them;

Eighth , to payment of all other Obligations (excluding the Other Liabilities, but including without limitation the cash collateralization of unliquidated indemnification obligations for which a claim has been made as provided in Section 10.04), ratably among the Lenders in proportion to the respective amounts described in this clause Eighth held by them;

Ninth , to payment of that portion of the Obligations of the Loan Parties arising from Cash Management Services, ratably among the Lenders and their Affiliates in proportion to the respective amounts described in this clause Ninth held by them;

Tenth , to payment of all other Obligations of the Loan Parties arising from Bank Products, ratably among the Lenders and their Affiliates in proportion to the respective amounts described in this clause Tenth held by them; and

Last , the balance, if any, after all of the Obligations have been Paid in Full, to the Loan Parties or as otherwise required by Requirement of Law.

Subject to Section 2.03(c) , amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Seventh above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE IX
THE AGENT

9.01 Appointment .

(a) Each of the Lenders, the Swing Line Lender and the L/C Issuer hereby irrevocably designates and appoints the Agent as the agent of such Lender under the Loan Documents and each such Lender, Swing Line Lender and L/C Issuer irrevocably authorizes the Agent, in such capacity, to take such action on its behalf under the provisions of the applicable Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Agent by the terms of the applicable Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Agent shall not have any duties or responsibilities, except those expressly set forth herein or any fiduciary relationship with

any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Agent. The provisions of this Article are solely for the benefit of the Agent and the other Credit Parties, and no Loan Party or any Subsidiary thereof shall have rights as a third party beneficiary of any of such provisions.

(b) The Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders, the Swing Line Lender and the L/C Issuer hereby irrevocably appoints and authorizes the Agent to act as the agent of such Lender, Swing Line Lender and L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Agent, as "collateral agent," and any agents or attorneys-in-fact appointed by the Agent pursuant to Section 9.02 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Agent, shall be entitled to the benefits of all provisions of this Section 9 (including Section 9.09) and Section 10.04 , as though such agents and attorneys-in-fact were the "collateral agent" under the Loan Documents as if set forth in full herein with respect thereto.

(c) The provisions of this Section 9.01 are for the benefit of the Agent, the Lenders and the L/C Issuer, and no Loan Party or any Subsidiary thereof shall have rights as a third party beneficiary of any of such provisions (other than the provisions of Section 9.06).

9.02 [Reserved]

9.03 [Reserved].

9.04 Delegation of Duties. The Agent may execute any of its duties under the applicable Loan Documents by or through sub-agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents or attorneys in-fact selected by it with reasonable care.

9.05 Exculpatory Provisions. The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall:

(a) be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Applicable Lenders, provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose

the Agent to liability or that is contrary to any Loan Document or Requirement of Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Loan Parties or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity.

The Agent shall not be liable for any action taken or not taken by it (i) with the Consent or at the request of the Applicable Lenders (as the Agent shall believe in good faith shall be necessary under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction.

The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

9.06 Reliance by Agent .

The Agent shall be entitled to rely, and shall not incur any liability for relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Parent and the Borrower), independent accountants and other experts selected by the Agent. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Agent shall have received written notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Agent may consult with legal counsel (who may be counsel for any Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.07 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Agent has received notice from a Lender, the Parent or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Agent receives such a notice, the Agent shall give notice thereof to the Lenders. The Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided that unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take

such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Credit Parties. In no event shall the Agent be required to comply with any such directions to the extent that the Agent believes that its compliance with such directions would be unlawful.

9.08 Non-Reliance on Agent and Other Lenders. Each Lender and the L/C Issuer expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender and the L/C Issuer represents to the Agent that it has, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender and the L/C Issuer also represents that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under the applicable Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.09 Indemnification. The Lenders agree to indemnify the Agent in its capacity as such, any sub-agent thereof, the L/C Issuer and any Related Party, as the case may be (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Applicable Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments of such Lender shall have been assigned (but which indemnified claims relate to actions or inactions prior to such assignment) or the date upon which the Obligations shall have been Paid in Full, ratably in accordance with such Applicable Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time be imposed on, incurred by or asserted against the Agent, any sub-agent thereof, the L/C Issuer and their Related Parties in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent, any sub-agent thereof, the L/C Issuer and their Related Parties under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Agent’s, any sub-agent’s, the L/C Issuer’s and their Related Parties’ gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Obligations and all other amounts payable hereunder.

9.10 Rights as a Lender. The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

9.11 Successor Agent; Removal of Agent .

(a) The Agent may resign upon 30 days' notice to the Lenders, the L/C Issuer and the Borrower effective upon appointment of a successor Agent. Upon receipt of any such notice of resignation, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless a Specified Event of Default shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the retiring Agent, and the retiring Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of the retiring Agent or any of the parties to this Agreement or any holders of the Loans. If no successor Agent shall have been so appointed by the Required Lenders with such consent of the Borrower and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Lenders and the L/C Issuer and with the consent of the Borrower (such consent not to be unreasonably withheld or delayed), appoint a successor Agent, that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least $500,000,000. After any retiring Agent's resignation as Agent, the provisions of this Article and Section 10.04 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement and the other Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor.

(b) If the Person serving as Agent is a Defaulting Lender pursuant to clause (d) of the definition of Defaulting Lender, the Required Lenders may, to the extent permitted by applicable Requirements of Law, by notice in writing to the Borrower and such Person remove such Person as Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the " Removal Effective Date "), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

9.12 Collateral and Guaranty Matters. The Credit Parties irrevocably authorize the Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon Payment in Full of all Obligations, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing by the Applicable Lenders in accordance with Section 10.01 ;

(b) to subordinate any Lien on any property granted to or held by the Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(g) ; and

(c) to release any Guarantor from its obligations under its Facility Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Agent at any time, the Applicable Lenders will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under its Facility Guaranty pursuant to this Section 9.12 . In each case as specified in this Section 9.12 , the Agent will, at the Loan Parties' expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under its Facility Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.12 .

9.13 No Other Duties, Etc. Anything herein to the contrary notwithstanding, the Arranger, listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity as the Agent, a Lender or the L/C Issuer hereunder.

9.14 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer, the Agent and the other Credit Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer, the Agent and the other Credit Parties and their respective agents and counsel and all other amounts due the Lenders and the Agent under Sections 2.03(i) , 2.03(j) , 2.09 and 10.04]) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, interim receiver, assignee, trustee, monitor, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Agent and if the Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.09 , 10.04 .

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Credit Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Credit Party or to authorize the Agent to vote in respect of the claim of any Credit Party or in any such proceeding.

9.15 Notice of Transfer .

The Agent may deem and treat a Lender party to this Agreement as the owner of such Lender's portion of the Obligations for all purposes, unless and until, and except to the extent, an Assignment and Acceptance shall have become effective as set forth in Section 10.06 .

9.16 Reports and Financial Statements .

By signing this Agreement, each Lender:

(a) agrees to furnish the Agent after the occurrence and during the continuance of a Cash Dominion Event (and thereafter at such frequency as the Agent may reasonably request) with a summary of all Other Liabilities due or to become due to such Lender. In connection with any distributions to be made hereunder, the Agent shall be entitled to assume that no amounts are due to any Lender on account of Other Liabilities unless the Agent has received written notice thereof from such Lender and if such notice is received, the Agent shall be entitled to assume that the only amounts due to such Lender on account of Other Liabilities is the amount set forth in such notice;

(b) is deemed to have requested that the Agent furnish, and the Agent agrees to furnish, such Lender, promptly after they become available, copies of all Borrowing Base Certificates and financial statements required to be delivered by the Borrower hereunder

(c) is deemed to have requested that the Agent furnish, and the Agent agrees to furnish, such Lender, promptly after they become available, copies of all commercial finance examinations and appraisals of the Collateral received by the Agent (collectively, the " Reports ");

(d) expressly agrees and acknowledges that the Agent makes no representation or warranty as to the accuracy of the Borrowing Base Certificates, financial statements or Reports, and shall not be liable for any information contained in any Borrowing Base Certificate, financial statement or Report;

(e) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Agent or any other party performing any audit or examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel;

(f) agrees to keep all Borrowing Base Certificates, financial statements and Reports confidential in accordance with the provisions of Section 10.07 hereof; and

(g) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agent and any such other Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any Credit Extensions that the indemnifying Lender has made or may make to the Borrower, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a Loan or Loans; and (ii) to pay and protect, and indemnify, defend, and hold the Agent and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including attorney costs) incurred by the Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

9.17 Agency for Perfection.

Each Credit Party hereby appoints each other Credit Party as agent for the purpose of perfecting Liens for the benefit of the Credit Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable Requirement of Law can be perfected only by possession or control. Should any Credit Party (other than the Agent) obtain possession or control of any such Collateral, such Credit Party shall notify the Agent thereof, and, promptly upon the Agent's request therefor shall deliver such Collateral to the Agent or otherwise deal with such Collateral in accordance with the Agent's instructions.

9.18 Relation among Lenders. The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Agent) authorized to act for, any other Lender.

9.19 Risk Participation.

(a) Upon the earlier of Substantial Liquidation or the Determination Date, if all Obligations of the Borrower have not been repaid in full, then the other Lenders shall purchase from the Lenders (on the date of Substantial Liquidation or the Determination Date, as applicable) such portion of such Obligations so that each Lender shall, after giving effect to any such purchases, hold its Liquidation Percentage of all outstanding Obligations of the Borrower.

(b) All purchases of Obligations under this Section 9.19 shall be at par, for cash, with no premium, discount or reduction.

(c) No Lender shall be responsible for any default of any other Lender in respect of any other Lender's obligations under this Section 9.19 , nor shall the obligations of any Lender hereunder be increased as a result of such default of any other Lender. Each Lender shall be obligated to the extent provided herein regardless of the failure of any other Lender to fulfill its obligations hereunder.

(d) Each Lender shall execute such instruments, documents and agreements and do such other actions as may be necessary or proper in order to carry out more fully the provisions and purposes of this Section 9.19 and the purchase of Obligations as provided herein.

(e) The obligations of each Lender under this Section 9.19 are irrevocable and unconditional and shall not be subject to any qualification or exception whatsoever including, without limitation, lack of validity or enforceability of this Agreement or any of the Loan Documents or the existence of any claim, setoff, defense or other right which any Credit Party may have at any time against any of the Lenders.

(f) No fees required to be paid on any assignment pursuant to Section 10.06 of this Agreement shall be payable in connection with any assignment under this Section 9.19 .

ARTICLE X
MISCELLANEOUS

10.01 Amendments and Waivers.

(a) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.0 1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Agent and each Loan Party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Agent, the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Agent may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall:

(i) increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written Consent of such Lender;

(ii) as to any Lender, postpone any date fixed by this Agreement or any other Loan Document for (i) any scheduled payment (including the Maturity Date) or mandatory prepayment of principal, interest, fees or other amounts due hereunder or under any of the other Loan Documents without the written Consent of such Lender, or (ii) any mandatory termination of the Aggregate Commitments hereunder or under any other Loan Document, without the written Consent of such Lender;

(iii) as to any Lender, reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing held by such Lender, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document to or for the account of such Lender, without the written Consent of such Lender; provided , however , that only the Consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate;

(iv) as to any Lender, change Section 2.13 or Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written Consent of such Lender;

(v) change any provision of this Section or the definition of “Required Lenders”, “Required Supermajority Lenders” or any other provision hereof or of any Loan Document specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or under any other Loan Document or make any determination or grant any consent hereunder or thereunder, without the written Consent of each Lender;

(vi) except as expressly permitted hereunder or under any other Loan Document, release, or limit the liability of, any Loan Party without the written Consent of each Lender;

(vii) except for Dispositions permitted under Section 7.04 or Section 7.05 or as provided in Section 9.10 , release all or substantially all of the Collateral from the Liens of the Security Documents without the written Consent of each Lender;

(viii) increase any advance rate percentage set forth in the definition of "Borrowing Base" or otherwise change the definition of the term "Borrowing Base" or any component definition thereof if as a result thereof the amounts available to be borrowed by the Borrower would be increased, without the written Consent of the Required Supermajority Lenders, *provided that* the foregoing shall not limit the discretion of the Agent to change, establish or eliminate any Reserves; and

(ix) except as expressly permitted herein or in any other Loan Document, subordinate the Obligations hereunder or the Liens granted hereunder or under the other Loan Documents, to any other Indebtedness or Lien, as the case may be without the written Consent of each Lender;

and, provided further , that (i) no amendment, waiver or Consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or Consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or Consent shall, unless in writing and signed by the Agent in addition to the Lenders required above, affect the rights or duties of any Agent under this Agreement or any other Loan Document; (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, and (v) no Consent is required to effect any amendment or supplement to the Intercreditor Agreement, (A) that is solely for the purpose of adding the holders of Indebtedness incurred or issued pursuant to an Amendment or Refinancing of the Term Facility (or any agent or trustee of such holders) as parties thereto, as contemplated by the terms of the Intercreditor Agreement and permitted under Section 7.03(n) (it being understood that any such amendment or supplement may make such other changes to the Intercreditor Agreement as, in the good faith determination of the Agent, are required to effectuate the foregoing and provided that such other changes are not adverse to the interests of the Lenders) or (B) that is expressly contemplated by the Intercreditor Agreement with respect to an Amendment or Refinancing of the Term Facility permitted under Section 7.03(n) (or the comparable provisions, if any, of any successor intercreditor agreement with respect to an Amendment or Refinancing of the Term Facility permitted under Section 7.03(n) ; provided further that no such agreement shall, pursuant to this clause (v), amend, modify or otherwise affect the rights or duties of the Agent hereunder or under any other Loan Document without the prior written consent of the Agent. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, (x) no provider or holder of any Bank Products or Cash Management Services shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of such agreements or products or the Obligations owing thereunder, nor shall the

consent of any such provider or holder be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Loan Documents, including as to any matter relating to the Collateral or the release of Collateral or any Loan Party, and (y) any Loan Document may be amended, supplemented and waived with the consent of the Agent at the request of the Borrower without the need to obtain the consent of any other Lender if such amendment, supplement or waiver is delivered in order (i) to comply with local Requirement of Law or advice of local counsel, (ii) to cure ambiguities, mistakes or defects or (iii) to cause any Loan Document to be consistent with this Agreement and the other Loan Documents.

(c) If any Lender does not Consent (a " Non-Consenting Lender ") to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the Consent of each Lender and that has been approved by the Required Lenders, the Borrower may replace such Non-Consenting Lender in accordance with Section 10.13 ; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

10.02 Notices; Effectiveness; Electronic Communications .

(a) Notices Generally . All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, to the address, telecopier number, electronic email address or telephone number specified on Schedule 10.02 in the case of the Loan Parties, the Agent, the L/C Issuer or the Swing Line Lender, and as set forth in an administrative questionnaire delivered to the Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto; provided that any notice, request or demand to or upon the Agent, the Lenders, the Parent or the Borrower shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Agent and the applicable Lender, as the case may be. The Agent, the Parent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(b) Electronic Communications . Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be

deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform . THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agent or any of its Related Parties (collectively, the " Agent Parties ") have any liability to any Loan Party, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Loan Parties' or the Agent's transmission of Borrower Materials through the Internet.

(d) Change of Address, Etc . Each of the Loan Parties, the Agent, the L/C Issuer and the Swing Line Lender may change its address, telecopier or telephone number or email address for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number or email address for notices and other communications hereunder by notice to the Borrower, the Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Agent from time to time to ensure that the Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Requirement of Law, including the Securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of the Securities Laws.

(e) Reliance by Agent, L/C Issuer and Lenders . The Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Loan Parties even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Loan Parties. All telephonic notices to and other telephonic communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Credit Party, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default or Event of Default, regardless of whether any Credit Party may have had notice or knowledge of such Default or Event of Default at the time.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Agent in accordance with Section 8.02 for the benefit of all the Lenders, the L/C Issuer and the other Credit Parties; provided , however , that the foregoing shall not prohibit (a) the Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, or (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.13); and provided , further , that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b) and (c) of the preceding proviso and subject to Section 2.13 , any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 Expenses; Indemnity; Damage Waiver .

(a) Costs and Expenses . The Borrower shall (a) pay or reimburse the Agent and the Arrangers for all their respective reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Commitments (other than fees payable to syndicate members) and the development, preparation, execution and delivery of this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith and any amendment, supplement or modification thereto (whether or not the transactions contemplated thereby shall be consummated), and (b) pay or reimburse the Agent and L/C Issuer only, for all their respective reasonable and documented out-of-pocket costs and expenses incurred in connection with the administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable and documented fees and disbursements and other charges of counsel to the Agent (including one primary counsel and such local counsel as the Agent may reasonably require in connection with collateral matters), outside consultants, appraisers, and commercial finance examiners in connection with all of the foregoing, all customary fees and charges (as adjusted from time to time) of the Agent with respect to the disbursement of funds (or the receipt of funds) to or for the account of the Borrower (whether by wire transfer or otherwise), and of the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (c) pay or reimburse each Lender, Swingline Lender, L/C Issuer, the Agent and the Arrangers for all their out-of-pocket costs and expenses incurred in connection with the enforcement of any rights under this Agreement, the other Loan Documents and any such other documents and in connection with the Loans made and Letters of Credit issued under this Agreement, including all such expenses incurred during any workout, restructuring or negotiations in respect of such Loans and

Letters of Credit, including, without limitation, the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender. Swingline Lender, L/C Issuer and the Agent, and (d) to pay, indemnify, or reimburse each Lender, Swingline Lender, L/C Issuer, and the Agent for, and hold each Lender, Swingline Lender, L/C Issuer, and the Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and similar other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of this Agreement the other Loan Documents and any such other documents.

(b) Indemnification . The Borrower shall pay, indemnify or reimburse each Lender, Swingline Lender, L/C Issuer, the Agent, each Arranger and their respective affiliates, and their respective officers, directors, trustees, employees, advisors, agents and controlling Persons (each, an " Indemnitee ") for, and hold each Indemnitee harmless from and against any and all other liabilities, obligations, claims, losses, damages, penalties, costs, expenses or disbursements incurred or asserted against any such Indemnitee by any Loan Party, any of the directors, officers, shareholders or creditors of any Loan Party or any other Person arising out of any actions, judgments or suits of any kind or nature whatsoever, arising out of or in connection with any claim, action or proceeding relating to or otherwise with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including, without limitation, any of the foregoing relating to the use of proceeds of the Loans or the Letters of Credit or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Parent, the Borrower, any of their respective Subsidiaries or any of the Properties, or to any Blocked Account Agreement or other Person who has entered into a control agreement with any Credit Party, and the fees and disbursements and other charges of legal counsel in connection with claims, actions or proceedings by any Indemnitee against the Parent or the Borrower hereunder (all the foregoing in this clause (d), collectively, the " Indemnified Liabilities "); provided that neither the Parent nor the Borrower shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the bad faith, gross negligence or willful misconduct of, such Indemnitee or its affiliates, officers, directors, trustees, employees, advisors, agents or controlling Persons. All amounts due under this Section 10.04 shall be payable promptly after receipt of a reasonably detailed invoice therefor. Statements payable by the Borrower pursuant to this Section 10.04 shall be submitted to the Borrower at the address thereof set forth in Section 10.02, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Agent.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Requirements of Law, each party hereto shall not assert, and hereby waive, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof.

(d) Limitation of Liability . No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the bad faith, gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Survival . The agreements in this Section shall survive the resignation of any Agent, the L/C Issuer or the Swing Line Lender, the assignment of any Commitment or Loan by any Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Loan Parties is made to any Credit Party, or any Credit Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Credit Party in its discretion) to be repaid to a receiver, interim receiver, trustee, monitor, custodian, conservator, liquidator, rehabilitator or similar officer, or any other party in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Credit Party severally agrees to pay to the Agent upon demand its Applicable Percentage (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Credit Parties under clause (b) of the preceding sentence shall survive the Payment in Full of the Obligations.

10.06 Successors and Assigns .

(a) Successors and Assigns Generally . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written Consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 10.06(b) , (ii) by way of participation in accordance with the provisions of Section 10.06(d) , or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Credit Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders . Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans (including for purposes of this Section 10.06(b) , participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A)of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless each of the Agent and, so long as no Specified Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided , however , that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts . Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to all of its the Loans or the Commitments, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans;

(iii) Required Consents . No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) a Specified Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund with respect to such Lender; and

(B) the consent of the Agent, the L/C Issuer and the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Commitment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(iv) Assignment and Assumption . The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, provided , however , that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons . No such assignment shall be made (A) to the Loan Parties or any of the Loan Parties' Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries or Affiliates, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person.

(vi) Certain Additional Payments . In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Requirement of Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01 , 3.04 , 3.05 , and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided , that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at their expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.06 (d) .

(c) Register . The Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain at the Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the " Register "). The entries in the Register shall be conclusive, absent manifest error, and the Loan Parties, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register is intended to cause each Loan and other obligation hereunder to be in registered form within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations. The Register shall be available for inspection by the Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations . (i) Any Lender may at any time, without the consent of, or notice to, the Loan Parties or the Agent, sell participations to any Person (other than a natural person, a Defaulting Lender or the Loan Parties or any of the Loan Parties' Affiliates or Subsidiaries) (each, a " Participant ") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Loan Parties, the Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any Participant shall agree in writing to comply with all confidentiality obligations set forth in Section 10.07 as if such Participant was a Lender hereunder.

(ii) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i) through (iv) of the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, the Loan Parties agree that each Participant shall be entitled to the benefits of Sections 3.01 , 3.04 and 3.05 (subject to the limitations and requirements of such Section 3.06) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.06(b) . To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.02 as though it were a Lender.

(iii) Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts of each Participant's interest in the Loans or other obligations under the Loan Documents (the " Participant Register "); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish in connection with a Tax audit or other proceeding that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(e) Limitations upon Participant Rights . A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Loan Parties, to comply and in fact complies with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges . Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Resignation as L/C Issuer or Swing Line Lender after Assignment or Resignation . Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, or resigns as Agent in accordance with the provisions of Section 9.09 , Bank of America may, (i) upon 30 days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) with duplication of any notice required under Section 9.09 , upon 30 days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided , however , that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swing Line Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c) . Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit, and (c) the successor Swing Line Lender shall repay all outstanding Obligations with respect to Swing Line Loans due to the resigning Swing Line Lender. Any resignation by Bank of America as Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender.

10.07 Treatment of Certain Information; Confidentiality. Each of the Credit Parties agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates, Approved Funds, and to its and its Affiliates' and Approved Funds' respective partners, directors, officers, employees, agents, funding sources, attorneys, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Requirement of Laws or regulations or by any subpoena or similar legal process, provided that the Agent or such Lender, as applicable, agrees that it will notify the Borrower as soon as practicable in the event of any such disclosure by such person (other than at the request of a regulatory authority) unless such notification is prohibited by law, rule or regulation; (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement (including any electronic agreement contained in any Platform) containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any Eligible Assignee invited to be an Additional Commitment Lender; or (ii) any actual or prospective counterparty (or its advisors) to any Hedge Agreement relating to any Loan Party and its obligations, (g) with the

consent of the Borrower, (h) to any rating agency when required by it (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to the Loan Parties received by it from such Lender) or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to any Credit Party or any of their respective Affiliates on a non-confidential basis from a source other than the Loan Parties and which source is not known by such Agent or Lender to be subject to a confidentiality restriction in respect thereof in favor of any of the Credit Parties or any Affiliate of the Credit Parties.

For purposes of this Section, " Information " means all information received from the Loan Parties or any Subsidiary thereof relating to the Loan Parties or any Subsidiary thereof or their respective businesses, other than any such information that is available to any Credit Party on a non-confidential basis prior to disclosure by the Loan Parties or any Subsidiary thereof, provided that, in the case of information received from any Loan Party or any Subsidiary after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Credit Parties acknowledges that (a) the Information may include material non-public information concerning the Loan Parties or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with Requirement of Law, including the Securities Laws.

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing or if any Lender shall have been served with a trustee process or similar attachment relating to property of a Loan Party, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Agent or the Required Lenders, to the fullest extent permitted by Requirement of Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) or other property at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the Obligations now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, regardless of the adequacy of the Collateral, and irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness; provided , that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 2.16 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agent and the other Credit Parties, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower and the Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Requirement of Law (the " Maximum Rate "). If the Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans and other Obligations (other than Other Liabilities not then due and owing) or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Requirement of Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01 , this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

10.11 Survival. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Credit Parties, regardless of any investigation made by any Credit Party or on their behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default or Event of Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding. Further, the provisions of Sections 3.01 , 3.04 , 3.05 and 10.04 and Article IX shall survive and remain in full force and effect regardless of the repayment of the Obligations, the expiration of the Letters of Credit or the termination of the Commitments or the termination of this Agreement or any provision hereof.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this

Section 10.12 , if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 Replacement of Lenders. If any Lender requests compensation under Section 3.04 , or ceases to make LIBOR Rate Loans as a result of any condition described in Section 3.02 or 3.04 , or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 , or if any Lender gives a notice pursuant to Section 3.02 or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Section 3.01 and 3.05) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Agent the assignment fee specified in Section 10.06(b) ;

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowes (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01 , such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with Requirement of Laws; and

(e) in the case of an assignment resulting from a Lender being a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

10.14 GOVERNING LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.15 SUBMISSION TO JURISDICTION; WAIVERS. Each Loan Party hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same. Nothing herein shall limit the right of the Agent or any Lender to bring proceedings against any Loan Party in any other court;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Schedule 10.02 or at such other address of which the Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.16 Waivers of Jury Trial . EACH OF THE PARENT, HOLDINGS, THE BORROWER, THE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.17 No Advisory or Fiduciary Responsibility . In connection with all aspects of each transaction contemplated hereby, the Loan Parties each acknowledge and agree that: (i) the credit facility provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Loan Parties, on the one hand, and the Credit Parties, on the other hand, and each of the Loan Parties is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each Credit Party is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Loan Parties or any of their respective Affiliates, stockholders, creditors or employees or any other Person; (iii) none of the Credit Parties has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Loan Parties with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether any of the Credit Parties has advised or is currently advising any Loan Party or any of its Affiliates on other matters) and none of the Credit Parties has any obligation to any Loan Party or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Credit Parties and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates,

and none of the Credit Parties has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Credit Parties have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of the Loan Parties hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against each of the Credit Parties with respect to any breach or alleged breach of agency or fiduciary duty.

10.18 USA PATRIOT Act; Proceeds of Crime Act . Each Lender that is subject to the Patriot Act and the Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the Patriot Act), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Agent, as applicable, to identify each Loan Party in accordance with the Act. Each Loan Party is in compliance, in all material respects, with the Patriot Act. No part of the proceeds of the Loans will be used by the Loan Parties, directly or indirectly, for any purpose which would contravene or breach the Proceeds of Crime Act or for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

10.19 Foreign Asset Control Regulations . Neither of the advance of the Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the " Trading With the Enemy Act ") or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the " Foreign Assets Control Regulations ") or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the " Executive Order ") and (b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56)). Furthermore, none of the Borrower or its Affiliates (a) is or will become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or in any manner violative of any such order.

10.20 Time of the Essence . Time is of the essence of the Loan Documents.

10.21 [Reserved]

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10.22 Press Releases .

(a) Each Credit Party executing this Agreement agrees that neither it nor its Affiliates will in the future issue any press releases or other public disclosure using the name of the Agent or its Affiliates or referring to this Agreement or the other Loan Documents without at least two (2) Business Days' prior notice to the Agent and without the prior written consent of the Agent unless (and only to the extent that) such Credit Party or Affiliate is required to do so under Requirement of Law and then, in any event, such Credit Party or Affiliate will consult with the Agent before issuing such press release or other public disclosure.

(b) Each Loan Party consents to the publication by the Agent or any Lender of advertising material relating to the financing transactions contemplated by this Agreement using any Loan Party's name, product photographs, logo or trademark. The Agent or such Lender shall provide a draft reasonably in advance of any advertising material to the Borrower prior to the publication thereof for review and comment by the Borrower. The Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

10.23 Additional Waivers .

(a) Except as provided herein or in any other Loan Document or pursuant to any amendment or waiver executed pursuant to Section 10.01 , (i) the Obligations are the joint and several obligation of each Loan Party;. To the fullest extent permitted by applicable Requirement of Law, the obligations of each Loan Party shall not be affected by (i) the failure of any Credit Party to assert any claim or demand or to enforce or exercise any right or remedy against any other Loan Party under the provisions of this Agreement, any other Loan Document or otherwise, (ii) any release of any other Loan Party from any of the terms or provisions of, this Agreement or any other Loan Document, or (iii) the failure to perfect any security interest in, or the release of, any of the Collateral or other security held by or on behalf of any Agent, the Collateral Agent or any other Credit Party.

(b) Except as provided herein or in any other Loan Document or pursuant to any amendment or waiver executed pursuant to Section 10.01 , the Obligations of each Loan Party shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the Payment in Full of the Obligations), including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Obligations or otherwise. Without limiting the generality of the foregoing, the Obligations of each Loan Party shall not be discharged or impaired or otherwise affected by the failure of any Agent or any other Credit Party to assert any claim or demand or to enforce any remedy under this Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, any default, failure or delay, willful or otherwise, in the performance of any of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any Loan Party or that would otherwise operate as a discharge of any Loan Party as a matter of law or equity (other than the Payment in Full of all of the Obligations).

(c) To the fullest extent permitted by Requirement of Law, each Loan Party waives any defense based on or arising out of any defense of any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any other Loan Party, other than the Payment in Full of all the Obligations. The Agent and the other Credit Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or non-judicial sales, accept an assignment of any such security in lieu of foreclosure,

compromise or adjust any part of the Obligations, make any other accommodation with any other Loan Party, or exercise any other right or remedy available to them against any other Loan Party, without affecting or impairing in any way the liability of any Loan Party hereunder except to the extent that all of the Obligations have been Paid in Full. To the fullest extent permitted by Requirement of Law, each Loan Party waives any defense arising out of any such election even though such election operates, pursuant to Requirement of Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Loan Party against any other Loan Party.

(d) Upon payment by any Loan Party of any Obligations, all rights of such Loan Party against any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior Payment in Full of all of the Obligations. In addition, any indebtedness of any Loan Party now or hereafter held by any other Loan Party is hereby subordinated in right of payment to the prior Payment in Full of the Obligations and no Loan Party will demand, sue for or otherwise attempt to collect any such indebtedness until Payment in Full of the Obligations. If any amount shall erroneously be paid to any Loan Party on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of any Loan Party, such amount shall be held in trust for the benefit of the Credit Parties and shall forthwith be paid to the Agent to be credited against the payment of the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement and the other Loan Documents.

10.24 Judgment Currency.

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any other Loan Document, it becomes necessary to convert into a particular currency (the " Judgment Currency ") any amount due under this Agreement or under any other Loan Document in any currency other than the Judgment Currency (the " Currency Due "), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which the Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice for the applicable currency conversion in the wholesale market. In the event that there is a change in the rate of exchange prevailing there is a change in the rate of exchange prevailing between the conversion date and the date of actual payment of the amount due, the Loan Parties will pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Currency Due which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the conversion date. If the amount of the Currency Due which the applicable Agent is so able to purchase is less than the amount of the Currency Due originally due to it, the applicable Loan Party shall indemnify and save the Agent, the L/C Issuer and the Lenders harmless from and against all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any other Loan Document or under any judgment or order.

10.25 No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.26 Attachments.

The exhibits, schedules and annexes attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

10.27 Electronic Execution of Assignments and Certain Other Documents.

The words “execute,” “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

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

VINCE, LLC, as Borrower

By: _____
Name:
Title:

VINCE INTERMEDIATE HOLDINGS, LLC, as a Loan Party

By: _____
Name:
Title:

VINCE HOLDING CORP. , as a Loan Party

By: _____
Name:
Title:

BANK OF AMERICA, N.A. , as Agent

By: _____
Name:
Title:

BANK OF AMERICA, N.A. , as Lender, Swing Line Lender and L/C Issuer

By: _____

Name:

Title:

Exhibit 10.66

Privileged & Confidential

VINCE HOLDING CORP.

2013 OMNIBUS INCENTIVE PLAN

ARTICLE I
PURPOSE

The purpose of this Vince Holding Corp. 2013 Omnibus Incentive Plan is to enhance the profitability and value of the Company for the benefit of its stockholders by enabling the Company to offer Eligible Individuals cash and stock-based incentives in order to attract, retain and reward such individuals and strengthen the mutuality of interests between such individuals and the Company's stockholders. The Plan is effective as of the date set forth in Article XV.

ARTICLE II
DEFINITIONS

For purposes of the Plan, the following terms shall have the following meanings:

2.1 " Affiliate " means each of the following: (a) any Subsidiary; (b) any Parent; (c) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company or one of its Affiliates; (d) any trade or business (including, without limitation, a partnership or limited liability company) which directly or indirectly controls 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) of the Company; and (e) any other entity in which the Company or any of its Affiliates has a material equity interest and which is designated as an "Affiliate" by resolution of the Committee; provided that, unless otherwise determined by the Committee, the Common Stock subject to any Award constitutes "service recipient stock" for purposes of Section 409A of the Code or otherwise does not subject the Award to Section 409A of the Code.

2.2 " Award " means any award under the Plan of any Stock Option, Stock Appreciation Right, Restricted Stock, Performance Award, Other Stock-Based Award or Other Cash-Based Award. All Awards shall be granted by, confirmed by, and subject to the terms of, a written agreement executed by the Company and the Participant.

2.3 " Award Agreement " means the written or electronic agreement setting forth the terms and conditions applicable to an Award.

2.4 " Board " means the Board of Directors of the Company.

2.5 " Cause " means, unless otherwise determined by the Committee in the applicable Award Agreement, with respect to a Participant's Termination of Employment or Termination of Consultancy, the following: (a) in the case where there is no employment agreement, consulting

agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award (or where there is such an agreement but it does not define "cause" (or words of like import)), termination due to a Participant's dishonesty, fraud, moral turpitude, willful misconduct, refusal to perform the Participant's duties or responsibilities for any reason other than illness or incapacity or materially unsatisfactory performance of the Participant's duties for the Company or an Affiliate, as determined by the Committee in its good faith discretion; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant at the time of the grant of the Award that defines "cause" (or words of like import), "cause" as defined under such agreement; provided, however, that with regard to any agreement under which the definition of "cause" only applies on occurrence of a change in control, such definition of "cause" shall not apply until a change in control actually takes place and then only with regard to a termination thereafter. With respect to a Participant's Termination of Directorship, "cause" means an act or failure to act that constitutes cause for removal of a director under applicable Delaware law.

2.6 " Change in Control " has the meaning set forth in 11.2.

2.7 " Change in Control Price " has the meaning set forth in Section 11.1.

2.8 " Code " means the Internal Revenue Code of 1986, as amended. Any reference to any section of the Code shall also be a reference to any successor provision and any treasury regulation promulgated thereunder.

2.9 " Committee " means any committee of the Board duly authorized by the Board to administer the Plan. If no committee is duly authorized by the Board to administer the Plan, the term "Committee" shall be deemed to refer to the Board for all purposes under the Plan.

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

2.11 " Company " means Vince Holding Corp., a Delaware corporation, and its successors by operation of law.

2.12 " Consultant " means any natural person or entity who is an advisor or consultant to the Company or its Affiliates.

2.13 " Disability " means, unless otherwise determined by the Committee in the applicable Award Agreement, with respect to a Participant's Termination, a permanent and total disability as defined in Section 22(e)(3) of the Code. A Disability shall only be deemed to occur at the time of the determination by the Committee of the Disability. Notwithstanding the foregoing, for Awards that are subject to Section 409A of the Code, Disability shall mean that a Participant is disabled under Section 409A(a)(2)(C)(i) or (ii) of the Code.

2.14 " Effective Date " means the effective date of the Plan as defined in Article XV.

2.15 " Eligible Employees " means each employee of the Company or an Affiliate.

2.16 " Eligible Individual " means an Eligible Employee, Non-Employee Director or Consultant who is designated by the Committee in its discretion as eligible to receive Awards subject to the conditions set forth herein.

2.17 " Exchange Act " means the Securities Exchange Act of 1934, as amended. Reference to a specific section of the Exchange Act or regulation thereunder shall include such section or regulation, any valid regulation or interpretation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.18 " Fair Market Value " means, for purposes of the Plan, unless otherwise required by any applicable provision of the Code or any regulations issued thereunder, as of any date and except as provided below, the last sales price reported for the Common Stock on the applicable date: (a) as reported on the principal national securities exchange in the United States on which it is then traded or (b) if the Common Stock is not traded, listed or otherwise reported or quoted, the Committee shall determine in good faith the Fair Market Value in whatever manner it considers appropriate taking into account the requirements of Section 409A of the Code. For purposes of any Award granted in connection with the Registration Date, the Fair Market value shall be the price as determined by the Committee. For purposes of the exercise of any Award, the applicable date shall be the date a notice of exercise is received by the Committee or, if not a day on which the applicable market is open, the next day that it is open.

2.19 " Family Member " means "family member" as defined in Section A.1.(a)(5) of the general instructions of Form S-8.

2.20 " Incentive Stock Option " means any Stock Option awarded to an Eligible Employee of the Company, its Subsidiaries and its Parents (if any) under the Plan intended to be and designated as an "Incentive Stock Option" within the meaning of Section 422 of the Code.

2.21 " Lead Underwriter " has the meaning set forth in Section 14.20.

2.22 " Lock-Up Period " has the meaning set forth in Section 14.20.

2.23 " Non-Employee Director " means a director or a member of the Board or the board of directors of any Affiliate who is not an active employee of the Company or any Affiliate.

2.24 " Non-Qualified Stock Option " means any Stock Option awarded under the Plan that is not an Incentive Stock Option.

2.25 " Non-Tandem Stock Appreciation Right " shall mean the right to receive an amount in cash and/or stock equal to the difference between (x) the Fair Market Value of a share of Common Stock on the date such right is exercised, and (y) the aggregate exercise price of such right, otherwise than on surrender of a Stock Option.

2.26 " Other Cash-Based Award " means an Award granted pursuant to Section 10.3 of the Plan and payable in cash at such time or times and subject to such terms and conditions as determined by the Committee in its sole discretion.

2.27 " Other Stock-Based Award " means an Award under Article X of the Plan that is valued in whole or in part by reference to, or is payable in or otherwise based on, Common Stock, including, without limitation, an Award valued by reference to an Affiliate.

2.28 " Parent " means any parent corporation of the Company within the meaning of Section 424(e) of the Code.

2.29 " Participant " means an Eligible Individual to whom an Award has been granted pursuant to the Plan.

2.30 " Performance Award " means an Award granted to a Participant pursuant to Article IX hereof contingent upon achieving certain Performance Goals.

2.31 " Performance Goals " means goals established by the Committee as contingencies for Awards to vest and/or become exercisable or distributable based on one or more of the performance goals set forth in Exhibit A hereto.

2.32 " Performance Period " means the designated period during which the Performance Goals must be satisfied with respect to the Award to which the Performance Goals relate.

2.33 " Plan " means this Vince Holding Corp. 2013 Omnibus Incentive Plan, as amended from time to time.

2.34 " Proceeding " has the meaning set forth in Section 14.9.

2.35 " Reference Stock Option " has the meaning set forth in Section 7.1.

2.36 " Registration Date " means the date on which the Company sells its Common Stock in a bona fide, firm commitment underwriting pursuant to a registration statement under the Securities Act.

2.37 " Reorganization " has the meaning set forth in Section 4.2(b)(ii).

2.38 " Restricted Stock " means an Award of shares of Common Stock under the Plan that is subject to restrictions under Article VIII.

2.39 " Restriction Period " has the meaning set forth in Section 8.3(a) with respect to Restricted Stock.

2.40 " Rule 16b-3 " means Rule 16b-3 under Section 16(b) of the Exchange Act as then in effect or any successor provision.

2.41 " Section 162(m) of the Code " means the exception for performance-based compensation under Section 162(m) of the Code and any applicable treasury regulations thereunder.

2.42 " Section 409A of the Code " means the nonqualified deferred compensation rules under Section 409A of the Code and any applicable treasury regulations and other official guidance thereunder.

2.43 " Securities Act " means the Securities Act of 1933, as amended and all rules and regulations promulgated thereunder. Reference to a specific section of the Securities Act or regulation thereunder shall include such section or regulation, any valid regulation or interpretation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.44 " Stock Appreciation Right " shall mean the right pursuant to an Award granted under Article VII.

2.45 " Stock Option " or **" Option "** means any option to purchase shares of Common Stock granted to Eligible Individuals pursuant to Article VI.

2.46 " Subsidiary " means any subsidiary corporation of the Company within the meaning of Section 424(f) of the Code.

2.47 " Tandem Stock Appreciation Right " shall mean the right to surrender to the Company all (or a portion) of a Stock Option in exchange for an amount in cash and/or stock equal to the difference between (i) the Fair Market Value on the date such Stock Option (or such portion thereof) is surrendered, of the Common Stock covered by such Stock Option (or such portion thereof), and (ii) the aggregate exercise price of such Stock Option (or such portion thereof).

2.48 " Ten Percent Stockholder " means a person owning stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, its Subsidiaries or its Parent.

2.49 " Termination " means a Termination of Consultancy, Termination of Directorship or Termination of Employment, as applicable.

2.50 " Termination of Consultancy " means: (a) that the Consultant is no longer acting as a consultant to the Company or an Affiliate; or (b) when an entity which is retaining a Participant as a Consultant ceases to be an Affiliate unless the Participant otherwise is, or thereupon becomes, a Consultant to the Company or another Affiliate at the time the entity ceases to be an Affiliate. In the event that a Consultant becomes an Eligible Employee or a Non-Employee Director upon the termination of such Consultant's consultancy, unless otherwise determined by the Committee, in its sole discretion, no Termination of Consultancy shall be deemed to occur until such time as such Consultant is no longer a Consultant, an Eligible Employee or a Non-Employee Director. Notwithstanding the foregoing, the Committee may otherwise define Termination of Consultancy in the Award Agreement or, if no rights of a Participant are reduced, may otherwise define Termination of Consultancy thereafter, provided that any such change to the definition of the term "Termination of Consultancy" does not subject the applicable Award to Section 409A of the Code.

2.51 " Termination of Directorship " means that the Non-Employee Director has ceased to be a director of the Company; except that if a Non-Employee Director becomes an Eligible Employee or a Consultant upon the termination of such Non-Employee Director's directorship, such Non-Employee Director's ceasing to be a director of the Company shall not be treated as a Termination of Directorship unless and until the Participant has a Termination of Employment or Termination of Consultancy, as the case may be.

2.52 " Termination of Employment " means: (a) a termination of employment (for reasons other than a military or personal leave of absence granted by the Company) of a Participant from the Company and its Affiliates; or (b) when an entity which is employing a Participant ceases to be an Affiliate, unless the Participant otherwise is, or thereupon becomes, employed by the Company or another Affiliate at the time the entity ceases to be an Affiliate. In the event that an Eligible Employee becomes a Consultant or a Non-Employee Director upon the termination of such Eligible Employee's employment, unless otherwise determined by the Committee, in its sole discretion, no Termination of Employment shall be deemed to occur until such time as such Eligible Employee is no longer an Eligible Employee, a Consultant or a Non-Employee Director. Notwithstanding the foregoing, the Committee may otherwise define Termination of Employment in the Award Agreement or, if no rights of a Participant are reduced, may otherwise define Termination of Employment thereafter, provided that any such change to the definition of the term "Termination of Employment" does not subject the applicable Award to Section 409A of the Code.

2.53 " Transfer " means: (a) when used as a noun, any direct or indirect transfer, sale, assignment, pledge, hypothecation, encumbrance or other disposition (including the issuance of equity in any entity), whether for value or no value and whether voluntary or involuntary (including by operation of law), and (b) when used as a verb, to directly or indirectly transfer, sell, assign, pledge, encumber, charge, hypothecate or otherwise dispose of (including the issuance of equity in any entity) whether for value or for no value and whether voluntarily or involuntarily (including by operation of law). "Transferred" and "Transferable" shall have a correlative meaning.

2.54 " Transition Period " means the period beginning with the Registration Date and ending as of the earlier of: (i) the date of the first annual meeting of stockholders of the Company at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the Registration Date occurs; and (ii) the expiration of the "reliance period" under Treasury Regulation Section 1.162-27(f)(2).

ARTICLE III
ADMINISTRATION

3.1 The Committee . The Plan shall be administered and interpreted by the Committee. To the extent required by applicable law, rule or regulation, it is intended that each member of the Committee shall qualify as (a) a "non-employee director" under Rule 16b-3, (b) an "outside director" under Section 162(m) of the Code and (c) an "independent director" under the rules of any national securities exchange or national securities association, as applicable. If it is later determined that one or more members of the Committee do not so qualify, actions taken by the Committee prior to such determination shall be valid despite such failure to qualify.

3.2 Grants of Awards . The Committee shall have full authority to grant, pursuant to the terms of the Plan, to Eligible Individuals: (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock, (iv) Performance Awards; (v) Other Stock-Based Awards; and (vi) Other Cash-Based Awards. In particular, the Committee shall have the authority:

(a) to select the Eligible Individuals to whom Awards may from time to time be granted hereunder;

(b) to determine whether and to what extent Awards, or any combination thereof, are to be granted hereunder to one or more Eligible Individuals;

(c) to determine the number of shares of Common Stock to be covered by each Award granted hereunder;

(d) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder (including, but not limited to, the exercise or purchase price (if any), any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Award and the shares of Common Stock relating thereto, based on such factors, if any, as the Committee shall determine, in its sole discretion);

(e) to determine the amount of cash to be covered by each Award granted hereunder;

(f) to determine whether, to what extent and under what circumstances grants of Options and other Awards under the Plan are to operate on a tandem basis and/or in conjunction with or apart from other awards made by the Company outside of the Plan;

(g) to determine whether and under what circumstances a Stock Option may be settled in cash, Common Stock and/or Restricted Stock under Section 6.4(d);

(h) to determine whether a Stock Option is an Incentive Stock Option or Non-Qualified Stock Option;

(i) to determine whether to require a Participant, as a condition of the granting of any Award, to not sell or otherwise dispose of shares acquired pursuant to the exercise of, or otherwise subject to, an Award for a period of time as determined by the Committee, in its sole discretion, following the date of the acquisition of such shares; and

(j) to modify, extend or renew an Award, subject to Article XII and Section 6.4(l), provided, however, that such action does not subject the Award to Section 409A of the Code without the consent of the Participant.

3.3 Guidelines . Subject to Article XII hereof, the Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan and perform all acts, including the delegation of its responsibilities (to the extent permitted by applicable law and applicable stock exchange rules), as it shall, from time to time, deem advisable; to construe and interpret the terms and provisions of the Plan and any Award issued

under the Plan (and any agreements relating thereto); and to otherwise supervise the administration of the Plan. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any agreement relating thereto in the manner and to the extent it shall deem necessary to effectuate the purpose and intent of the Plan. The Committee may adopt special guidelines and provisions for persons who are residing in or employed in, or subject to, the taxes of, any domestic or foreign jurisdictions to comply with applicable tax and securities laws of such domestic or foreign jurisdictions. Notwithstanding the foregoing, no action of the Committee under this Section 3.3 shall impair the rights of any Participant without the Participant's consent. To the extent applicable, the Plan is intended to comply with the requirements of Rule 16b-3, and with respect to Awards intended to be "performance-based," the provisions of Section 162(m) of the Code, and the Plan shall be limited, construed and interpreted in a manner so as to comply therewith.

3.4 Decisions Final . Any decision, interpretation or other action made or taken in good faith by or at the direction of the Company, the Board or the Committee (or any of its members) arising out of or in connection with the Plan shall be within the absolute discretion of all and each of them, as the case may be, and shall be final, binding and conclusive on the Company and all employees and Participants and their respective heirs, executors, administrators, successors and assigns.

3.5 Procedures . If the Committee is appointed, the Board shall designate one of the members of the Committee as chairman and the Committee shall hold meetings, subject to the By-Laws of the Company, at such times and places as it shall deem advisable, including, without limitation, by telephone conference or by written consent to the extent permitted by applicable law. A majority of the Committee members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by all of the Committee members in accordance with the By-Laws of the Company, shall be fully effective as if it had been made by a vote at a meeting duly called and held. The Committee shall keep minutes of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

3.6 Designation of Consultants/Liability .

(a) The Committee may designate employees of the Company and professional advisors to assist the Committee in the administration of the Plan and (to the extent permitted by applicable law and applicable exchange rules) may grant authority to officers to grant Awards and/or execute agreements or other documents on behalf of the Committee.

(b) The Committee may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant and any computation received from any such consultant or agent. Expenses incurred by the Committee or the Board in the engagement of any such counsel, consultant or agent shall be paid by the Company. The Committee, its members and any person designated pursuant to sub-section (a) above shall not be liable for any action or determination made in good faith with respect to the Plan. To the maximum extent permitted by applicable law, no officer of the Company or member or former member of the Committee or of the Board shall be liable for any action or determination made in good faith with respect to the Plan or any Award granted under it.

3.7 Indemnification. To the maximum extent permitted by applicable law and the Certificate of Incorporation and By-Laws of the Company and to the extent not covered by insurance directly insuring such person, each officer or employee of the Company or any Affiliate and member or former member of the Committee or the Board shall be indemnified and held harmless by the Company against any cost or expense (including reasonable fees of counsel reasonably acceptable to the Committee) or liability (including any sum paid in settlement of a claim with the approval of the Committee), and advanced amounts necessary to pay the foregoing at the earliest time and to the fullest extent permitted, arising out of any act or omission to act in connection with the administration of the Plan, except to the extent arising out of such officer's, employee's, member's or former member's own fraud or bad faith. Such indemnification shall be in addition to any right of indemnification the employees, officers, directors or members or former officers, directors or members may have under applicable law or under the Certificate of Incorporation or By-Laws of the Company or any Affiliate. Notwithstanding anything else herein, this indemnification will not apply to the actions or determinations made by an individual with regard to Awards granted to such individual under the Plan.

ARTICLE IV
SHARE LIMITATION

4.1 Shares. (a) The aggregate number of shares of Common Stock that may be issued or used for reference purposes or with respect to which Awards may be granted under the Plan shall not exceed 3,400,000 shares (subject to any increase or decrease pursuant to Section 4.2), which may be either authorized and unissued Common Stock or Common Stock held in or acquired for the treasury of the Company or both. The maximum number of shares of Common Stock with respect to which Incentive Stock Options may be granted under the Plan shall be 3,400,000 shares. With respect to Stock Appreciation Rights settled in Common Stock, upon settlement, only the number of shares of Common Stock delivered to a Participant (based on the difference between the Fair Market Value of the shares of Common Stock subject to such Stock Appreciation Right on the date such Stock Appreciation Right is exercised and the exercise price of each Stock Appreciation Right on the date such Stock Appreciation Right was awarded) shall count against the aggregate and individual share limitations set forth under Sections 4.1(a) and 4.1(b). If any Option, Stock Appreciation Right or Other Stock-Based Awards granted under the Plan expires, terminates or is canceled for any reason without having been exercised in full, the number of shares of Common Stock underlying any unexercised Award shall again be available for the purpose of Awards under the Plan. If any shares of Restricted Stock, Performance Awards or Other Stock-Based Awards denominated in shares of Common Stock awarded under the Plan to a Participant are forfeited for any reason, the number of forfeited shares of Restricted Stock, Performance Awards or Other Stock-Based Awards denominated in shares of Common Stock shall again be available for purposes of Awards under the Plan. If a Tandem Stock Appreciation Right or a Limited Stock Appreciation Right is granted in tandem with an Option, such grant shall only apply once against the maximum number of shares of Common Stock which may be issued under the Plan. Any Award under the Plan settled in cash shall not be counted against the foregoing maximum share limitations. The maximum number of shares of Common Stock which may be granted under the Plan during any fiscal year of the Company to any Non-Employee Director shall be 100,000 shares

(which shall be subject to any further increase or decrease pursuant to Section 4.2). The maximum value of any cash payment made pursuant to an Award which may be granted under the Plan with respect to any fiscal year of the Company to any Non-Employee Director shall be $500,000.

(b) Individual Participant Limitations . To the extent required by Section 162(m) of the Code for Awards under the Plan to qualify as "performance-based compensation," the following individual Participant limitations shall only apply after the expiration of the Transition Period:

(i) The maximum number of shares of Common Stock subject to any Award of Stock Options, or Stock Appreciation Rights, or shares of Restricted Stock, or Other Stock-Based Awards for which the grant of such Award or the lapse of the relevant Restriction Period is subject to the attainment of Performance Goals in accordance with Section 8.3(a)(ii) which may be granted under the Plan during any fiscal year of the Company to any Participant shall be 1,000,000 shares per type of Award (which shall be subject to any further increase or decrease pursuant to Section 4.2), provided that the maximum number of shares of Common Stock for all types of Awards does not exceed 1,000,000 shares (which shall be subject to any further increase or decrease pursuant to Section 4.2) during any fiscal year of the Company. If a Tandem Stock Appreciation Right is granted or a Limited Stock Appreciation Right is granted in tandem with a Stock Option, it shall apply against the Participant's individual share limitations for both Stock Appreciation Rights and Stock Options.

(ii) There are no annual individual share limitations applicable to Participants on Restricted Stock or Other Stock-Based Awards for which the grant, vesting or payment (as applicable) of any such Award is not subject to the attainment of Performance Goals.

(iii) The maximum number of shares of Common Stock subject to any Performance Award which may be granted under the Plan during any fiscal year of the Company to any Participant shall be 1,000,000 shares (which shall be subject to any further increase or decrease pursuant to Section 4.2) with respect to any fiscal year of the Company.

(iv) The maximum value of a cash payment made under a Performance Award which may be granted under the Plan with respect to any fiscal year of the Company to any Participant shall be $5,000,000.

(v) The individual Participant limitations set forth in this Section 4.1(b) (other than Section 4.1(b)(iii)) shall be cumulative; that is, to the extent that shares of Common Stock for which Awards are permitted to be granted to a Participant during a fiscal year are not covered by an Award to such Participant in a fiscal year, the number of shares of Common Stock available for Awards to such Participant shall automatically increase in the subsequent fiscal years during the term of the Plan until used.

4.2 Changes .

(a) The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger or consolidation of the Company or any Affiliate,

(iii) any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock, (iv) the dissolution or liquidation of the Company or any Affiliate, (v) any sale or transfer of all or part of the assets or business of the Company or any Affiliate or (vi) any other corporate act or proceeding.

(b) Subject to the provisions of Section 11.1:

(i) If the Company at any time subdivides (by any split, recapitalization or otherwise) the outstanding Common Stock into a greater number of shares of Common Stock, or combines (by reverse split, combination or otherwise) its outstanding Common Stock into a lesser number of shares of Common Stock, then the respective exercise prices for outstanding Awards that provide for a Participant-elected exercise and the number of shares of Common Stock covered by outstanding Awards shall be appropriately adjusted by the Committee to prevent dilution or enlargement of the rights granted to, or available for, Participants under the Plan.

(ii) Excepting transactions covered by Section 4.2(b)(i), if the Company effects any merger, consolidation, statutory exchange, spin-off, reorganization, sale or transfer of all or substantially all the Company's assets or business, or other corporate transaction or event in such a manner that the Company's outstanding shares of Common Stock are converted into the right to receive (or the holders of Common Stock are entitled to receive in exchange therefor), either immediately or upon liquidation of the Company, securities or other property of the Company or other entity (each, a **" Reorganization "**), then, subject to the provisions of Section 11.1, (A) the aggregate number or kind of securities that thereafter may be issued under the Plan, (B) the number or kind of securities or other property (including cash) to be issued pursuant to Awards granted under the Plan (including as a result of the assumption of the Plan and the obligations hereunder by a successor entity, as applicable), or (C) the purchase price thereof, shall be appropriately adjusted by the Committee to prevent dilution or enlargement of the rights granted to, or available for, Participants under the Plan.

(iii) If there shall occur any change in the capital structure of the Company other than those covered by Section 4.2(b)(i) or 4.2(b)(ii), including by reason of any extraordinary dividend (whether cash or equity), any conversion, any adjustment, or any issuance of any class of securities convertible or exercisable into, or exercisable for, any class of equity securities of the Company, then the Committee may adjust any Award and make such other adjustments to the Plan to prevent dilution or enlargement of the rights granted to, or available for, Participants under the Plan. For the avoidance of doubt, in the case of any "equity restructuring" (within the meaning of the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards Codification Topic 718, Stock Compensation), the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring.

(iv) Any such adjustment determined by the Committee pursuant to this Section 4.2(b) shall be final, binding and conclusive on the Company and all Participants and their respective heirs, executors, administrators, successors and permitted assigns. Any adjustment to, or assumption or substitution of, an Award under this Section 4.2(b) shall be intended to comply with the requirements of Section 409A of the Code and Treasury Regulation

§1.424-1 (and any amendments thereto), to the extent applicable. Except as expressly provided in this Section 4.2 or in the applicable Award Agreement, a Participant shall have no additional rights under the Plan by reason of any transaction or event described in this Section 4.2.

(v) Fractional shares of Common Stock resulting from any adjustment in Awards pursuant to Section 4.2(a) or this Section 4.2 (b) shall be aggregated until, and eliminated at, the time of exercise or payment by rounding-down. No cash settlements shall be required with respect to fractional shares eliminated by rounding. Notice of any adjustment shall be given by the Committee to each Participant whose Award has been adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

4.3 **Minimum Purchase Price** . Notwithstanding any provision of the Plan to the contrary, if authorized but previously unissued shares of Common Stock are issued under the Plan, such shares shall not be issued for a consideration that is less than as permitted under applicable law.

ARTICLE V
ELIGIBILITY

5.1 **General Eligibility** . All current and prospective Eligible Individuals are eligible to be granted Awards. Eligibility for the grant of Awards and actual participation in the Plan shall be determined by the Committee in its sole discretion.

5.2 **Incentive Stock Options** . Notwithstanding the foregoing, only Eligible Employees of the Company, its Subsidiaries and its Parent (if any) are eligible to be granted Incentive Stock Options under the Plan. Eligibility for the grant of an Incentive Stock Option and actual participation in the Plan shall be determined by the Committee in its sole discretion.

5.3 **General Requirement** . The vesting and exercise of Awards granted to a prospective Eligible Individual are conditioned upon such individual actually becoming an Eligible Employee, Consultant or Non-Employee Director, respectively.

ARTICLE VI
STOCK OPTIONS

6.1 **Options** . Stock Options may be granted alone or in addition to other Awards granted under the Plan. Each Stock Option granted under the Plan shall be of one of two types: (a) an Incentive Stock Option or (b) a Non-Qualified Stock Option.

6.2 **Grants** . The Committee shall have the authority to grant to any Eligible Employee one or more Incentive Stock Options, Non-Qualified Stock Options, or both types of Stock Options. The Committee shall have the authority to grant any Consultant or Non-Employee Director one or more Non-Qualified Stock Options. To the extent that any Stock Option does not qualify as an Incentive Stock Option (whether because of its provisions or the time or manner of its exercise or otherwise), such Stock Option or the portion thereof which does not so qualify shall constitute a separate Non-Qualified Stock Option.

6.3 Incentive Stock Options. Notwithstanding anything in the Plan to the contrary, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify the Plan under Section 422 of the Code, or, without the consent of the Participants affected, to disqualify any Incentive Stock Option under such Section 422.

6.4 Terms of Options. Options granted under the Plan shall be subject to the following terms and conditions and shall be in such form and contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Exercise Price. The exercise price per share of Common Stock subject to a Stock Option shall be determined by the Committee at the time of grant, provided that the per share exercise price of a Stock Option shall not be less than 100% (or, in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, 110%) of the Fair Market Value of the Common Stock at the time of grant.

(b) Stock Option Term. The term of each Stock Option shall be fixed by the Committee, provided that no Stock Option shall be exercisable more than 10 years after the date the Option is granted; and provided further that the term of an Incentive Stock Option granted to a Ten Percent Stockholder shall not exceed five years.

(c) Exercisability. Unless otherwise provided by the Committee in accordance with the provisions of this Section 6.4, Stock Options granted under the Plan shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at the time of grant. If the Committee provides, in its discretion, that any Stock Option is exercisable subject to certain limitations (including, without limitation, that such Stock Option is exercisable only in installments or within certain time periods), the Committee may waive such limitations on the exercisability at any time at or after the time of grant in whole or in part (including, without limitation, waiver of the installment exercise provisions or acceleration of the time at which such Stock Option may be exercised), based on such factors, if any, as the Committee shall determine, in its sole discretion.

(d) Method of Exercise. Subject to whatever installment exercise and waiting period provisions apply under Section 6.4(c), to the extent vested, Stock Options may be exercised in whole or in part at any time during the Option term, by giving written notice of exercise to the Company specifying the number of shares of Common Stock to be purchased. Such notice shall be accompanied by payment in full of the purchase price as follows: (i) in cash or by check, bank draft or money order payable to the order of the Company; (ii) solely to the extent permitted by applicable law, if the Common Stock is traded on a national securities exchange, and the Committee authorizes, through a procedure whereby the Participant delivers irrevocable instructions to a broker reasonably acceptable to the Committee to deliver promptly to the Company an amount equal to the purchase price; or (iii) on such other terms and conditions as may be acceptable to the Committee (including, without limitation, having the Company withhold shares of Common Stock issuable upon exercise of the Stock Option, or by payment in full or in part in the form of Common Stock owned by the Participant, based on the Fair Market Value of the Common Stock on the payment date as determined by the Committee). No shares of Common Stock shall be issued until payment therefor, as provided herein, has been made or provided for.

(e) Non-Transferability of Options . No Stock Option shall be Transferable by the Participant other than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the Participant's lifetime, only by the Participant. Notwithstanding the foregoing, the Committee may determine, in its sole discretion, at the time of grant or thereafter that a Non-Qualified Stock Option that is otherwise not Transferable pursuant to this Section is Transferable to a Family Member in whole or in part and in such circumstances, and under such conditions, as specified by the Committee. A Non-Qualified Stock Option that is Transferred to a Family Member pursuant to the preceding sentence (i) may not be subsequently Transferred other than by will or by the laws of descent and distribution and (ii) remains subject to the terms of the Plan and the applicable Award Agreement. Any shares of Common Stock acquired upon the exercise of a Non-Qualified Stock Option by a permissible transferee of a Non-Qualified Stock Option or a permissible transferee pursuant to a Transfer after the exercise of the Non-Qualified Stock Option shall be subject to the terms of the Plan and the applicable Award Agreement.

(f) Termination by Death or Disability . Unless otherwise determined by the Committee at the time of grant, or if no rights of the Participant are reduced, thereafter, if a Participant's Termination is by reason of death or Disability, all Stock Options that are held by such Participant that are vested and exercisable at the time of the Participant's Termination may be exercised by the Participant (or in the case of the Participant's death, by the legal representative of the Participant's estate) at any time within a period of one (1) year from the date of such Termination, but in no event beyond the expiration of the stated term of such Stock Options; provided, however, that, in the event of a Participant's Termination by reason of Disability, if the Participant dies within such exercise period, all unexercised Stock Options held by such Participant shall thereafter be exercisable, to the extent to which they were exercisable at the time of death, for a period of one (1) year from the date of such death, but in no event beyond the expiration of the stated term of such Stock Options.

(g) Involuntary Termination Without Cause . Unless otherwise determined by the Committee at the time of grant, or if no rights of the Participant are reduced, thereafter, if a Participant's Termination is by involuntary termination by the Company without Cause, all Stock Options that are held by such Participant that are vested and exercisable at the time of the Participant's Termination may be exercised by the Participant at any time within a period of ninety (90) days from the date of such Termination, but in no event beyond the expiration of the stated term of such Stock Options.

(h) Voluntary Resignation . Unless otherwise determined by the Committee at the time of grant, or if no rights of the Participant are reduced, thereafter, if a Participant's Termination is voluntary (other than a voluntary termination described in Section 6.4(i)(y) hereof), all Stock Options that are held by such Participant that are vested and exercisable at the time of the Participant's Termination may be exercised by the Participant at any time within a period of thirty (30) days from the date of such Termination, but in no event beyond the expiration of the stated term of such Stock Options.

(i) Termination for Cause . Unless otherwise determined by the Committee at the time of grant, or if no rights of the Participant are reduced, thereafter, if a Participant's Termination (x) is for Cause or (y) is a voluntary Termination (as provided in Section 6.4(h)) after

the occurrence of an event that would be grounds for a Termination for Cause, all Stock Options, whether vested or not vested, that are held by such Participant shall thereupon terminate and expire as of the date of such Termination.

(j) Unvested Stock Options . Unless otherwise determined by the Committee at the time of grant, or if no rights of the Participant are reduced, thereafter, Stock Options that are not vested as of the date of a Participant's Termination for any reason shall terminate and expire as of the date of such Termination.

(k) Incentive Stock Option Limitations . To the extent that the aggregate Fair Market Value (determined as of the time of grant) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by an Eligible Employee during any calendar year under the Plan and/or any other stock option plan of the Company, any Subsidiary or any Parent exceeds $100,000, such Options shall be treated as Non-Qualified Stock Options. In addition, if an Eligible Employee does not remain employed by the Company, any Subsidiary or any Parent at all times from the time an Incentive Stock Option is granted until three months prior to the date of exercise thereof (or such other period as required by applicable law), such Stock Option shall be treated as a Non-Qualified Stock Option. Should any provision of the Plan not be necessary in order for the Stock Options to qualify as Incentive Stock Options, or should any additional provisions be required, the Committee may amend the Plan accordingly, without the necessity of obtaining the approval of the stockholders of the Company.

(l) Form, Modification, Extension and Renewal of Stock Options . Subject to the terms and conditions and within the limitations of the Plan, Stock Options shall be evidenced by such form of agreement or grant as is approved by the Committee, and the Committee may (i) modify, extend or renew outstanding Stock Options granted under the Plan (provided that the rights of a Participant are not reduced without such Participant's consent and provided further that such action does not subject the Stock Options to Section 409A of the Code without the consent of the Participant), and (ii) accept the surrender of outstanding Stock Options (to the extent not theretofore exercised) and authorize the granting of new Stock Options in substitution therefor (to the extent not theretofore exercised). Notwithstanding the foregoing, an outstanding Option may not be modified to reduce the exercise price thereof nor may a new Option at a lower price be substituted for a surrendered Option (other than adjustments or substitutions in accordance with Section 4.2), unless such action is approved by the stockholders of the Company.

(m) Deferred Delivery of Common Stock . The Committee may in its discretion permit Participants to defer delivery of Common Stock acquired pursuant to a Participant's exercise of an Option in accordance with the terms and conditions established by the Committee in the applicable Award Agreement, which shall be intended to comply with the requirements of Section 409A of the Code.

(n) Early Exercise . The Committee may provide that a Stock Option include a provision whereby the Participant may elect at any time before the Participant's Termination to exercise the Stock Option as to any part or all of the shares of Common Stock subject to the Stock Option prior to the full vesting of the Stock Option and such shares shall be subject to the provisions of Article VIII and be treated as Restricted Stock. Unvested shares of Common Stock so purchased may be subject to a repurchase option in favor of the Company or to any other restriction the Committee determines to be appropriate.

(o) Other Terms and Conditions . The Committee may include a provision in an Award Agreement providing for the automatic exercise of a Non-Qualified Stock Option on a cashless basis on the last day of the term of such Option if the Participant has failed to exercise the Non-Qualified Stock Option as of such date, with respect to which the Fair Market Value of the shares of Common Stock underlying the Non-Qualified Stock Option exceeds the exercise price of such Non-Qualified Stock Option on the date of expiration of such Option, subject to Section 14.4. Stock Options may contain such other provisions, which shall not be inconsistent with any of the terms of the Plan, as the Committee shall deem appropriate.

ARTICLE VII
STOCK APPRECIATION RIGHTS

7.1 Tandem Stock Appreciation Rights . Stock Appreciation Rights may be granted in conjunction with all or part of any Stock Option (a " Reference Stock Option ") granted under the Plan (" Tandem Stock Appreciation Rights "). In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of the grant of such Reference Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of the grant of such Reference Stock Option.

7.2 Terms and Conditions of Tandem Stock Appreciation Rights . Tandem Stock Appreciation Rights granted hereunder shall be subject to such terms and conditions, not inconsistent with the provisions of the Plan, as shall be determined from time to time by the Committee, and the following:

(a) Exercise Price . The exercise price per share of Common Stock subject to a Tandem Stock Appreciation Right shall be determined by the Committee at the time of grant, provided that the per share exercise price of a Tandem Stock Appreciation Right shall not be less than 100% of the Fair Market Value of the Common Stock at the time of grant.

(b) Term . A Tandem Stock Appreciation Right or applicable portion thereof granted with respect to a Reference Stock Option shall terminate and no longer be exercisable upon the termination or exercise of the Reference Stock Option, except that, unless otherwise determined by the Committee, in its sole discretion, at the time of grant, a Tandem Stock Appreciation Right granted with respect to less than the full number of shares covered by the Reference Stock Option shall not be reduced until, and then only to the extent that the exercise or termination of the Reference Stock Option causes, the number of shares covered by the Tandem Stock Appreciation Right to exceed the number of shares remaining available and unexercised under the Reference Stock Option.

(c) Exercisability . Tandem Stock Appreciation Rights shall be exercisable only at such time or times and to the extent that the Reference Stock Options to which they relate shall be exercisable in accordance with the provisions of Article VI, and shall be subject to the provisions of Section 6.4(c).

(d) Method of Exercise . A Tandem Stock Appreciation Right may be exercised by the Participant by surrendering the applicable portion of the Reference Stock Option. Upon such exercise and surrender, the Participant shall be entitled to receive an amount determined in the manner prescribed in this Section 7.2. Stock Options which have been so surrendered, in whole or in part, shall no longer be exercisable to the extent that the related Tandem Stock Appreciation Rights have been exercised.

(e) Payment . Upon the exercise of a Tandem Stock Appreciation Right, a Participant shall be entitled to receive up to, but no more than, an amount in cash and/or Common Stock (as chosen by the Committee in its sole discretion) equal in value to the excess of the Fair Market Value of one share of Common Stock over the Option exercise price per share specified in the Reference Stock Option agreement multiplied by the number of shares of Common Stock in respect of which the Tandem Stock Appreciation Right shall have been exercised, with the Committee having the right to determine the form of payment.

(f) Deemed Exercise of Reference Stock Option . Upon the exercise of a Tandem Stock Appreciation Right, the Reference Stock Option or part thereof to which such Stock Appreciation Right is related shall be deemed to have been exercised for the purpose of the limitation set forth in Article IV of the Plan on the number of shares of Common Stock to be issued under the Plan.

(g) Non-Transferability . Tandem Stock Appreciation Rights shall be Transferable only when and to the extent that the underlying Stock Option would be Transferable under Section 6.4(e) of the Plan.

7.3 Non-Tandem Stock Appreciation Rights . Non-Tandem Stock Appreciation Rights may also be granted without reference to any Stock Options granted under the Plan.

7.4 Terms and Conditions of Non-Tandem Stock Appreciation Rights . Non-Tandem Stock Appreciation Rights granted hereunder shall be subject to such terms and conditions, not inconsistent with the provisions of the Plan, as shall be determined from time to time by the Committee, and the following:

(a) Exercise Price . The exercise price per share of Common Stock subject to a Non-Tandem Stock Appreciation Right shall be determined by the Committee at the time of grant, provided that the per share exercise price of a Non-Tandem Stock Appreciation Right shall not be less than 100% of the Fair Market Value of the Common Stock at the time of grant.

(b) Term . The term of each Non-Tandem Stock Appreciation Right shall be fixed by the Committee, but shall not be greater than 10 years after the date the right is granted.

(c) Exercisability . Unless otherwise provided by the Committee in accordance with the provisions of this Section 7.4, Non-Tandem Stock Appreciation Rights granted under the Plan shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at the time of grant. If the Committee provides, in its discretion, that any such right is exercisable subject to certain limitations (including, without limitation, that it is exercisable only in installments or within certain time periods), the Committee may waive such limitations on the exercisability at any time at or after grant in whole or in part (including,

without limitation, waiver of the installment exercise provisions or acceleration of the time at which such right may be exercised), based on such factors, if any, as the Committee shall determine, in its sole discretion.

(d) Method of Exercise . Subject to whatever installment exercise and waiting period provisions apply under Section 7.4(c), Non-Tandem Stock Appreciation Rights may be exercised in whole or in part at any time in accordance with the applicable Award Agreement, by giving written notice of exercise to the Company specifying the number of Non-Tandem Stock Appreciation Rights to be exercised.

(e) Payment . Upon the exercise of a Non-Tandem Stock Appreciation Right a Participant shall be entitled to receive, for each right exercised, up to, but no more than, an amount in cash and/or Common Stock (as chosen by the Committee in its sole discretion) equal in value to the excess of the Fair Market Value of one share of Common Stock on the date that the right is exercised over the Fair Market Value of one share of Common Stock on the date that the right was awarded to the Participant.

(f) Termination . Unless otherwise determined by the Committee at grant or, if no rights of the Participant are reduced, thereafter, subject to the provisions of the applicable Award Agreement and the Plan, upon a Participant's Termination for any reason, Non-Tandem Stock Appreciation Rights will remain exercisable following a Participant's Termination on the same basis as Stock Options would be exercisable following a Participant's Termination in accordance with the provisions of Sections 6.4(f) through 6.4(j).

(g) Non-Transferability . No Non-Tandem Stock Appreciation Rights shall be Transferable by the Participant other than by will or by the laws of descent and distribution, and all such rights shall be exercisable, during the Participant's lifetime, only by the Participant.

7.5 Limited Stock Appreciation Rights . The Committee may, in its sole discretion, grant Tandem and Non-Tandem Stock Appreciation Rights either as a general Stock Appreciation Right or as a "Limited Stock Appreciation Right." Limited Stock Appreciation Rights may be exercised only upon the occurrence of a Change in Control or such other event as the Committee may, in its sole discretion, designate at the time of grant or thereafter. Upon the exercise of Limited Stock Appreciation Rights, except as otherwise provided in an Award Agreement, the Participant shall receive in cash and/or Common Stock, as determined by the Committee, an amount equal to the amount (i) set forth in Section 7.2(e) with respect to Tandem Stock Appreciation Rights, or (ii) set forth in Section 7.4(e) with respect to Non-Tandem Stock Appreciation Rights.

7.6 Other Terms and Conditions . The Committee may include a provision in an Award Agreement providing for the automatic exercise of a Stock Appreciation Right on a cashless basis on the last day of the term of such Stock Appreciation Right if the Participant has failed to exercise the Stock Appreciation Right as of such date, with respect to which the Fair Market Value of the shares of Common Stock underlying the Stock Appreciation Right exceeds the exercise price of such Stock Appreciation Right on the date of expiration of such Stock Appreciation Right, subject to Section 14.4. Stock Appreciation Rights may contain such other provisions, which shall not be inconsistent with any of the terms of the Plan, as the Committee

shall deem appropriate. Notwithstanding the foregoing, an outstanding Stock Appreciation Right may not be modified to reduce the exercise price thereof nor may a new Stock Appreciation Right at a lower price be substituted for a surrendered Stock Appreciation Right (other than adjustments or substitutions in accordance with Section 4.2), unless such action is approved by the stockholders of the Company.

ARTICLE VIII
RESTRICTED STOCK

8.1 Awards of Restricted Stock . Shares of Restricted Stock may be issued either alone or in addition to other Awards granted under the Plan. The Committee shall determine the Eligible Individuals, to whom, and the time or times at which, grants of Restricted Stock shall be made, the number of shares to be awarded, the price (if any) to be paid by the Participant (subject to Section 8.2), the time or times within which such Awards may be subject to forfeiture, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards.

The Committee may condition the grant or vesting of Restricted Stock upon the attainment of specified performance targets (including, the Performance Goals) or such other factor as the Committee may determine in its sole discretion, including to comply with the requirements of Section 162(m) of the Code.

8.2 Awards and Certificates . Eligible Individuals selected to receive Restricted Stock shall not have any right with respect to such Award, unless and until such Participant has delivered a fully executed copy of the agreement evidencing the Award to the Company, to the extent required by the Committee, and has otherwise complied with the applicable terms and conditions of such Award. Further, such Award shall be subject to the following conditions:

(a) Purchase Price . The purchase price of Restricted Stock shall be fixed by the Committee. Subject to Section 4.3, the purchase price for shares of Restricted Stock may be zero to the extent permitted by applicable law, and, to the extent not so permitted, such purchase price may not be less than par value.

(b) Acceptance . Awards of Restricted Stock must be accepted within a period of 60 days (or such shorter period as the Committee may specify at grant) after the grant date, by executing a Restricted Stock agreement and by paying whatever price (if any) the Committee has designated thereunder.

(c) Legend . Each Participant receiving Restricted Stock shall be issued a stock certificate in respect of such shares of Restricted Stock, unless the Committee elects to use another system, such as book entries by the transfer agent, as evidencing ownership of shares of Restricted Stock. Such certificate shall be registered in the name of such Participant, and shall, in addition to such legends required by applicable securities laws, bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

> "The anticipation, alienation, attachment, sale, transfer, assignment, pledge, encumbrance or charge of the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of

the Vince Holding Corp. (the "Company") 2013 Omnibus Incentive Plan (the "Plan") and an Agreement entered into between the registered owner and the Company dated . Copies of such Plan and Agreement are on file at the principal office of the Company."

(d) Custody . If stock certificates are issued in respect of shares of Restricted Stock, the Committee may require that any stock certificates evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed, and that, as a condition of any grant of Restricted Stock, the Participant shall have delivered a duly signed stock power or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate by the Company, which would permit transfer to the Company of all or a portion of the shares subject to the Restricted Stock Award in the event that such Award is forfeited in whole or part.

8.3 Restrictions and Conditions . The shares of Restricted Stock awarded pursuant to the Plan shall be subject to the following restrictions and conditions:

(a) Restriction Period . (i) The Participant shall not be permitted to Transfer shares of Restricted Stock awarded under the Plan during the period or periods set by the Committee (the " Restriction Period ") commencing on the date of such Award, as set forth in the Restricted Stock Award Agreement and such agreement shall set forth a vesting schedule and any event that would accelerate vesting of the shares of Restricted Stock. Within these limits, based on service, attainment of Performance Goals pursuant to Section 8.3(a)(ii) and/or such other factors or criteria as the Committee may determine in its sole discretion, the Committee may condition the grant or provide for the lapse of such restrictions in installments in whole or in part, or may accelerate the vesting of all or any part of any Restricted Stock and/or waive the deferral limitations for all or any part of any Restricted Stock.

(ii) If the grant of shares of Restricted Stock or the lapse of restrictions is based on the attainment of Performance Goals, the Committee shall establish the objective Performance Goals and the applicable vesting percentage of the Restricted Stock applicable to each Participant or class of Participants in writing prior to the beginning of the applicable fiscal year or at such later date as otherwise determined by the Committee and while the outcome of the Performance Goals are substantially uncertain. Such Performance Goals may incorporate provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar type events or circumstances. With regard to a Restricted Stock Award that is intended to comply with Section 162(m) of the Code, to the extent that any such provision would create impermissible discretion under Section 162(m) of the Code or otherwise violate Section 162(m) of the Code, such provision shall be of no force or effect.

(b) Rights as a Stockholder . Except as provided in Section 8.3(a) and this Section 8.3(b) or as otherwise determined by the Committee in an Award Agreement, the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a holder of shares of Common Stock of the Company, including, without limitation, the right to receive dividends, the right to vote such shares and, subject to and conditioned upon the full vesting of

shares of Restricted Stock, the right to tender such shares. The Committee may, in its sole discretion, determine at the time of grant that the payment of dividends shall be deferred until, and conditioned upon, the expiration of the applicable Restriction Period.

(c) Termination . Unless otherwise determined by the Committee at grant or, if no rights of the Participant are reduced, thereafter, subject to the applicable provisions of the Award Agreement and the Plan, upon a Participant's Termination for any reason during the relevant Restriction Period, all Restricted Stock still subject to restriction will be forfeited in accordance with the terms and conditions established by the Committee at grant or thereafter.

(d) Lapse of Restrictions . If and when the Restriction Period expires without a prior forfeiture of the Restricted Stock, the certificates, if any, for such shares shall be delivered to the Participant. All legends shall be removed from said certificates at the time of delivery to the Participant, except as otherwise required by applicable law or other limitations imposed by the Committee.

ARTICLE IX
PERFORMANCE AWARDS

9.1 Performance Awards . The Committee may grant a Performance Award to a Participant payable upon the attainment of specific Performance Goals. The Committee may grant Performance Awards that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code, as well as Performance Awards that are not intended to qualify as "performance-based compensation" under Section 162(m) of the Code. If the Performance Award is payable in shares of Restricted Stock, such shares shall be transferable to the Participant only upon attainment of the relevant Performance Goal in accordance with Article VIII. If the Performance Award is payable in cash, it may be paid upon the attainment of the relevant Performance Goals either in cash or in shares of Restricted Stock (based on the then current Fair Market Value of such shares), as determined by the Committee, in its sole and absolute discretion. Each Performance Award shall be evidenced by an Award Agreement in such form that is not inconsistent with the Plan and that the Committee may from time to time approve.

With respect to Performance Awards that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee shall condition the right to payment of any Performance Award upon the attainment of objective Performance Goals established pursuant to Section 9.2(c).

9.2 Terms and Conditions . Performance Awards awarded pursuant to this Article IX shall be subject to the following terms and conditions:

(a) Earning of Performance Award . At the expiration of the applicable Performance Period, the Committee shall determine the extent to which the Performance Goals established pursuant to Section 9.2(c) are achieved and the percentage of each Performance Award that has been earned.

(b) Non-Transferability . Subject to the applicable provisions of the Award Agreement and the Plan, Performance Awards may not be Transferred during the Performance Period.

(c) Objective Performance Goals, Formulae or Standards . With respect to Performance Awards that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee shall establish the objective Performance Goals for the earning of Performance Awards based on a Performance Period applicable to each Participant or class of Participants in writing prior to the beginning of the applicable Performance Period or at such later date as permitted under Section 162(m) of the Code and while the outcome of the Performance Goals are substantially uncertain. Such Performance Goals may incorporate, if and only to the extent permitted under Section 162 (m) of the Code, provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar type events or circumstances. To the extent that any such provision would create impermissible discretion under Section 162(m) of the Code or otherwise violate Section 162(m) of the Code, such provision shall be of no force or effect, with respect to Performance Awards that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code.

(d) Dividends . Unless otherwise determined by the Committee at the time of grant, amounts equal to dividends declared during the Performance Period with respect to the number of shares of Common Stock covered by a Performance Award will not be paid to the Participant.

(e) Payment . Following the Committee's determination in accordance with Section 9.2(a), the Company shall settle Performance Awards, in such form (including, without limitation, in shares of Common Stock or in cash) as determined by the Committee, in an amount equal to such Participant's earned Performance Awards. Notwithstanding the foregoing, the Committee may, in its sole discretion, award an amount less than the earned Performance Awards and/or subject the payment of all or part of any Performance Award to additional vesting, forfeiture and deferral conditions as it deems appropriate.

(f) Termination . Subject to the applicable provisions of the Award Agreement and the Plan, upon a Participant's Termination for any reason during the Performance Period for a given Performance Award, the Performance Award in question will vest or be forfeited in accordance with the terms and conditions established by the Committee at grant.

(g) Accelerated Vesting . Based on service, performance and/or such other factors or criteria, if any, as the Committee may determine, the Committee may, at or after grant, accelerate the vesting of all or any part of any Performance Award.

ARTICLE X
OTHER STOCK-BASED AND CASH-BASED AWARDS

10.1 Other Stock-Based Awards . The Committee is authorized to grant to Eligible Individuals Other Stock-Based Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of Common Stock, including but not limited to, shares of Common Stock awarded purely as a bonus and not subject to restrictions or conditions, shares of Common Stock in payment of the amounts due under an incentive or performance plan sponsored or maintained by the Company or an Affiliate, stock equivalent units, restricted stock units, and Awards valued by reference to book value of shares of Common Stock. Other Stock-Based Awards may be granted either alone or in addition to or in tandem with other Awards granted under the Plan.

Subject to the provisions of the Plan, the Committee shall have authority to determine the Eligible Individuals, to whom, and the time or times at which, such Awards shall be made, the number of shares of Common Stock to be awarded pursuant to such Awards, and all other conditions of the Awards. The Committee may also provide for the grant of Common Stock under such Awards upon the completion of a specified Performance Period.

The Committee may condition the grant or vesting of Other Stock-Based Awards upon the attainment of specified Performance Goals as the Committee may determine, in its sole discretion; provided that to the extent that such Other Stock-Based Awards are intended to comply with Section 162(m) of the Code, the Committee shall establish the objective Performance Goals for the grant or vesting of such Other Stock-Based Awards based on a Performance Period applicable to each Participant or class of Participants in writing prior to the beginning of the applicable Performance Period or at such later date as permitted under Section 162(m) of the Code and while the outcome of the Performance Goals are substantially uncertain. Such Performance Goals may incorporate, if and only to the extent permitted under Section 162(m) of the Code, provisions for disregarding (or adjusting for) changes in accounting methods, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar type events or circumstances. To the extent that any such provision would create impermissible discretion under Section 162(m) of the Code or otherwise violate Section 162(m) of the Code, such provision shall be of no force or effect, with respect to Performance Awards that are intended to qualify as “performance-based compensation” under Section 162(m) of the Code.

10.2 Terms and Conditions . Other Stock-Based Awards made pursuant to this Article X shall be subject to the following terms and conditions:

(a) Non-Transferability . Subject to the applicable provisions of the Award Agreement and the Plan, shares of Common Stock subject to Awards made under this Article X may not be Transferred prior to the date on which the shares are issued, or, if later, the date on which any applicable restriction, performance or deferral period lapses.

(b) Dividends . Unless otherwise determined by the Committee at the time of Award, subject to the provisions of the Award Agreement and the Plan, the recipient of an Award under this Article X shall not be entitled to receive, currently or on a deferred basis, dividends or dividend equivalents in respect of the number of shares of Common Stock covered by the Award.

(c) Vesting . Any Award under this Article X and any Common Stock covered by any such Award shall vest or be forfeited to the extent so provided in the Award Agreement, as determined by the Committee, in its sole discretion.

(d) Price . Common Stock issued on a bonus basis under this Article X may be issued for no cash consideration. Common Stock purchased pursuant to a purchase right awarded under this Article X shall be priced, as determined by the Committee in its sole discretion.

10.3 Other Cash-Based Awards . The Committee may from time to time grant Other Cash-Based Awards to Eligible Individuals in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by applicable law, as it shall determine in its sole discretion. Other Cash-Based Awards may be granted subject to the satisfaction of vesting conditions or may be awarded purely as a bonus and not subject to restrictions or conditions, and if subject to vesting conditions, the Committee may accelerate the vesting of such Awards at any time in its sole discretion. The grant of an Other Cash-Based Award shall not require a segregation of any of the Company's assets for satisfaction of the Company's payment obligation thereunder.

ARTICLE XI
CHANGE IN CONTROL PROVISIONS

11.1 Benefits . In the event of a Change in Control of the Company (as defined below), and except as otherwise provided by the Committee in an Award Agreement, a Participant's unvested Awards shall not vest automatically and a Participant's Awards shall be treated in accordance with one or more of the following methods as determined by the Committee:

(a) Awards, whether or not then vested, shall be continued, assumed, or have new rights substituted therefor, as determined by the Committee in a manner consistent with the requirements of Section 409A of the Code, and restrictions to which shares of Restricted Stock or any other Award granted prior to the Change in Control are subject shall not lapse upon a Change in Control and the Restricted Stock or other Award shall, where appropriate in the sole discretion of the Committee, receive the same distribution as other Common Stock on such terms as determined by the Committee; provided that the Committee may decide to award additional Restricted Stock or other Awards in lieu of any cash distribution. Notwithstanding anything to the contrary herein, for purposes of Incentive Stock Options, any assumed or substituted Stock Option shall comply with the requirements of Treasury Regulation Section 1.424-1 (and any amendment thereto).

(b) The Committee, in its sole discretion, may provide for the purchase of any Awards by the Company or an Affiliate for an amount of cash equal to the excess (if any) of the Change in Control Price (as defined below) of the shares of Common Stock covered by such Awards, over the aggregate exercise price of such Awards. For purposes hereof, " Change in Control Price " shall mean the highest price per share of Common Stock paid in any transaction related to a Change in Control of the Company.

(c) The Committee may, in its sole discretion, terminate all outstanding and unexercised Stock Options, Stock Appreciation Rights, or any Other Stock-Based Award that provides for a Participant elected exercise, effective as of the date of the Change in Control, by delivering notice of termination to each Participant at least ten (10) days prior to the date of consummation of the Change in Control, in which case during the period from the date on which such notice of termination is delivered to the consummation of the Change in Control, each such Participant shall have the right to exercise in full all of such Participant's Awards that are then outstanding (without regard to any limitations on exercisability otherwise contained in the Award Agreements), but any such exercise shall be contingent on the occurrence of the Change in Control, and, provided that, if the Change in Control does not take place within a specified period after giving such notice for any reason whatsoever, the notice and exercise pursuant thereto shall be null and void.

(d) Notwithstanding any other provision herein to the contrary, the Committee may, in its sole discretion, provide for accelerated vesting or lapse of restrictions, of an Award at any time.

11.2 Change in Control . Unless otherwise determined by the Committee in the at the time of grant, a "Change in Control" shall be deemed to occur if:

(a) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, Sun Capital Partners, Inc. or its affiliates, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Common Stock of the Company), becoming the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities;

(b) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (a), (c), or (d) of this Section 11.2 or a director whose initial assumption of office occurs as a result of either an actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;

(c) a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (other than those covered by the exceptions in Section 11.2(a)) acquires more than 50% of the combined voting power of the Company's then outstanding securities shall not constitute a Change in Control of the Company; or

(d) a complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company's assets other than the sale or disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, 50% or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale.

Notwithstanding the foregoing, with respect to any Award that is characterized as "nonqualified deferred compensation" within the meaning of Section 409A of the Code, an event shall not be considered to be a Change in Control under the Plan for purposes of payment of such Award

unless such event is also a “change in ownership,” a “change in effective control” or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A of the Code.

11.3 Initial Public Offering not a Change in Control . Notwithstanding the foregoing, for purposes of the Plan, the occurrence of the Registration Date or any change in the composition of the Board within one year following the Registration Date shall not be considered a Change in Control.

ARTICLE XII
TERMINATION OR AMENDMENT OF PLAN

Notwithstanding any other provision of the Plan, the Board may at any time, and from time to time, amend, in whole or in part, any or all of the provisions of the Plan (including any amendment deemed necessary to ensure that the Company may comply with any regulatory requirement referred to in Article XIV or Section 409A of the Code), or suspend or terminate it entirely, retroactively or otherwise; provided, however, that, unless otherwise required by law or specifically provided herein, the rights of a Participant with respect to Awards granted prior to such amendment, suspension or termination, may not be impaired without the consent of such Participant and, provided further, that without the approval of the holders of the Company’s Common Stock entitled to vote in accordance with applicable law, no amendment may be made that would (i) increase the aggregate number of shares of Common Stock that may be issued under the Plan (except by operation of Section 4.2); (ii) increase the maximum individual Participant limitations for a fiscal year under Section 4.1(b) (except by operation of Section 4.2); (iii) change the classification of individuals eligible to receive Awards under the Plan; (iv) decrease the minimum option price of any Stock Option or Stock Appreciation Right; (v) extend the maximum option period under Section 6.4; (vi) alter the Performance Goals for Restricted Stock, Performance Awards or Other Stock-Based Awards as set forth in Exhibit A hereto; (vii) award any Stock Option or Stock Appreciation Right in replacement of a canceled Stock Option or Stock Appreciation Right with a higher exercise price than the replacement award; or (viii) require stockholder approval in order for the Plan to continue to comply with the applicable provisions of Section 162(m) of the Code or, to the extent applicable to Incentive Stock Options, Section 422 of the Code. In no event may the Plan be amended without the approval of the stockholders of the Company in accordance with the applicable laws of the State of Delaware to increase the aggregate number of shares of Common Stock that may be issued under the Plan, decrease the minimum exercise price of any Award, or to make any other amendment that would require stockholder approval under Financial Industry Regulatory Authority (FINRA) rules and regulations or the rules of any exchange or system on which the Company’s securities are listed or traded at the request of the Company. Notwithstanding anything herein to the contrary, the Board may amend the Plan or any Award Agreement at any time without a Participant’s consent to comply with applicable law including Section 409A of the Code. The Committee may amend the terms of any Award theretofore granted, prospectively or retroactively, but, subject to Article IV or as otherwise specifically provided herein, no such amendment or other action by the Committee shall impair the rights of any holder without the holder’s consent.

ARTICLE XIII
UNFUNDED STATUS OF PLAN

The Plan is intended to constitute an “unfunded” plan for incentive and deferred compensation. With respect to any payment as to which a Participant has a fixed and vested interest but which are not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any right that is greater than those of a general unsecured creditor of the Company.

ARTICLE XIV
GENERAL PROVISIONS

14.1 Legend . The Committee may require each person receiving shares of Common Stock pursuant to a Stock Option or other Award under the Plan to represent to and agree with the Company in writing that the Participant is acquiring the shares without a view to distribution thereof. In addition to any legend required by the Plan, the certificates for such shares may include any legend that the Committee deems appropriate to reflect any restrictions on Transfer. All certificates for shares of Common Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Common Stock is then listed or any national securities exchange system upon whose system the Common Stock is then quoted, any applicable federal or state securities law, and any applicable corporate law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

14.2 Other Plans . Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required, and such arrangements may be either generally applicable or applicable only in specific cases.

14.3 No Right to Employment/Directorship/Consultancy . Neither the Plan nor the grant of any Option or other Award hereunder shall give any Participant or other employee, Consultant or Non-Employee Director any right with respect to continuance of employment, consultancy or directorship by the Company or any Affiliate, nor shall there be a limitation in any way on the right of the Company or any Affiliate by which an employee is employed or a Consultant or Non-Employee Director is retained to terminate such employment, consultancy or directorship at any time.

14.4 Withholding of Taxes . The Company shall have the right to deduct from any payment to be made pursuant to the Plan, or to otherwise require, prior to the issuance or delivery of shares of Common Stock or the payment of any cash hereunder, payment by the Participant of, any federal, state or local taxes required by law to be withheld. Upon the vesting of Restricted Stock (or other Award that is taxable upon vesting), or upon making an election under Section 83(b) of the Code, a Participant shall pay all required withholding to the Company. Any minimum statutorily required withholding obligation with regard to any Participant may be satisfied, subject to the consent of the Committee, by reducing the number of shares of Common Stock otherwise deliverable or by delivering shares of Common Stock already owned. Any fraction of a share of Common Stock required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash by the Participant.

14.5 No Assignment of Benefits . No Award or other benefit payable under the Plan shall, except as otherwise specifically provided by law or permitted by the Committee, be Transferable in any manner, and any attempt to Transfer any such benefit shall be void, and any such benefit shall not in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person who shall be entitled to such benefit, nor shall it be subject to attachment or legal process for or against such person.

14.6 Listing and Other Conditions .

(a) Unless otherwise determined by the Committee, as long as the Common Stock is listed on a national securities exchange or system sponsored by a national securities association, the issuance of shares of Common Stock pursuant to an Award shall be conditioned upon such shares being listed on such exchange or system. The Company shall have no obligation to issue such shares unless and until such shares are so listed, and the right to exercise any Option or other Award with respect to such shares shall be suspended until such listing has been effected.

(b) If at any time counsel to the Company shall be of the opinion that any sale or delivery of shares of Common Stock pursuant to an Option or other Award is or may in the circumstances be unlawful or result in the imposition of excise taxes on the Company under the statutes, rules or regulations of any applicable jurisdiction, the Company shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act or otherwise, with respect to shares of Common Stock or Awards, and the right to exercise any Option or other Award shall be suspended until, in the opinion of said counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on the Company.

(c) Upon termination of any period of suspension under this Section 14.6, any Award affected by such suspension which shall not then have expired or terminated shall be reinstated as to all shares available before such suspension and as to shares which would otherwise have become available during the period of such suspension, but no such suspension shall extend the term of any Award.

(d) A Participant shall be required to supply the Company with certificates, representations and information that the Company requests and otherwise cooperate with the Company in obtaining any listing, registration, qualification, exemption, consent or approval the Company deems necessary or appropriate.

14.7 Stockholders Agreement and Other Requirements . Notwithstanding anything herein to the contrary, as a condition to the receipt of shares of Common Stock pursuant to an Award under the Plan, to the extent required by the Committee, the Participant shall execute and deliver a stockholder's agreement or such other documentation that shall set forth certain restrictions on transferability of the shares of Common Stock acquired upon exercise or purchase, and such other terms as the Board or Committee shall from time to time establish. Such stockholder's agreement or other documentation shall apply to the Common Stock acquired under the Plan and covered by such stockholder's agreement or other documentation. The Company may require, as a condition of exercise, the Participant to become a party to any other existing stockholder agreement (or other agreement).

14.8 Governing Law . The Plan and actions taken in connection herewith shall be governed and construed in accordance with the laws of the State of Delaware (regardless of the law that might otherwise govern under applicable Delaware principles of conflict of laws).

14.9 Jurisdiction; Waiver of Jury Trial . Any suit, action or proceeding with respect to the Plan or any Award Agreement, or any judgment entered by any court of competent jurisdiction in respect of any thereof, shall be resolved only in the courts of the State of Delaware or the United States District Court for the District of Delaware and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, the Company and each Participant shall irrevocably and unconditionally (a) submit in any proceeding relating to the Plan or any Award Agreement, or for the recognition and enforcement of any judgment in respect thereof (a " Proceeding "), to the exclusive jurisdiction of the courts of the State of Delaware, the court of the United States of America for the District of Delaware, and appellate courts having jurisdiction of appeals from any of the foregoing, and agree that all claims in respect of any such Proceeding shall be heard and determined in such Delaware State court or, to the extent permitted by law, in such federal court, (b) consent that any such Proceeding may and shall be brought in such courts and waives any objection that the Company and each Participant may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agree not to plead or claim the same, (c) waive all right to trial by jury in any Proceeding (whether based on contract, tort or otherwise) arising out of or relating to the Plan or any Award Agreement, (d) agree that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party, in the case of a Participant, at the Participant's address shown in the books and records of the Company or, in the case of the Company, at the Company's principal offices, attention General Counsel, and (e) agree that nothing in the Plan shall affect the right to effect service of process in any other manner permitted by the laws of the State of Delaware.

14.10 Construction . Wherever any words are used in the Plan in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply.

14.11 Other Benefits . No Award granted or paid out under the Plan shall be deemed compensation for purposes of computing benefits under any retirement plan of the Company or its Affiliates nor affect any benefit under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation.

14.12 Costs . The Company shall bear all expenses associated with administering the Plan, including expenses of issuing Common Stock pursuant to Awards hereunder.

14.13 No Right to Same Benefits. The provisions of Awards need not be the same with respect to each Participant, and such Awards to individual Participants need not be the same in subsequent years.

14.14 Death/Disability. The Committee may in its discretion require the transferee of a Participant to supply it with written notice of the Participant's death or Disability and to supply it with a copy of the will (in the case of the Participant's death) or such other evidence as the Committee deems necessary to establish the validity of the transfer of an Award. The Committee may also require that the agreement of the transferee to be bound by all of the terms and conditions of the Plan.

14.15 Section 16(b) of the Exchange Act. All elections and transactions under the Plan by persons subject to Section 16 of the Exchange Act involving shares of Common Stock are intended to comply with any applicable exemptive condition under Rule 16b-3. The Committee may establish and adopt written administrative guidelines, designed to facilitate compliance with Section 16(b) of the Exchange Act, as it may deem necessary or proper for the administration and operation of the Plan and the transaction of business thereunder.

14.16 Section 409A of the Code. The Plan is intended to comply with the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. To the extent that any Award is subject to Section 409A of the Code, it shall be paid in a manner that will comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding anything herein to the contrary, any provision in the Plan that is inconsistent with Section 409A of the Code shall be deemed to be amended to comply with Section 409A of the Code and to the extent such provision cannot be amended to comply therewith, such provision shall be null and void. The Company shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Committee or the Company and, in the event that any amount or benefit under the Plan becomes subject to penalties under Section 409A of the Code, responsibility for payment of such penalties shall rest solely with the affected Participants and not with the Company. Notwithstanding any contrary provision in the Plan or Award Agreement, any payment(s) of "nonqualified deferred compensation" (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan to a "specified employee" (as defined under Section 409A of the Code) as a result of such employee's separation from service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six (6) months following such separation from service (or, if earlier, the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award Agreement) upon expiration of such delay period.

14.17 Successor and Assigns. The Plan shall be binding on all successors and permitted assigns of a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate.

14.18 Severability of Provisions . If any provision of the Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and the Plan shall be construed and enforced as if such provisions had not been included.

14.19 Payments to Minors, Etc . Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipt thereof shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person, and such payment shall fully discharge the Committee, the Board, the Company, its Affiliates and their employees, agents and representatives with respect thereto.

14.20 Lock-Up Agreement . As a condition to the grant of an Award, if requested by the Company and the lead underwriter of any public offering of the Common Stock (the " Lead Underwriter " *)*, a Participant shall irrevocably agree not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of, any interest in any Common Stock or any securities convertible into, derivative of, or exchangeable or exercisable for, or any other rights to purchase or acquire Common Stock (except Common Stock included in such public offering or acquired on the public market after such offering) during such period of time following the effective date of a registration statement of the Company filed under the Securities Act that the Lead Underwriter shall specify (the " Lock-Up Period "). The Participant shall further agree to sign such documents as may be requested by the Lead Underwriter to effect the foregoing and agree that the Company may impose stop-transfer instructions with respect to Common Stock acquired pursuant to an Award until the end of such Lock-Up Period.

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

14.22 Section 162(m) of the Code . Notwithstanding any other provision of the Plan to the contrary, (i) prior to the Registration Date and during the Transition Period, the provisions of the Plan requiring compliance with Section 162(m) of the Code for Awards intended to qualify as "performance-based compensation" shall only apply to the extent required by Section 162(m) of the Code, and (ii) the provisions of the Plan requiring compliance with Section 162(m) of the Code shall not apply to Awards granted under the Plan that are not intended to qualify as "performance-based compensation" under Section 162(m) of the Code.

14.23 Post-Transition Period . Following the Transition Period, any Award granted under the Plan that is intended to be "performance-based compensation" under Section 162(m) of the Code, shall be subject to the approval of the material terms of the Plan by a majority of the stockholders of the Company in accordance with Section 162(m) of the Code.

14.24 Company Recoupment of Awards . A Participant's rights with respect to any Award hereunder shall in all events be subject to (i) any right that the Company may have under any Company recoupment policy or other agreement or arrangement with a Participant, or (ii) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission.

ARTICLE XV
EFFECTIVE DATE OF PLAN

The Plan shall become effective on **[•]** , 2013, which is the date of its adoption by the Board, subject to the approval of the Plan by the stockholders of the Company in accordance with the requirements of the laws of the State of Delaware.

ARTICLE XVI
TERM OF PLAN

No Award shall be granted pursuant to the Plan on or after the tenth anniversary of the earlier of the date that the Plan is adopted or the date of stockholder approval, but Awards granted prior to such tenth anniversary may extend beyond that date; provided that no Award (other than a Stock Option or Stock Appreciation Right) that is intended to be “performance-based compensation” under Section 162(m) of the Code shall be granted on or after the fifth anniversary of the stockholder approval of the Plan unless the Performance Goals are re-approved (or other designated Performance Goals are approved) by the stockholders no later than the first stockholder meeting that occurs in the fifth year following the year in which stockholders approve the Performance Goals.

ARTICLE XVII
NAME OF PLAN

The Plan shall be known as the “Vince Holding Corp. 2013 Omnibus Incentive Plan.”

EXHIBIT A

PERFORMANCE GOALS

To the extent permitted under Section 162(m) of the Code, performance goals established for purposes of Awards intended to be "performance-based compensation" under Section 162(m) of the Code, shall be based on the attainment of certain target levels of, or a specified increase or decrease (as applicable) in one or more of the following performance goals:

- earnings per share;
- operating income;
- gross income;
- net income (before or after taxes);
- cash flow;
- gross profit;
- gross profit return on investment;
- gross margin return on investment;
- gross margin;
- operating margin;
- working capital;
- earnings before interest and taxes;
- earnings before interest, tax, depreciation and amortization;
- return on equity;
- return on assets;
- return on capital;
- return on invested capital;
- net revenues;
- gross revenues;
- revenue growth;
- annual recurring revenues;
- recurring revenues;
- license revenues;
- sales or market share;
- total shareholder return;
- economic value added;
- specified objectives with regard to limiting the level of increase in all or a portion of the Company's bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Company, which may be calculated net of cash balances and/or other offsets and adjustments as may be established by the Committee in its sole discretion;
- the fair market value of a share of Common Stock;
- the growth in the value of an investment in the Common Stock assuming the reinvestment of dividends; or
- reduction in operating expenses.

With respect to Awards that are intended to qualify as “performance-based compensation” under Section 162(m) of the Code, to the extent permitted under Section 162(m) of the Code, the Committee may, in its sole discretion, also exclude, or adjust to reflect, the impact of an event or occurrence that the Committee determines should be appropriately excluded or adjusted, including:

(a) restructurings, discontinued operations, extraordinary items or events, and other unusual or non-recurring charges as described in Accounting Standards Codification 225-20, “Extraordinary and Unusual Items,” and/or management’s discussion and analysis of financial condition and results of operations appearing or incorporated by reference in the Company’s Form 10-K for the applicable year;

(b) an event either not directly related to the operations of the Company or not within the reasonable control of the Company’s management; or

(c) a change in tax law or accounting standards required by generally accepted accounting principles.

Performance goals may also be based upon individual participant performance goals, as determined by the Committee, in its sole discretion. In addition, Awards that are not intended to qualify as “performance-based compensation” under Section 162(m) of the Code may be based on the performance goals set forth herein or on such other performance goals as determined by the Committee in its sole discretion.

In addition, such performance goals may be based upon the attainment of specified levels of Company (or subsidiary, division, other operational unit, administrative department or product category of the Company) performance under one or more of the measures described above relative to the performance of other corporations. With respect to Awards that are intended to qualify as “performance-based compensation” under Section 162(m) of the Code, to the extent permitted under Section 162(m) of the Code, but only to the extent permitted under Section 162(m) of the Code (including, without limitation, compliance with any requirements for stockholder approval), the Committee may also:

(a) designate additional business criteria on which the performance goals may be based; or

(b) adjust, modify or amend the aforementioned business criteria.

Exhibit 10.67

VINCE HOLDING CORP.
2013 EMPLOYEE STOCK PURCHASE PLAN

Article I
Purpose and Scope of the Plan

1.1 Purpose. This Vince Holding Corp. 2013 Employee Stock Purchase Plan is intended to encourage employee participation in the ownership and economic progress of the Company.

1.2 Definitions. Unless the context clearly indicates otherwise, the following terms have the meaning set forth below:

" Board of Directors " or " Board " shall mean the Board of Directors of the Company.

" Code " shall mean the Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations issued thereunder.

" Committee " shall mean the Board, or a committee designated by the Board to administer the Plan, which Committee shall administer the Plan as provided in Section 1.3 hereof.

" Company " shall mean Vince Holding Corp., a corporation organized under the laws of the State of Delaware, or any successor corporation.

" Compensation " shall mean the fixed salary or base hourly wage paid by the Company or a Designated Subsidiary to an Employee as reported by the Company to the United States government (or other applicable government) for income tax purposes, including an Employee's portion of salary deferral contributions pursuant to Section 401(k) of the Code and any amount excludable pursuant to Section 125 of the Code, but excluding any commissions, bonus, fee, overtime pay, severance pay, expenses, stock option or other equity incentive income, or other special payment or any credit or benefit under any employee plan maintained by the Company.

" Continuous Service " shall mean the period of time, uninterrupted by a termination of employment (other than a termination as a result of a transfer of employment among the Company or a Designated Subsidiary), that an Employee has been employed by the Company or a Designated Subsidiary (or any combination of the foregoing) immediately preceding an Option Period. Such period of time shall include any approved leave of absence.

" Designated Subsidiary " shall mean any subsidiary of the Company that has been designated by the Committee to participate in the Plan.

" Employee " shall mean any full-time or part-time employee of the Company or a Designated Subsidiary who customarily works for the Company or Designated Subsidiary, as the case may be, for a minimum of twenty (20) hours per week.

" Exercise Date " shall mean the last business day of each Option Period.

" Fair Market Value " of a share of Stock means the fair market value of such Stock determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee in good faith, the per share Fair Market Value as of a particular date shall mean (i) the closing price per share of Stock on the national securities exchange on which the Stock is principally traded, for the last preceding date on which there was a sale of such Stock on such exchange,

or (ii) if the shares of Stock are then traded in an over-the-counter market, the average of the closing bid and asked prices for the shares of Stock in such over-the-counter market for the last preceding date on which there was a sale of such Stock in such market, or (iii) if the shares of Stock are not then listed on a national securities exchange or traded in an over-the-counter market, such value as the Committee, in its sole discretion, shall determine.

" Option Period " or " Period " shall mean such duration (not to exceed twenty-seven (27) months) as shall be determined by the Committee prior to the beginning of such Option Period. Unless the Committee determines otherwise before the beginning of the Option Period, Option Periods shall commence at six (6)-month intervals on each April 1 and October 1 (or the next business day, if such date is not a business day) over the term of the Plan, and each Option Period shall last for six (6) months, ending on March 31 or September 30, as the case may be (or the next business day, if such date is not a business day). Accordingly, unless the Committee determines otherwise, two separate Option Periods shall commence in each calendar year during which the Plan remains in existence. Notwithstanding the foregoing, the initial Option Period shall not commence until the date first specifically authorized by the Committee, subject to the Company's prior registration of the Stock on Form S-1.

" Option Price " shall mean the purchase price of a share of Stock hereunder as provided in Section 3.1 hereof.

" Participant " shall mean any Employee who (i) is eligible to participate in the Plan under Section 2.1 hereof and (ii) elects to participate.

" Plan " shall mean the Company's 2013 Employee Stock Purchase Plan, as the same may be amended from time to time.

" Plan Account " or " Account " shall mean an account established and maintained in the name of each Participant.

" Plan Manager " shall mean any Employee appointed pursuant to Section 1.3 hereof.

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

1.3 Administration of Plan. Subject to oversight by the Board of Directors or the Board's Compensation Committee, the Committee shall have the authority to administer the Plan and to make and adopt rules and regulations not inconsistent with the provisions of the Plan or the Code. Its interpretations and decisions in respect of the Plan shall, subject to the aforesaid, be final and conclusive. The Committee shall have the authority to appoint an Employee as Plan Manager and to delegate to the Plan Manager such authority with respect to the administration of the Plan as the Committee, in its sole discretion, deems advisable from time to time.

1.4 Effective Date of Plan. The Plan shall become effective on the date established for that purpose by the Committee, if, prior to that date, the Plan (i) has been adopted by the Board of Directors of the Company and (ii) has been approved by an affirmative vote of a majority of the shares of the Company's Stock present, in person or by proxy and entitled to vote on the proposal, at a meeting at which a quorum is present; *provided , however* , that such stockholder approval occurs on a date no later than twelve (12) months following the date the Plan is so adopted.

1.5 Termination of Plan. The Plan shall continue in effect through and including September 30, 2023, unless terminated prior thereto pursuant to Section 4.3 hereof, or by the Board of Directors or the Compensation Committee of the Board, each of which shall have the right to terminate the Plan at any

time. Upon any such termination, the balance, if any, in each Participant's Account shall be refunded to him, or otherwise disposed of in accordance with the policies and procedures prescribed by the Committee in cases where such a refund may not be possible.

Article II
Participation

2.1 Eligibility. Participation in the Plan is limited to Employees who meet the requirements of this Section 2.1 . Each Employee who, on the start date of an Option Period, will have at least ninety (90) days of Continuous Service may become a Participant by completing the enrollment procedures prescribed by, or on behalf of, the Committee or the Plan Manager, as revised from time to time. No Employee may participate in the Plan if such Employee, immediately after the end of an Option Period, would be deemed for purposes of Section 423(b)(3) of the Code to possess five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any subsidiary. The Committee may, prior to the commencement of an Option Period, exclude from participation any Employee who, at the time of the commencement of the Option Period, is a highly compensated employee (within the meaning of Section 414(q) of the Code) or is an officer of the Company subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934; provided that such exclusion is applied in an identical manner to all such highly compensated employees or officers of the Company and each Designated Subsidiary whose employees are Participants under the Plan.

2.2 Payroll Deductions. Payment for shares of Stock purchased hereunder shall be made by authorized payroll deductions from each payment of Compensation in accordance with instructions received from a Participant. Such deductions shall be expressed as a whole number percentage which shall be at least one percent (1%) but not more than ten percent (10%). A Participant may not increase the deduction during an Option Period; provided that no more than once per Option Period, a Participant may decrease the deduction. Notwithstanding the foregoing, a Participant may change the percentage deduction for any subsequent Option Period by filing notice thereof with the Company prior to the date on which such Option Period commences. Any amount remaining in a Participant's Account after the purchase of Stock shall be refunded without interest; *provided* that any amounts remaining in a Participant's Account that were insufficient to acquire a full share of Stock shall be carried forward to the next Option Period, unless the Participant has withdrawn from the Plan prior to the commencement of such Option Period. Any Participant who discontinues payroll deductions during an Option Period may again become a Participant for a subsequent Option Period upon completion of the enrollment procedures prescribed by, or on behalf of, the Committee or the Plan Manager, as revised from time to time. Amounts deducted from a Participant's Compensation pursuant to this Section 2.2 shall be credited to such Participant's Account. A Participant may not make any additional payments into such Account.

Article III
Purchase of Shares

3.1 Option Price. The Option Price per share of the Stock sold to Participants hereunder shall be ninety-five percent (95%) of the lesser of (a) the Fair Market Value of such share on the Exercise Date of an Option Period or (b) the Fair Market Value of such share on the first day of the applicable Option Period (or, in each case, such greater percentage as is determined by the Committee in advance of an Option Period), but in no event shall the Option Price per share be less than the par value of the Stock.

3.2 Purchase of Shares. On each Exercise Date, the amount in a Participant's Account shall be charged with the aggregate Option Price of the largest number of whole shares of Stock that can be purchased with such amount. Unless otherwise provided by the Committee, the number of shares of Stock purchased by each Participant on the Exercise Date shall be deposited into an account established in

the Participant's name with the stock brokerage or other financial services firm designated by the Committee. The balance, if any, in such Account shall be carried forward to the next succeeding Option Period; *provided* that any payroll deductions accumulated in a Participant's Account that are not applied toward the purchase of shares on an Exercise Date due to limitations imposed by this Plan shall be returned to the Participant.

3.3 Limitations on Purchase.

3.3.1 Notwithstanding any provisions of the Plan to the contrary, no Employee shall be granted an option under the Plan if, immediately after the grant, such Employee's right to purchase shares under all employee stock purchase plans (as described in Section 423 of the Code) of the Company and any subsidiary of the Company would accrue at a rate per Option Period which exceeds the lesser of: (a) twenty-five thousand dollars ($25,000) or (b) an amount equal to ten percent (10%) of the Employee's annualized base salary in effect at the start of such Option Period, in each case, of the Fair Market Value of such shares (determined at the time such option is granted); *provided , however* , that for any calendar year in which such option would be outstanding at any time, an Employee's right to purchase shares under all employee stock purchase plans (as described in Section 423 of the Code) of the Company and any subsidiary of the Company may not accrue at a rate which exceeds twenty-five thousand dollars ($25,000) in the aggregate (as determined at the time such option is granted).

3.3.2 To the extent necessary to comply with Section 423(b)(8) of the Code and the limitations on purchase in this Section 3.3 , a Participant's payroll deductions may be decreased to zero percent (0%) during any Option Period which is scheduled to end during any calendar year, such that the aggregate of all payroll deductions accumulated with respect to such Option Period and any other Option Period ending within the same calendar year is no greater than twenty-five thousand dollars ($25,000). Payroll deductions shall re-commence at the rate provided for by the Participant's prior election at the beginning of the first Option Period which is scheduled to end in the following calendar year, unless suspended by the Participant pursuant to Section 2.2 of the Plan. Subject to the limits imposed under this Section 3.3 , the maximum number of shares of Stock that may be purchased by each Participant in any Option Period shall be 500,000 shares.

3.4 Transferability of Rights. Rights to purchase shares hereunder shall be exercisable only by the Participant. Such rights shall not be transferable.

Article IV
Provisions Relation to Common Stock

4.1 Stock Reserved; Delivery of Stock. A maximum of 1,000,000 shares of Stock may be purchased under the Plan, of which up to 500,000 shares of Stock may be purchased under the Plan per Option Period (in each case, subject to adjustment in accordance with Section 4.2 hereof). Subject to the limitation in the preceding sentence, as determined by the Committee in its sole discretion, any shares of Stock purchased under the Plan may be either newly issued shares, existing treasury shares, or new purchases in the open market.

4.2 Adjustment for Changes in Stock. In the event that adjustments are made in the number of outstanding shares of Stock or such shares are exchanged for a different class of stock of the Company or for shares of stock of any other corporation by reason of merger, consolidation, stock dividend, stock split or otherwise or an extraordinary cash dividend is paid in respect of the Stock, the Committee shall make appropriate adjustments in (i) the number and class of shares or other securities that may be reserved for purchase, or purchased, hereunder, and (ii) the Option Price. All such adjustments shall be made in the sole discretion of the Committee, and its decision shall be binding and conclusive. The existence of the

Plan and any options granted hereunder shall not affect in any way the right or power of the Board of Directors or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company or a subsidiary, any issue of debt, preferred or prior preference stock ahead of or affecting Stock, the authorization or issuance of additional shares of Stock, the dissolution or liquidation of the Company or any subsidiary, any sale or transfer of all or part of the Company's or a subsidiary's assets or business or any other corporate act or proceeding. The Board of Directors may at any time terminate an Option Period then in progress and provide, in its discretion, that Participants' then outstanding Account balances shall be used to purchase shares pursuant to Article III or returned to the applicable Participants.

4.3 Insufficient Shares. If the aggregate funds available for the purchase of Stock on any Exercise Date would cause an issuance of shares in excess of the number provided for in Section 4.1 hereof, (i) the Committee shall proportionately reduce the number of shares which would otherwise be purchased by each Participant in order to eliminate such excess and (ii) the Plan shall automatically terminate immediately after such Exercise Date.

4.4 Confirmation. Confirmation of each purchase of Stock hereunder shall be made available to the Participant in either written or electronic format. A record of purchases shall be maintained by appropriate entries on the books of the Company. Unless otherwise determined by the Committee, shares of Stock delivered to a Participant hereunder may not be assigned, transferred, pledged or otherwise disposed of in any way by the Participant during the six (6) month period following such delivery to the Participant (other than by will or the laws of descent and distribution) and the shares of Stock shall bear an appropriate legend substantially in the following form:

> "The anticipation, alienation, attachment, sale, transfer, assignment, pledge, encumbrance or charge of the shares of stock represented hereby are subject to the terms and conditions of the Vince Holding Corp. 2013 Employee Stock Purchase Plan (the "Plan"), including, without limitation, the restriction that the shares may not be assigned, transferred, pledged or otherwise disposed of in any way during the six (6) month period following the date of delivery of such shares. A copy of the Plan is on file at the principal office of Vince Holding Corp."

4.5 Rights as Shareholders. The shares of Stock purchased by a Participant on an Exercise Date shall, for all purposes, be deemed to have been issued and sold as of the close of business on such Exercise Date. Prior to that time, none of the rights or privileges of a shareholder of the Company shall exist with respect to such shares.

Article V
Termination of Participation

5.1 Voluntary Withdrawal. A Participant may withdraw from the Plan at any time by filing notice of withdrawal prior to the close of business on the date immediately preceding the applicable Exercise Date. Upon withdrawal, the entire amount, if any, in a Participant's Account shall be refunded to him without interest. Any Participant who withdraws from the Plan may again become a Participant in accordance with Section 2.1 hereof.

5.2 Termination of Eligibility. If a Participant ceases to be eligible under Section 2.1 hereof for any reason, the dollar amount and the number of unissued shares in such Participant's Account will be refunded or distributed to the Participant, or in the case of death, the Participant's designated beneficiary or estate, or otherwise disposed of in accordance with policies and procedures prescribed by the Committee in cases where such a refund or distribution may not be possible.

Article VI
General Provisions

6.1 Notices. Any notice which a Participant files pursuant to the Plan shall be made on forms prescribed by the Committee and shall be effective only when received by the Company.

6.2 Condition of Employment. Neither the creation of the Plan nor participation therein shall be deemed to create any right of continued employment or in any way affect the right of the Company or a Designated Subsidiary to terminate an Employee.

6.3 Withholding of Taxes. Each Participant shall, no later than the date as of which the value of an option under the Plan and/or shares of Stock first becomes includible in the income of the Participant for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any taxes of any kind required by law to be withheld with respect to such option or shares of Stock. The obligations of the Company under the Plan shall be conditioned upon the making of such payments or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. In particular, to the extent a Participant is subject to taxation under U.S. Federal income tax law, if the Participant makes a disposition, within the meaning of Section 424(c) of the Code of any share or shares of Stock issued to the Participant pursuant to the Participant's exercise of an option, and such disposition occurs within the two-year period commencing on the day after the first date of the Option Period or within the one-year period commencing on the day after the Exercise Date, the Participant shall, within ten (10) days of such disposition, notify the Company thereof and thereafter immediately deliver to the Company any amount of Federal, state or local income taxes and other amounts which the Company informs the Participant the Company may be required to withhold.

6.4 Amendment of the Plan. The Board of Directors or the Board's Compensation Committee may at any time, or from time to time, amend the Plan in any respect, except that, without approval of the shareholders, no amendment may (a) increase the aggregate number of shares reserved under the Plan other than as provided in Section 4.2 hereof, (b) materially increase the benefits accruing to Participants or materially modify the requirements as to eligibility for participation in the Plan. Any amendment of the Plan must be made in accordance with applicable provisions of the Code and/or any regulations issued thereunder, any other applicable law or regulations, and the requirements of the principal exchange upon which the Stock is listed. The Plan may not be amended in any way that will cause rights issued under the Plan to fail to meet the requirements for employee stock purchase plans as defined in Section 423 of the Code or any successor thereto. To the extent necessary to comply with Rule 16b-3 under the Securities Exchange Act of 1934, as amended, Section 423 of the Code, or any other applicable law or regulation, the Company shall obtain shareholder approval of any such amendment.

6.5 Application of Funds. All funds received by the Company by reason of purchases of Stock hereunder may be used for any corporate purpose.

6.6 Legal Restrictions. The Company shall not be obligated to sell shares of Stock hereunder if counsel to the Company determines that such sale would violate any applicable law or regulation.

6.7 Gender. Whenever used herein, use of any gender shall be applicable to both genders.

6.8 Conditions Upon Issuance of Shares.

6.8.1 If at any time the Committee shall determine, in its discretion, that the listing, registration and/or qualification of shares of Stock upon any securities exchange or under any state or Federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of shares of Stock hereunder, no option may be exercised or paid in whole or in part unless and until such listing, registration, qualification, consent and/or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Committee.

6.8.2 If at any time counsel to the Company shall be of the opinion that any sale or delivery of shares of Stock pursuant to an option is or may be in the circumstances unlawful, contravene the requirements of any stock exchange, or result in the imposition of excise taxes on the Company or any subsidiary under the statutes, rules or regulations of any applicable jurisdiction, the Company shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act of 1933, as amended, or otherwise with respect to shares of Stock or options and the right to exercise any option shall be suspended until, in the opinion of such counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on the Company or any subsidiary.

6.8.3 The Committee, in its absolute discretion, may impose such restrictions on the ownership and transferability of the shares of Stock purchasable or otherwise receivable by any person under any option as it deems appropriate. The certificates evidencing such shares may include any legend that the Committee deems appropriate to reflect any such restrictions.

6.9 Governing Law. The Plan and all rights and obligations thereunder shall be constructed and enforced in accordance with the laws of the State of Delaware and any applicable provisions of the Code and the related regulations.

6.10 Jurisdiction: Waiver of Jury Trial. Any suit, action or proceeding with respect to the Plan or any agreement, or any judgment entered by any court of competent jurisdiction in respect of any thereof, shall be resolved only in the courts of the State of Delaware or the United States District Court for the District of Delaware and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, the Company and each eligible Employee shall irrevocably and unconditionally (a) submit in any proceeding relating to the Plan or any agreement, or for the recognition and enforcement of any judgment in respect thereof (a " Proceeding "), to the exclusive jurisdiction of the courts of the State of Delaware, the court of the United States of America for the District of Delaware, and appellate courts having jurisdiction of appeals from any of the foregoing, and agree that all claims in respect of any such Proceeding shall be heard and determined in such Delaware State court or, to the extent permitted by law, in such federal court, (b) consent that any such Proceeding may and shall be brought in such courts and waives any objection that the Company and each eligible Employee may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agree not to plead or claim the same, (c) WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE PLAN OR ANY AGREEMENT, (d) agree that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party, in the case of an eligible Employee, at the eligible Employee's address shown in the books and records of the Company or, in the case of the Company, at the Company's principal offices, attention General Counsel, and (e) agree that nothing in the Plan shall affect the right to effect service of process in any other manner permitted by the laws of the State of Delaware.

6.11 Unfunded Status of Plan. The Plan shall be an unfunded plan. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Stock or make payments, *provided* that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Apparel Holding Corp. of our report dated July 11, 2013, except for the effects of the discontinued operations discussed in Note 4 to the consolidated financial statements as to which the date is September 24, 2013, relating to the consolidated financial statements and financial statement schedules of Apparel Holding Corp., which appears in such Registration Statement. We also consent to the reference to us under the headings “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

St. Louis, Missouri
November 12, 2013

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Apparel Holding Corp. of our report dated July 11, 2013 relating to the financial statements of Vince, LLC, which appears in such Registration Statement. We also consent to the reference to us under the headings “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

St. Louis, Missouri
November 12, 2013