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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 21, 2010**

Oxford Industries, Inc.
(Exact name of registrant as specified in its charter)

Georgia	**001-04365**	**58-0831862**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

222 Piedmont Avenue, N.E., Atlanta, GA	**30308**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(404) 659-2424**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On December 21, 2010, Oxford Industries, Inc. (the "Company") issued a press release announcing that, on that date, the Company acquired (the "Acquisition") all of the outstanding capital stock of Sugartown Worldwide, Inc. ("Sugartown") from SWI Holdings, Inc. ("Holdings"), pursuant to a stock purchase agreement, dated December 21, 2010 (the "Purchase Agreement"), by and among the Company, Holdings, Sugartown and the sellers party thereto (the "Sellers"). Sugartown, the owner of Lilly Pulitzer®, is a marketer and distributor of dresses, sportswear and other products to specialty and department stores, as well as through its own direct to consumer channels.

The purchase price for the Acquisition was $60 million in cash, subject to adjustment based on net working capital as of the closing date. The Company used borrowings under its U.S. credit facility and cash on hand to initially finance the transaction. Of the $60 million purchase price, $8 million has been deposited into an escrow account pursuant to an escrow agreement and will be available to satisfy the Sellers' indemnification obligations or any working capital deficits of Sugartown. The representations and warranties of the Sellers and Holdings in the Purchase Agreement will survive for 24 months following the closing of the Acquisition, except that specified fundamental representations and warranties (the "Fundamental Representations"), as well as certain specified indemnities (collectively, the "Surviving Obligations"), will survive for their applicable statute of limitations or, if there is no applicable statute of limitations, indefinitely. Except with respect to the Fundamental Representations and the Surviving Obligations, among other things, the Sellers' indemnification obligations are subject to a cap of $11 million.

In connection with the Acquisition, the Company entered into an earnout agreement dated as of December 21, 2010, by and among the Company, Sugartown, Holdings and the Sellers (the "Earnout Agreement"), pursuant to which the Sellers will be entitled to earn up to an additional $20 million in cash, in the aggregate, over the four years following the closing of the Acquisition based on Sugartown's achievement of certain performance targets.

In addition, Scott A. Beaumont and James B. Bradbeer, Jr., the Sellers who are individuals, also entered into non-competition agreements pursuant to which such individuals have agreed (subject to specified exceptions) not to engage in certain activities for a period of five years after the closing of the Acquisition. Further, Scott A. Beaumont entered into an employment agreement with Sugartown pursuant to which he will serve as Chief Executive Officer of the Company's Lilly Pulitzer Group (the "Employment Agreement").

The foregoing summary of certain provisions of the Purchase Agreement, the Earnout Agreement and the Employment Agreement are not intended to be complete and are qualified in their entirety by reference to the full text of the agreement. The Purchase Agreement, the Earnout Agreement and the Employment Agreement are filed as Exhibits 2.1, 10.1 and 10.2 of this Current Report on Form 8-K, respectively, and are incorporated herein by reference.

The Purchase Agreement has been included to provide investors and stockholders with information regarding its terms. It is not intended to provide factual information about the Company. The representations, warranties and covenants contained in the Purchase Agreement were made only for purposes of that agreement and as of specific dates, were solely for the benefit of the parties to the Purchase Agreement, and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the contracting parties in connection with the execution of the Purchase Agreement. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the Purchase Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors and security holders of the Company are not third party beneficiaries under the Purchase Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or any of its subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The disclosure provided under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01 as if fully set forth herein.

Item 7.01. Regulation FD Disclosure.

The Acquisition represents another important step in the Company's strategic plan to transform itself into a portfolio of diversified lifestyle businesses. Lilly Pulitzer, similar to the Company's other brands, has a distribution model that consists of both a direct to consumer business and wholesale distribution. The direct to consumer business includes 16 company-owned retail stores as well as an ecommerce site that, combined, produce approximately 45% of total annual net sales of Lilly Pulitzer. The primary wholesale distribution of Lilly Pulitzer, which is mainly on the east coast of the United States, is to better specialty stores, including "Lilly Pulitzer Signature Stores" which are operated by third parties under a license agreement. Sales to Lilly Pulitzer Signature Stores represent approximately one-half of Lilly Pulitzer's wholesale sales annually. Additionally, Lilly Pulitzer products are distributed through upscale department stores. With its resort orientation, Spring and Summer are the most important seasons for Lilly Pulitzer. As a result, approximately 60% of its sales and a substantial majority of its operating profit occur in the first half of the year. Lilly Pulitzer successfully launched its transactional e-commerce website in fiscal 2008 and the Company plans to continue to support the development of that business.

For fiscal 2011, the Company expects the Lilly Pulitzer Group to contribute sales in excess of $75 million and operating income in excess of $11 million, and to be accretive to earnings per share in excess of $0.40 per share. Depreciation is expected to be approximately $1.2 million for the year. These amounts are before any amortization of intangible assets or other non-cash purchase accounting adjustments, including the write-up of inventory required under U.S. generally accepted accounting principles. The impact of these non-cash purchase accounting adjustments may be significant, particularly in the fourth quarter of fiscal 2010 and the first quarter of fiscal 2011. The fourth quarter of fiscal 2010 is also expected to include transaction expenses incurred by the Company in connection with the Acquisition.

The Company's current estimates for Lilly Pulitzer's results in fiscal 2011 do not take into consideration the benefits of any synergies that may be realized in connection with the Acquisition. The Company expects to evaluate opportunities for such benefits and anticipates the realization of some cost savings by the Lilly Pulitzer business.

Upon the anticipated closing of the previously announced sale of the Oxford Apparel Group at the end of the calendar year, the Company expects to have no outstanding borrowings under its U.S. credit facility.

The press release announcing the Acquisition is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. The press release is furnished with this Current Report on Form 8-K and shall not be deemed to be filed herewith.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This report may include statements that are forward-looking statements within the meaning of the federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. The Company intends for all forward-looking statements contained herein or on its website, and all subsequent written and oral forward-looking statements attributable to it or persons acting on its behalf, to be covered by the safe harbor provisions for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Important assumptions relating to these forward-looking statements include, among others, assumptions regarding the consummation and impact of potential acquisition or disposition activities, including the acquisition of Sugartown Worldwide, Inc., the owner of the Lilly Pulitzer brand, and the announced sale of substantially all of the Company's Oxford Apparel Group, the impact of economic conditions on consumer demand and spending, demand for the Company's products, timing of shipments requested by the Company's wholesale customers, expected pricing levels, competitive conditions, the timing and cost of planned capital expenditures, costs of products and raw materials the Company purchases, access to capital and/or credit markets, expected outcomes of pending or potential litigation and regulatory actions and disciplined execution by key management. Forward-looking statements reflect the Company's current expectations, based on currently available information, and are not guarantees of performance. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, these expectations could prove inaccurate as such statements involve risks and uncertainties, many of which are beyond the Company's ability to control or predict. Should one or more of these risks or uncertainties, or other risks or uncertainties not currently known to the Company or that the Company currently deems to be immaterial, materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Important factors relating to these risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. contained in the Company's Annual Report on Form 10-K for the period ended January 30, 2010 under the heading "Risk Factors" and those described from time to time in the Company's future reports filed with the Securities and Exchange Commission.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
2.1	Stock Purchase Agreement, dated as of December 21, 2010, by and among Oxford Industries, Inc., Sugartown Worldwide, Inc., Sugartown Worldwide Holdings, Inc. and the other sellers party thereto.
10.1	Earnout Agreement, dated as of December 21, 2010, by and among Oxford Industries, Inc., Sugartown Worldwide, Inc., SWI Holdings, Inc. and the other parties thereto.
10.2	Employment Agreement, dated as of December 21, 2010, by and between Sugartown Worldwide, Inc. and Scott A. Beaumont.
99.1	Press Release issued by Oxford Industries, Inc. on December 21, 2010.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OXFORD INDUSTRIES, INC.

Date: December 21, 2010

By /s/ Thomas C. Chubb III

Name: Thomas C. Chubb III

Title: President

EXHIBIT INDEX

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99.1	Press Release issued by Oxford Industries, Inc. on December 21, 2010.

Exhibit 2.1

STOCK PURCHASE AGREEMENT

by and among

OXFORD INDUSTRIES, INC.,

SUGARTOWN WORLDWIDE, INC.,

SWI HOLDINGS, INC.

and

THE SELLERS (AS IDENTIFIED HEREIN)

As of December 21, 2010

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement"), dated as of December 21, 2010, is made and entered into by and among **OXFORD INDUSTRIES, INC.**, a Georgia corporation (the "Purchaser"), **SUGARTOWN WORLDWIDE, INC.**, a Pennsylvania corporation (the "Company"), **SWI HOLDINGS, INC.**, a Delaware corporation ("Holdco"), and the Persons listed under the heading "Sellers" on the signature pages hereto (the "Sellers"). The Purchaser, the Company, Holdco and the Sellers are sometimes individually referred to herein as a "Party" and collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, the Company is in the business of designing, marketing, procuring, wholesaling and retailing apparel, accessories and footwear for women, children and men under the mark LILLY PULITZER, and related marks, as well as licensing the mark LILLY PULITZER and related marks and trade names for the design, marketing, manufacturing, procurement and distribution of related merchandise (the "Business");

WHEREAS, prior to the execution of this Agreement, the Company, Holdco and the Sellers entered into a Contribution Agreement (the "Contribution Agreement") pursuant to which (a) the Sellers contributed their respective shares of capital stock in the Company to Holdco in exchange for shares of capital stock in Holdco and (b) Holdco made an election to treat the Company as a qualified S corporation subsidiary (as that term is defined in Section 1361 of the Code), in a transaction qualifying as a reorganization under Section 368(a)(1)(F) of the Code;

WHEREAS, Sellers have the same relative percentage ownership (including with respect to voting and non-voting shares of capital stock) in Holdco as they had in the Company immediately prior to the completion of the transactions contemplated by the Contribution Agreement;

WHEREAS, Holdco is the beneficial and record owner of all of the issued and outstanding shares of capital stock (including all voting and non-voting shares) of the Company (the "Shares");

WHEREAS, the Parties desire to enter into this Agreement pursuant to which Holdco proposes to sell to the Purchaser, and the Purchaser proposes to purchase from Holdco, all of the Shares on the terms and subject to the conditions set forth herein (the "Acquisition");

WHEREAS, each employee of the Company that is listed on Exhibit 1.1(a) has entered into an employment agreement (the "Post-Closing Employment Agreements") with the Purchaser, which becomes effective upon the Closing; and

WHEREAS, the Parties desire to make certain representations, warranties and agreements in connection with the Acquisition.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and for

other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, each Party hereby agrees:

ARTICLE I
CONSTRUCTION; DEFINITIONS

Section 1.1 Definitions. The following terms, as used herein, have the following meanings:

"2010 Projections" means the financial projections of the Company for the calendar year 2010 attached as a part of Schedule 4.9.

"Affiliate" of any specified Person means any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person.

"Balance Sheet" means the unaudited balance sheet of the Company as of November 30, 2010 included in the Financial Statements.

"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of New York, New York.

"CERCLA" means the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9607 *et seq*., and the rules and regulations promulgated thereunder.

"Change of Control Payments" means the aggregate amount payable (including "success fees" or bonuses, severance payments, and any amounts payable to offset any excise Taxes imposed under Section 4999 of the Code and any related income Taxes) by the Company (a) to any third party as a result of the transactions contemplated by this Agreement or (b) to or for the benefit of current or former officers, directors or employees of the Company, pursuant to any applicable agreement (whether written or oral) or other governing document or policy as a result of the transactions contemplated by this Agreement, in the case of both clauses (a) and (b) above, to the extent not paid prior to the Closing Date. Change of Control Payments shall not be included in, or include amounts included as, Transaction Expenses.

"Claims Period" means the period during which a claim for indemnification may be asserted hereunder by an Indemnified Party.

"Closing" means the consummation of the transactions contemplated by this Agreement as set forth in Section 8.1.

"Closing Date" means the date hereof.

"COBRA" means the health plan continuation requirements of Section 601 et seq. of ERISA and Section 4980 of the Code.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Company Benefit Plan" means each Employee Benefit Plan currently sponsored or maintained or required to be sponsored or maintained by the Company or to which the Company makes, or has any obligation to make any contributions or with respect to which the Company has any other liabilities.

"Company Intellectual Property" means any Intellectual Property that is owned by or licensed to the Company, including the Company Software and Company Registered Intellectual Property.

"Company Licensed Software" means all Software (other than Company Proprietary Software and Software that is generally available on nondiscriminatory licensing and pricing terms, including all off-the-shelf, commercially available Software, with a license fee payment of less than $1,000) used by the Company.

"Company Proprietary Software" means all Software owned by the Company.

"Company Real Property" means the Leased Real Property and the Owned Real Property.

"Company Registered Intellectual Property" means all of the Registered Intellectual Property owned by or filed in the name of the Company.

"Company Software" means the Company Licensed Software and the Company Proprietary Software.

"Confidential Information" means any data or information of the Company (including trade secrets) that is valuable to the operation of the Company's business and not generally known to the public or competitors.

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated as of April 7, 2010, by and between the Purchaser and the Company.

"Control" means, when used with respect to any specified Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"CPR" means the CPR Institute for Dispute Resolution.

"Customer" means each customer, including distributors, wholesale customers, retail stores and Signature Stores, that paid, or incurred obligations to pay, the Company in the aggregate more than $100,000 during the 12-month period ended on November 30, 2010; provided, however, that the term "Customer" shall not include any Company Store or any individual who is solely a customer of the Company Stores or Signature Stores.

"Earnout Agreement" means the Earnout Agreement attached hereto as Exhibit 1.1(c).

"Employee Benefit Plan" means, with respect to any Person, (a) each plan, fund, program, agreement, arrangement or scheme that is at any time sponsored or maintained or

required to be sponsored or maintained by such Person or to which such Person makes or has made, or has or has had an obligation to make, contributions providing for employee benefits or for the remuneration, direct or indirect, of the employees, former employees, directors, managers, officers, consultants, independent contractors, contingent workers or leased employees of such Person or the dependents of any of them (whether written or oral), including each deferred compensation, bonus, incentive compensation, pension, retirement, stock purchase, stock option and other equity compensation plan, or "welfare" plan (within the meaning of Section 3(1) of ERISA, determined without regard to whether such plan is subject to ERISA), (b) each "pension" plan (within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is subject to ERISA), (c) each severance, retention or change in control plan or agreement, each plan or agreement providing health, disability, vacation, sick pay, paid time off, summer hours, supplemental unemployment benefit, hospitalization insurance, medical, dental or legal benefit and (d) each other material employee benefit plan, fund, program, agreement, arrangement or scheme.

"Employment Agreement" means any employment contract, consulting agreement, termination or severance agreement, salary continuation agreement, change of control agreement, non-compete agreement or any other agreement respecting the terms and conditions of employment or payment of compensation, or of a consulting or independent contractor relationship in respect of any current or former officer, employee, consultant or independent contractor of the Company and with respect to which the Company or such officer, employee, consultant or independent contractor has any outstanding liability or obligation.

"Enforceability Exceptions" means limitations as to enforceability by reason of bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally or general principles of equity (whether considered in a proceeding at law or in equity and at the discretion of the courts in granting equitable remedies).

"Environment" means any surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or the ambient air.

"Environmental Laws" means all federal, state or local Laws relating to protection of the Environment or health and safety, including pollution control, product registration and Hazardous Materials.

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any Person (whether incorporated or unincorporated) that together with the Company would be deemed a "single employer" within the meaning of Section 414 of the Code.

"Escrow Agent" means SunTrust Bank.

"Escrow Agreement" means the Escrow Agreement attached hereto as Exhibit 1.1(d).

"Estimated Working Capital Deficit" means the amount, if any, by which the Target Working Capital is greater than the Estimated Working Capital as set forth on the Closing Date Financial Statement.

"Estimated Working Capital Surplus" means the amount, if any, by which the Target Working Capital is less than the Estimated Working Capital as set forth on the Closing Date Financial Statement.

"Exhibit" means any exhibit attached to this Agreement.

"Final Working Capital Schedule" means the "Final Working Capital Schedule" as finally determined pursuant to Section 3.7.

"Financial Statements" means (a) the audited balance sheets of the Company as of December 31, 2009, December 31, 2008, and December 31, 2007 and the audited statements of shareholders' equity, income and cash flows of the Company for the 12-month periods then ended, and (b) the unaudited balance sheet of the Company as of November 30, 2010 and the unaudited statements of shareholders' equity, income and cash flows of the Company for the 11-month period then ended (the financial statements set forth in clause (b) of this definition together, the "Interim Financial Statements").

"Fundamental Representation" means any representation or warranty in Section 4.1 (Organization), Section 4.2 (Authorization), Section 4.3 (Capital Stock), Section 4.4 (Subsidiaries), Section 4.7(a) (Title to Assets), Section 4.15 (Tax Returns; Taxes), Section 4.30 (Brokers, Finders and Investment Bankers), Section 5.1 (Authorization of Each Seller), Section 5.3 (Ownership of Equity by Sellers), Section 5.7 (Brokers, Finders and Investment Bankers of Sellers), Section 5.8 (Authorization of Holdco), Section 5.10 (Capitalization of Holdco), Section 5.11 (Ownership of the Shares), and Section 5.13 (Brokers, Finders and Investment Bankers of Holdco).

"GAAP" means generally accepted accounting principles in the United States, consistently applied during the periods involved.

"Governmental Entity" means any federal, state, local or foreign government, any political subdivision thereof, or any court, administrative or regulatory agency, department, instrumentality, body or commission or other governmental authority or agency.

"Hazardous Materials" means any waste, pollutant, contaminant, hazardous substance, toxic, ignitable, reactive or corrosive substance, hazardous waste, special waste, industrial substance, by-product, asbestos or asbestos-containing materials, lead-based paint, petroleum or petroleum-derived substance or waste, chemical liquids or solids, liquid or gaseous products, or any constituent of any such substance or waste, the management, use, handling or disposal of which is in any way governed by or subject to any applicable Environmental Law.

"Indebtedness" means, without duplication, all indebtedness of the Company with respect to borrowed money, including loans, deferred consideration, debts, any liabilities under acceptances or credit cards, monies due under capitalized leases or financial leases (but excluding operating leases), or for the deferred purchase price of property or services for which

the Company is liable, contingently or otherwise as obligor, guarantor, or otherwise, or in respect of which the Company otherwise assures against loss, including but not limited to bank debt, bank fees, shareholder debt and vendor debt, including, in each case above, any interest accrued thereon and prepayment or similar penalties and expenses which would be payable if such liability were paid in full as of the Closing Date. For purposes of clarification, "Indebtedness" shall include all amounts payable by the Company pursuant to the Revolving Credit, Term Loan and Security Agreement dated as of July 15, 2009 among the Company, the Borrowers listed therein, the Lenders listed therein and PNC Bank, National Association ("PNC Bank"), as agent for Lenders. Indebtedness shall not include amounts payable to vendors or credit card payables, in each case, incurred in the Ordinary Course and reflected as a liability on the Final Working Capital Schedule.

"Indemnification Percentage" means, with respect to each Individual Seller, fifty percent (50%).

"Indemnified Party" means a Purchaser Indemnified Party or a Seller Indemnified Party, as applicable.

"Individual Seller" means each of Scott A. Beaumont and James B. Bradbeer, Jr.

"Intellectual Property" means any or all of the following and all rights, arising out of or associated therewith: (a) any United States of America and foreign patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (b) any inventions (whether patentable or not), invention disclosures, improvements, mask works, trade secrets, proprietary information, know-how, technology, technical data and customer lists, and all documentation relating to any of the foregoing throughout the world; (c) any works of authorship (whether copyrightable or not), all copyrights, copyright registrations and applications therefor, and all other rights corresponding thereto throughout the world; (d) any designs, industrial or otherwise, and any registrations and applications therefor throughout the world; (e) any domain names, trade names, logos, slogans, designs, trade dress, common law trademarks and service marks, trademarks and service marks, trade dress registrations and applications therefor, and internet uniform resource locators, in each case throughout the world; (f) any database and data collections and all rights therein throughout the world; (g) any rights of publicity of any individual and all moral and economic rights of authors and inventors, however denominated, throughout the world; and (h) any similar or equivalent rights to any of the foregoing anywhere in the world.

"Knowledge" with respect to the Company means the facts that are actually known by the individuals listed on Exhibit 1.1(e) on the date hereof after reasonable inquiry with respect to the matters at hand.

"Laws" means all laws, statutes, rules, codes, regulations, or ordinances of, or issued by, any Governmental Entity.

"Leased Real Property" means the portions of parcels of real property of which the Company is the lessee (together with all fixtures and improvements thereon).

"Lease Termination Obligations" means those obligations set forth on Exhibit 1.1(f).

"Legal Dispute" means any action, suit, arbitration or proceeding between the Purchaser and/or its Affiliates, on the one hand, and the Company, the Sellers and/or Holdco and their respective Affiliates, on the other hand, arising in connection with any disagreement, dispute, controversy or claim arising out of or relating to this Agreement or any related document. For purposes of this definition, the Company shall not be considered an Affiliate of the Purchaser following the Closing.

"Licenses" means all notifications, licenses, permits (including environmental, construction and operation permits), qualifications, franchises, certificates, approvals, exemptions, classifications, registrations and other similar documents and authorizations, in each case, issued by any Governmental Entity.

"Liens" mean all mortgages, liens, pledges, security interests, charges, claims, restrictions and encumbrances of any nature whatsoever.

"Losses" means any and all losses, damages, awards, assessments, judgments (at equity or at law, including statutory and common), civil or criminal fines, civil or criminal penalties, costs and expenses (including amounts paid in settlement, costs of investigation and reasonable attorneys' fees and expenses).

"Material Adverse Effect" means any result, change, event, effect or occurrence (when taken together with all other results, changes, events, effects or occurrences) that is or is reasonably likely to be materially adverse to the financial condition, results of operations, assets or liabilities of the Company, or the Business of the Company. A Material Adverse Effect shall also include any result, change, event or occurrence that shall have occurred that (when taken together with all other results, changes, events, effects or occurrences that have occurred or been threatened) is or is reasonably likely to prevent or materially delay the performance by the Company or the Sellers of their respective obligations hereunder or the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, the term "Material Adverse Effect" shall not include the impact of (i) changes in Law or interpretations thereof by any Governmental Entity, (ii) changes in GAAP, (iii) actions or omissions of one or more Sellers or the Company taken with the written consent of the Purchaser, (iv) general economic conditions and events or conditions generally affecting the apparel wholesale or specialty retail industries except for such conditions that have a disproportionate impact on the Company, (v) current national or international hostilities (without any escalation thereof), (vi) this Agreement or the announcement thereof, and (vii) earthquakes, storms or similar catastrophes.

"Maximum Cap" means an amount equal to $60,000,000 plus any amounts paid pursuant to the Earnout Agreement. For purposes of determining the Maximum Cap, any Earnout Payments (as defined in the Earnout Agreement) earned by Holdco under the Earnout Agreement but not paid pursuant to an offset in accordance with this Agreement shall be deemed to have been paid to Holdco.

"Net Working Capital" means the current assets of the Company less the liabilities of the Company, as of the Closing Date, determined in accordance with the Working Capital Guidelines.

"Non-Competition Agreements" means the non-competition agreements attached hereto as Exhibit 1.1(g).

"Non-Individual Seller" means each Seller other than the Individual Sellers.

"Order" means any order, injunction, judgment, decree, ruling, writ or assessment of a Governmental Entity or arbitrator.

"Ordinary Course" means the ordinary course of business of the Company consistent with past practice.

"Owned Real Property" means the parcels of real property of which the Company is fee title owner (together with all fixtures and improvements thereon).

"Permitted Liens" means (a) Liens for Taxes not yet due and payable, (b) statutory Liens of landlords, (c) Liens of carriers, warehousemen, mechanics, materialmen and repairmen incurred in the Ordinary Course and not yet delinquent, (d) in the case of the Owned Real Property, (i) Items 4 through 12 identified in Schedule B, Part 1 of the Loan Policy issued by First American Title Insurance Company bearing a policy number of 106748621-PAL, and (ii) zoning, building, or other restrictions, variances, covenants, rights of way, encumbrances (except for the Open-End Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated July 15, 2009 recorded on July 17, 2009 in Mortgage Book 12662, Page 2502 in the Montgomery County Recorder of Deeds office affecting the Owned Real Property and Uniform Commercial Code Financing Statement No. 2009-00189 filed July 17, 2009 in the Montgomery County Recorder of Deeds office affecting the Owned Real Property), easements and other minor irregularities in title, provided that, with respect to the items in subsection (d)(ii), none of such items, individually or in the aggregate, (X) interfere in any material respect with the present use of or occupancy of the affected parcel by the Company, (Y) have more than an immaterial effect on the value thereof or its use or (Z) would impair the ability of such parcel to be sold, leased or subleased for its present use, (e) in the case of Leased Real Property, all matters set forth in the Leases and all matters of public record, including zoning, building or other restrictions, variances, covenants, rights of way, encumbrances, easements and other minor irregularities in title; and (f) in the case of the Company Real Property, any item that would have been disclosed by a current and accurate survey prepared: (i) in accordance with "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys," jointly established and adopted by ALTA and ACSM in 2005, and (ii) pursuant to the Accuracy Standards (as adopted by ALTA and ACSM and in effect on the date of said survey).

"Person" means any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organization or Governmental Entity.

"Purchaser Ancillary Documents" means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by the Purchaser pursuant to the terms of this Agreement in connection with the transactions contemplated hereby.

"Purchaser Indemnified Parties" means the Purchaser and its Affiliates, each of their respective officers, directors, employees, agents and representatives and each of the heirs, executors, successors and assigns of any of the foregoing.

"Receivables" means the Company's accounts receivable as of November 30, 2010.

"Registered Intellectual Property" means all United States of America and foreign: (a) patents and patent applications (including provisional applications); (b) registered trademarks and service marks, applications to register trademarks and service marks, and trade dress; intent-to-use applications, or other registrations or applications related to trademarks and service marks and trade dress; (c) registered copyrights and applications for copyright registration; (d) domain name registrations; (e) registered mask works and applications for mask work registration; and (f) any other Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded with any federal, state, local or foreign Governmental Entity.

"Related Party" means (a) with respect to Scott A. Beaumont, the Trust Under Deed of Scott A. Beaumont, dated July 17, 2002 and the GST Trust Under Deed of Scott A. Beaumont, dated July 18, 2007, and (b) with respect to James B. Bradbeer, Jr., the Rebecca H. Bradbeer Grantor Trust and the Trust Under Deed of James B. Bradbeer, Jr., dated July 17, 2002.

"Release" means, with respect to any Hazardous Material, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the Environment.

"Schedule" means any schedule attached to this Agreement.

"Section 409A" means Section 409A of the Code.

"Seller Ancillary Documents" means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by any Seller pursuant to the terms of this Agreement. For purposes of clarification, "Seller Ancillary Documents" shall include the Non-Competition Agreements, but shall exclude the Contribution Agreement.

"Seller Indemnified Parties" means Holdco, the Sellers and their respective heirs, executors, assigns, trustees and beneficiaries.

"Seller Percentage" means, as to each Seller, a percentage equal to (i) the number of shares of capital stock of Holdco owned by such Seller as of the date of this Agreement, divided by the total number of shares of capital stock of Holdco issued and outstanding as of the date of this Agreement. For clarification purposes, the "Seller Percentage" of each Seller is listed on Schedule 1.1.

"Signature Stores" means retail stores and related operations operating under a trademark or service mark license agreement with the Company permitting the use of the mark LILLY PULITZER.

"Software" means all computer software programs, in both machine-readable form and human-readable form.

"Supplier" means any supplier and/or vendor that the Company has paid, or incurred obligations to pay, in the aggregate more than $50,000 during the 12-month period ended on November 30, 2010.

"Target Working Capital" means an amount equal to $11,641,000.

"Tax Return" means any report, return, declaration or other information supplied or required to be supplied to a Governmental Entity in connection with Taxes, including estimated returns, amended returns, claims for refund and information statements with respect to Taxes provided to a Governmental Entity.

"Taxes" means all taxes, assessments, charges, duties, fees, levies and other governmental charges (including interest, penalties or additions associated therewith), including income, franchise, capital stock, real property, personal property, tangible, withholding, employment, payroll, social security, social contribution, unemployment compensation, unclaimed property escheat, disability, transfer, sales, use, excise, license, occupation, registration, stamp, premium, environmental, customs duties, alternative or add-on minimum, estimated, gross receipts, value-added and other similar charges imposed by any Governmental Entity.

"Transaction Expenses" means the legal, accounting, financial advisory and other third party advisory or consulting fees and expenses incurred by the Company and/or the Sellers in connection with the transactions contemplated by this Agreement and not paid prior to the Closing Date, (including amounts payable to (a) Pepper Hamilton LLP, (b) Oblon Spivak McClelland Maier & Neustadt, L.L.P., (c) KPMG LLP, and (d) Powell, Trachtman, Logan Carrle, Bowman & Lombardo). Transaction Expenses shall not include amounts included as Change of Control Payments.

"Treasury Regulations" means the Income Tax Regulations promulgated under the Code.

"WARN" means the United States Worker Adjustment and Retraining Notification Act and the rules and regulations promulgated thereunder, and any similar state Laws.

"Working Capital Deficit" means the amount, if any, by which the Estimated Working Capital is greater than the Net Working Capital as reflected on the Final Working Capital Schedule.

"Working Capital Guidelines" means the guidelines for calculating Net Working Capital as set forth on Exhibit 1.1(h).

"Working Capital Surplus" means the amount, if any, by which the Estimated Working Capital is less than the Net Working Capital as reflected on the Final Working Capital Schedule.

Section 1.2 Other Definitions. Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Acquisition	Recitals
Agreement	Preamble
Allocations	7.3(b)
Arbitrator	3.7(e)
Arbitrator Fees	3.7(e)
Business	Recitals
Claim Notice	9.3(b)
Closing Date Expense Statement	3.4(b)
Closing Date Financial Statement	3.4(c)
Closing Date Indebtedness Statement	3.4(a)
Closing Payment	3.1
Company	Preamble
Company Contracts	4.14
Company Stores	4.25(b)
Contribution Agreement	Recitals
Earnout Amount	3.2
Employee List	4.16(a)
Escrow Amount	3.3
Escrow Fund	3.3
Estimated Working Capital	3.4(c)
Finance Employees	3.7(a)
Funds Flow Statement	3.5
General Indemnity Expiration Date	9.4(b)
Gross-Up Notice	7.3(h)
Holdco	Preamble
Indemnifying Party	9.3(a)
Indemnity Claim Dispute Notice	9.3(b)
Insurance Contracts	4.19
Inventory Tax Gross-Up Amount	7.3(h)
Leases	4.6(c)
Legal Proceeding	4.12
License Agreement	4.14(m)
Parties	Preamble
Party	Preamble
Payoff Letters	8.2(f)
Post-Closing Employment Agreements	Recitals
Pre-Closing Tax Period	7.3(c)
Preliminary Working Capital Schedule	3.7(a)
Purchase Price	3.1
Purchaser	Preamble
Purchaser Basket	9.5(a)
Purchaser Cap	9.5(a)
Purchaser Losses	9.1
Seller Losses	9.2
Seller Representative	10.14(a)
Sellers	Preamble
Shares	Recitals
Surviving Obligations	9.4(a)
Third Party Claim	9.3(a)
Warranty	4.29

Section 1.3 Construction. Unless the context of this Agreement requires otherwise, (a) references to the plural include the singular, and references to the singular include the plural, (b) references to any gender include the other genders, (c) the words "include," "includes" and "including" do not limit the preceding terms or words and shall be deemed to be followed by the words "without limitation," (d) the terms "hereof," "herein," "hereunder," "hereto" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, (e) the terms "day" and "days" mean and refer to calendar day(s), (f) the terms "year" and "years" mean and refer to calendar year(s) and (g) all references in this Agreement to "dollars" or "$" shall mean United States Dollars. Unless otherwise set forth herein, references in this Agreement to (i) any document, instrument or agreement (including this Agreement) (A) includes and incorporates all exhibits, schedules and other attachments thereto, (B) includes all documents, instruments or agreements issued or executed in replacement thereof and (C) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified or supplemented from time to time in accordance with its terms and in effect at any given time, and (ii) a particular Law means such Law as amended, modified, supplemented or succeeded, from time to time and in effect at any given time. All Article, Section, Exhibit and Schedule references herein are to Articles, Sections, Exhibits and Schedules of this Agreement, unless otherwise specified. Each matter, document or item disclosed in one part of the Schedules delivered by the Company, Holdco or the Sellers shall be deemed to be disclosed under each other part of the Schedules, and shall be deemed to qualify, and constitute exceptions to, the representations, warranties and covenants of the Company, Holdco or the Sellers in this Agreement to the extent such matter, document or item may apply if (i) a cross reference to such other part of the Schedules is made, or (ii) it is reasonably apparent that the disclosure contained in such part contains information regarding the subject matter of other representations, warranties and covenants of the Company, Holdco or the Sellers contained in this Agreement and the Schedules. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

Section 1.4 Accounting Terms. Unless specifically defined or provided otherwise herein, all accounting terms shall be construed in accordance with GAAP.

ARTICLE II
PURCHASE AND SALE

Section 2.1 Purchase and Sale. Contemporaneously with the execution and delivery of this Agreement, Holdco shall sell, transfer, and deliver to the Purchaser, and the Purchaser shall purchase and acquire from Holdco all of the Shares, free and clear of all Liens, subject to any transfer restrictions imposed by applicable state and federal securities Laws.

Section 2.2 Further Assurances. Each Party shall on the Closing Date and from time to time thereafter, at any other Party's reasonable request and without further consideration, execute and deliver to such other Party such instruments of transfer, conveyance, and

assignment as shall be reasonably requested to transfer, convey, and assign the Shares to the Purchaser and otherwise to effect the transactions contemplated by this Agreement.

Section 2.3 Tax Treatment. Each Party acknowledges that the purchase of the Shares by the Purchaser shall be treated for U.S. federal income tax purposes pursuant to Section 1.1361-5 of the Treasury Regulations as a sale of all of the Company's assets to the Purchaser and assumption by the Purchaser of all of the Company's liabilities.

ARTICLE III
PURCHASE PRICE; ADJUSTMENTS

Section 3.1 Purchase Price. The aggregate cash amount to be paid for the Shares to Holdco by the Purchaser contemporaneously with the execution and delivery of this Agreement (the "Closing Payment") shall be an amount equal to (a) SIXTY MILLION DOLLARS ($60,000,000), (the "Purchase Price"), plus (b) the Estimated Working Capital Surplus, if any, minus (c) the Estimated Working Capital Deficit, if any, minus (d) the Escrow Amount, minus (e) the aggregate amount of the Indebtedness (other than the amount of Cash Collateral (as defined and set forth in the Payoff Letter relating to PNC Bank attached to the Closing Date Expense Statement)), minus (f) the aggregate amount of all Change of Control Payments, minus (g) the aggregate amount of all Transaction Expenses.

Section 3.2 Earnout Amount. Pursuant to the Earnout Agreement, Holdco shall be entitled to receive up to an additional TWENTY MILLION DOLLARS ($20,000,000) (the "Earnout Amount") as additional consideration for the Shares. The Earnout Amount, if any, shall be payable in accordance with, and subject to the terms and conditions of, the Earnout Agreement.

Section 3.3 Escrow. Contemporaneously with the execution and delivery of this Agreement, the Purchaser shall deposit EIGHT MILLION DOLLARS ($8,000,000) in cash (the "Escrow Amount") with the Escrow Agent to be distributed in accordance with the terms of this Agreement and the Escrow Agreement. The Escrow Amount, as adjusted from time to time, together with any interest earned thereon, shall be referred to as the "Escrow Fund" and shall be used to satisfy any potential obligations of Holdco and the Sellers pursuant to this Agreement.

Section 3.4 Closing Date Statements.

(a) Attached hereto as Exhibit 3.4(a) is a statement (the "Closing Date Indebtedness Statement"), signed by the Chief Executive Officer and by the President of the Company (on behalf and in the name of the Company), which sets forth, by lender, the aggregate amount of the Indebtedness outstanding as of the Closing Date. Attached to the Closing Date Indebtedness Statement are copies of the Payoff Letters delivered in accordance with Section 8.2(f).

(b) Attached hereto as Exhibit 3.4(b) is a statement (the "Closing Date Expense Statement"), signed by the Chief Executive Officer and by the President of the Company (on behalf and in the name of the Company), which sets forth, by payee, the Change of Control Payments and the Transaction Expenses to the extent not accrued for on the Closing Date Financial Statement.

(c) Attached hereto as Exhibit 3.4(c) is a statement (the "Closing Date Financial Statement"), signed by the Chief Executive Officer and by the President of the Company (on behalf and in the name of the Company), which sets forth (i) the Company's estimate of the Net Working Capital (the "Estimated Working Capital"), and (ii) the Estimated Working Capital Surplus, if any, or the Estimated Working Capital Deficit, if any.

Section 3.5 Payment of Purchase Price. Contemporaneously with the execution and delivery of this Agreement, the Purchaser shall pay to Holdco, to such account set forth in the funds flow statement attached as Exhibit 3.5 (the "Funds Flow Statement"), the Closing Payment. Upon such payment, the Purchaser shall be fully released and discharged of any obligation with respect to the payment of the Closing Payment.

Section 3.6 Payment of Other Amounts Payable at Closing. Contemporaneously with the execution and delivery of this Agreement, the Purchaser shall:

(a) on behalf of the Company, pay to such account or accounts as the Company specifies to the Purchaser pursuant to the Closing Date Indebtedness Statement, the aggregate amount of the Indebtedness set forth on the Closing Date Indebtedness Statement;

(b) pay to the account of the Company the aggregate amount of the Change of Control Payments set forth on the Closing Date Expense Statement; and

(c) on behalf of the Company, pay to such account or accounts as the Company specifies to the Purchaser pursuant to the Closing Date Expense Statement, the aggregate amount of the Transaction Expenses set forth on the Closing Date Expense Statement.

Promptly following receipt thereof and on the Closing Date, the Company shall disburse the Change of Control Payments (net of any applicable withholding Taxes) to the recipients thereof as identified in the Closing Date Expense Statement.

Section 3.7 Purchase Price Adjustment.

(a) No later than 120 days following the Closing Date, the Company shall, and the Purchaser shall cause the Company to, prepare and deliver to Holdco a statement (the "Preliminary Working Capital Schedule"), which sets forth the Purchaser's calculation of (i) the Net Working Capital and (ii) the Working Capital Surplus, if any, or the Working Capital Deficit, if any. The Preliminary Working Capital Schedule shall be determined and calculated in accordance with this Agreement and Working Capital Guidelines. If the Preliminary Working Capital Schedule is not delivered to Holdco within 120 days after the Closing Date, then Holdco, with the reasonable assistance of those employees of the Company performing the functions of a chief accounting or financial officer for the Company and those individuals who, directly or indirectly, report to such chief financial or accounting officer (collectively, the "Finance Employees"), may prepare and present the Preliminary Working Capital Schedule within an additional thirty (30) days thereafter. If Holdco prepares the Preliminary Working Capital Schedule

in accordance with the immediately preceding sentence, then, with respect to such Preliminary Working Capital Schedule, all references in Section 3.7(a) through Section 3.7(d) to Holdco and the Purchaser (or the Company), respectively, shall be read as references to the Purchaser (or the Company) and Holdco, respectively. The Purchaser agrees that, following the Closing and until the date on which the Final Working Capital Schedule becomes final and binding on the Parties in accordance with the terms of this Agreement, the Purchaser will not intentionally take, and will not intentionally permit the Company to take, any actions with respect to any accounting books, records, policies or procedures on which the Net Working Capital is to be based, or from which it is to be derived, for the intent of materially impeding or delaying, or otherwise intentionally making unavailable information required for, the determination of the Net Working Capital in the manner and utilizing the methods contemplated by this Agreement and the Working Capital Guidelines.

(b) Holdco shall have thirty (30) days following receipt of the Preliminary Working Capital Schedule during which to notify the Purchaser of any dispute of any item contained in the Preliminary Working Capital Schedule, which notice shall set forth in reasonable detail the basis for such dispute. In connection with Holdco's review of the Preliminary Working Capital Schedule, the Purchaser will provide Holdco and its representatives, advisors and accountants with reasonable access to appropriate personnel (including the Finance Employees) books, records, documents and other information of the Company.

(c) If Holdco does not notify the Purchaser of any such dispute within thirty (30) days after its receipt of the Preliminary Working Capital Schedule, the Preliminary Working Capital Schedule shall be deemed to be the Final Working Capital Schedule.

(d) If Holdco notifies the Purchaser of any such dispute within such thirty (30) day period, the Purchaser and Holdco shall cooperate in good faith to resolve any such dispute as promptly as possible, and upon such resolution, the Final Working Capital Schedule shall be prepared in accordance with the agreement of the Purchaser and Holdco.

(e) If the Purchaser and Holdco are unable to resolve any dispute regarding the Preliminary Working Capital Schedule within fifteen (15) days (or such longer period as the Purchaser and Holdco shall mutually agree in writing), following notice of such dispute, such dispute shall be submitted to, and all issues having a bearing on such dispute shall be resolved by the Arbitrator. As used herein, the term "Arbitrator" means the St. Louis, Missouri office of Deloitte LLP, or in the event such accounting firm is unable or unwilling to take such assignment, a nationally recognized independent accounting firm mutually agreed upon by the Purchaser and Holdco or, failing such agreement within thirty (30) days following notice of dispute by Holdco, then upon the written request of either the Purchaser or Holdco, such nationally recognized independent accounting firm selected by the CPR in accordance with the CPR Rules for Non-Administered Arbitration. Such resolution shall be final and binding on the Parties. The Purchaser and Holdco shall instruct the Arbitrator to make a final determination of Net

Working Capital and the Working Capital Deficit, if any, or the Working Capital Surplus, if any, based solely on the items that are in dispute and that, in resolving such items in dispute and in determining Net Working Capital and the Working Capital Deficit, if any, or the Working Capital Surplus, if any, the Arbitrator shall not assign to any item in dispute a value that is (A) greater than the greatest value for such item assigned by the Purchaser, on the one hand, or Holdco, on the other hand, or (B) less than the smallest value for such item assigned by the Purchaser, on the one hand, or Holdco, on the other hand. The Arbitrator shall be directed to use commercially reasonable best efforts to complete its work within thirty (30) days following its engagement. The fees, costs and expenses of the Arbitrator (collectively, the "Arbitrator Fees") (1) shall be borne by the Purchaser in the proportion that the aggregate dollar amount of all such disputed items so submitted that are unsuccessfully disputed by the Purchaser (as finally determined by the Arbitrator) bears to the aggregate dollar amount of such items so submitted and (2) shall be borne by Holdco in the proportion that the aggregate dollar amount of such disputed items so submitted that are successfully disputed by the Purchaser (as finally determined by the Arbitrator) bears to the aggregate dollar amount of all such items so submitted. Notwithstanding the foregoing, if the Arbitrator requires an advance payment of the Arbitrator Fees, the Purchaser, on the one hand, and Holdco, on the other hand, shall each be responsible for one-half of such advance payment of Arbitrator Fees and following the final determination of Net Working Capital and the Working Capital Deficit, if any, or the Working Capital Surplus, if any, by the Arbitrator, the Arbitrator Fees payable by the Purchaser and Holdco shall be adjusted in accordance with the immediately preceding sentence. Holdco may elect to pay Arbitrator Fees due and owing from them from the Escrow Fund. If any disputes are submitted to the Arbitrator pursuant to this Section 3.7(e), the Final Working Capital Schedule shall be prepared in accordance with the decision of the Arbitrator and, to the extent applicable, the agreement of the Purchaser and Holdco.

(f) Within five (5) Business Days following the determination of the Final Working Capital Schedule in accordance with this Section 3.7:

(i) To the extent that there is a Working Capital Deficit, Holdco shall be obligated to pay to the Purchaser in cash an aggregate amount equal to the Working Capital Deficit. The Purchaser shall first seek to recover the first $1,000,000 of the aggregate amount of the Working Capital Deficit and Arbitrator Fees payable by Holdco from the Escrow Fund pursuant to the terms of the Escrow Agreement. For any such amount of Working Capital Deficit and Arbitrator Fees payable by Holdco in excess of $1,000,000, the Purchaser may, in its sole discretion, claim all or any part of such amount (A) either directly from Holdco or the Sellers in accordance with Sections 9.5(c)(i) and 9.5(c)(ii) as if such amount were a Purchaser Loss, (B) from the Escrow Fund or (C) by setting off such amount from any Earnout Amount payable to Holdco pursuant to the terms of the Earnout Agreement, or by any combination of (A), (B), or (C). Any payment to the Purchaser pursuant to this Section 3.7(f)(i) shall be made by wire transfer of immediately available funds to an account designated by the Purchaser. Upon payment of the Working Capital Deficit, the Sellers and Holdco shall be

fully released and discharged of any obligation with respect to the Working Capital Deficit.

(ii) To the extent there is a Working Capital Surplus on the Final Working Capital Schedule, the Purchaser shall pay to Holdco an amount equal to the Working Capital Surplus by wire transfer of immediately available funds to an account designated by or on behalf of Holdco. Upon such payment, the Purchaser shall be fully released and discharged of any obligation with respect to the Working Capital Surplus.

(iii) Any payment made pursuant to this Section 3.7(f) shall include an additional amount of simple interest equal to the amount of interest that such payment would have earned had it earned interest at 3.5% per annum, from the Closing Date through the date of such payment, and such interest shall be paid together with the adjustment amount being paid pursuant to Section 3.7(f)(i) or (ii).

Section 3.8 Seller Release. As of the Closing, in consideration for the agreement and covenants of the Purchaser set forth in this Agreement, each Seller, on behalf of itself and on behalf of each of its Affiliates, hereby knowingly, voluntarily and unconditionally releases and forever discharges from and for, and covenants that neither it nor any of its Affiliates will sue the Purchaser, the Company, or their respective predecessors, successors, parents, subsidiaries or other Affiliates, or any of their respective current and former officers, directors, employees, agents, or representatives for or with respect to, any and all claims, causes of action, demands, suits, debts, obligations, liabilities, damages, losses, costs, and expenses (including attorneys' fees) of every kind or nature whatsoever, known or unknown, actual or potential, suspected or unsuspected, fixed or contingent, that such Seller has or may have, now or in the future, arising out of, relating to, or resulting from any act of commission or omission, errors, negligence, strict liability, breach of contract, tort, violations of Law, matter or cause whatsoever from the beginning of time to the Closing Date; provided, however, that such release shall not cover any claims against (a) the Company or the Purchaser with respect to any amounts due to any Seller or its Affiliates to the extent such amounts are reserved as a liability on the Final Working Capital Schedule or (b) the Purchaser or the Company arising under this Agreement, any Seller Ancillary Document or any Purchaser Ancillary Document.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE SELLERS AND HOLDCO

The Sellers and Holdco hereby, jointly and severally, represent and warrant to the Purchaser as follows:

Section 4.1 Organization. The Company is a corporation duly formed and validly existing under the laws of the Commonwealth of Pennsylvania and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Company is duly qualified or registered as a foreign corporation to transact business under the Laws of each jurisdiction where the character of its activities or the location of the properties owned or leased by it requires such qualification or registration, except where

the failure to be so qualified or licensed would not, individually or in the aggregate, reasonably be expected to result in Losses to the Company of more than $25,000. The Company has heretofore made available to the Purchaser correct and complete copies of the charter documents of the Company as currently in effect and the corporate record books with respect to actions taken by its shareholders and board of directors since January 1, 2006. Schedule 4.1 contains a correct and complete list of the jurisdictions in which the Company is qualified or registered to do business as a foreign corporation.

Section 4.2 Authorization. The Company has full corporate power and authority to execute and deliver this Agreement, and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and assuming due authorization and execution of this Agreement by the Purchaser, constitutes the valid and binding agreement of the Company, enforceable against it in accordance with its terms, subject to the Enforceability Exceptions.

Section 4.3 Capital Stock. Schedule 4.3 accurately and completely sets forth the capital structure of the Company including the number of shares of capital stock or other equity interests which are authorized and which are issued and outstanding and specifying which shares of capital stock or other equity interests have voting rights and which do not have voting rights. All of the issued and outstanding shares of capital stock of the Company issued and outstanding (a) are duly authorized, validly issued, fully paid and nonassessable, (b) are held of record by the Persons and in the amounts set forth on Schedule 4.3, and (c) were not issued or acquired by the holders thereof in violation of any Law, agreement or the preemptive rights of any Person. Except as set forth on Schedule 4.3, no shares of capital stock or other equity interests of the Company are reserved for issuance or are held as treasury shares, and (i) there are no outstanding options, warrants, rights, calls, commitments, conversion rights, rights of exchange, subscriptions, claims of any character, agreements, obligations, convertible or exchangeable securities or other plans or commitments, contingent or otherwise, relating to the capital stock of the Company; (ii) there are no outstanding contracts or other agreements of the Company, Holdco or any other Person to purchase, redeem or otherwise acquire any outstanding shares of capital stock or other equity interests of the Company, or securities or obligations of any kind convertible into any shares of the capital stock or other equity interests of the Company; (iii) there are no dividends which have accrued or been declared but are unpaid on the capital stock or other equity interests of the Company; (iv) there are no outstanding or authorized stock appreciation, phantom stock, stock plans or similar rights with respect to the Company; and (v) there are no voting agreements or other agreements relating to the management of the Company. Except as set forth on Schedule 4.3, the Company has never purchased, redeemed or otherwise acquired any shares of capital stock or other equity interests of the Company. Other than Holdco, no other Person is the record holder of any capital stock or other equity interests in the Company. At least fifty percent (50%) of all issued and outstanding shares of capital stock in the Company do not, to the fullest extent permitted by applicable Law, have any voting rights. No prior offer, issue, redemption, call, purchase, sale, transfer, negotiation or other transaction of any nature or kind with respect to any capital stock (including options, warrants or debt convertible into shares, options or warrants) of the Company or any entity that has been merged into the Company has given rise to any claim or

action by any Person that is enforceable against the Company, Holdco or the Purchaser, and no fact or circumstance exists that could give rise to any such right, claim or action. All redemptions or transfers of shares of capital stock or other equity interests of the Company since December 31, 2009 are set forth on Schedule 4.3.

Section 4.4 Subsidiaries. The Company has never owned, nor does it currently own, directly or indirectly, any capital stock or other equities, securities or interests in any other corporation or in any limited liability company, partnership, joint venture or other entity.

Section 4.5 Absence of Restrictions and Conflicts. Except as set forth on Schedule 4.14, the Company's execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of and compliance with the terms and conditions hereof, do not or will not (as the case may be), with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any party the right to terminate, modify or cancel (a) any term or provision of the charter documents of the Company, (b) any Company Contract, (c) any License, (d) any Order to which the Company is a party or by which the Company or any of its assets are bound, or (e) any Law or arbitration award applicable to the Company, other than with respect to (c), such violations, conflicts, breaches, defaults or losses that would not, individually or in the aggregate, reasonably be expected to result in Losses to the Company of more than $25,000. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required with respect to the Company in connection with the execution, delivery or performance of this Agreement, or the consummation of the transactions contemplated hereby.

Section 4.6 Real Property.

(a) Schedule 4.6(a) sets forth a correct and complete legal description of the Owned Real Property.

(b) Subject to the Permitted Liens, the Company has good and marketable title to the Owned Real Property.

(c) Schedule 4.6(c) sets forth a correct and complete list of the addresses of the Leased Real Property and all lease agreements relating to the Leased Real Property (the "Leases"). The Company has a valid leasehold interest in the Leased Real Property, and the Leases granting such interests are in full force and effect. Except as set forth on Schedule 4.6(c),

(i) there are no understandings, oral or written, or course of dealings established between the parties to the Leases which vary in any material manner the obligations or rights of either party as evidenced by the Leases;

(ii) all of the installments of rent and other amounts required to be paid by the Company under the Leases have been duly and timely paid;

(iii) to the Knowledge of the Company, there exists no charges, claims, or offsets of any landlord with respect to any Lease or any of the personal property of the Company maintained at the Leased Real Property;

(iv) no amount due to any landlord under the Leases has been paid more than 30 days in advance of its due date, except for amounts that are subject to reconciliations under the Leases;

(v) to the Knowledge of the Company, all construction, build-out, improvements, alterations, and additions to the Leased Real Property required to be constructed by the Company or by a landlord under a Lease have been completed in accordance with the plans and specifications described in such Lease;

(vi) except as set forth in the Leases, the Company has not been granted any options or rights of expansion, purchase, or first refusal concerning any Lease or the Leased Real Property; and

(vii) except as set forth in the Leases, the Company has not exercised any options or rights of expansion, purchase, or first refusal concerning any Lease or the Leased Real Property.

(d) No portion of the Owned Real Property, or any building or improvement located thereon, violates any Law, including those Laws relating to zoning, building, land use, fire, sanitation and noise control. Except for the Permitted Liens, (i) no Owned Real Property is subject to any Order or, to the Knowledge of the Company, threatened or proposed Order and (ii) to the Knowledge of the Company, no Leased Real Property is subject to any Order or threatened or proposed Order. Except for the Permitted Liens, no Company Real Property is subject to any rights of way, building use restrictions, exceptions, variances, reservations or limitations of any nature whatsoever, except those that would not, individually or in the aggregate, reasonably be expected to result in Losses to the Company of more than $25,000 or that are set forth in the Leases. To the Knowledge of the Company, the Company, the Owned Real Property and the Leased Real Property are in full compliance with any and all restrictions, covenants and conditions affecting or encumbering any of the Owned Real Property or the Leased Real Property.

(e) The improvements and fixtures on the Company Real Property are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, and are adequate and suitable for the purposes for which they are presently being used. There is no condemnation, expropriation or similar proceeding pending or, to the Knowledge of the Company, threatened against the Owned Real Property or any improvement thereon, and to the Knowledge of the Company, there is no condemnation, expropriation or similar proceeding pending or threatened against any of the Leased Real Property. The Company Real Property constitutes all of the real property utilized by the Company in the operation of the Business.

Section 4.7 Title to Assets; Related Matters.

(a) Except as set forth on Schedule 4.7, and subject to Section 4.7(c), the Company has good and marketable title to all of its property and assets, free and clear of all Liens except Permitted Liens. The property and assets of the Company constitute all of the assets necessary and sufficient to conduct the operations of the Business in accordance with the Company's past practices.

(b) All equipment and other items of tangible personal property and assets of the Company (i) are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, and (ii) were acquired and are usable in the Ordinary Course. The Company does not have any Knowledge of any material defect or problem with any of such equipment, tangible personal property or assets, other than ordinary wear and tear. No Person other than the Company owns any equipment or other tangible personal property or assets material to the Business situated on the premises of the Company, except for the leased items that are subject to personal property leases. Except as set forth on Schedule 4.7, since December 31, 2009, the Company has not sold, transferred or disposed of any assets, other than sales of inventory in the Ordinary Course.

(c) Notwithstanding the foregoing, the representations and warranties in this Section 4.7 are not made with respect to Intellectual Property matters.

Section 4.8 Inventory. The Company's inventory at Closing (a) is sufficient for the operation of the Company's business in the Ordinary Course, (b) consists of items that are good and merchantable within normal trade tolerances, (c) is of a quality and quantity presently usable or saleable in the Ordinary Course (subject to applicable reserves), (d) is valued on the books and records of the Company at the lower of cost or market with the cost determined under the first-in-first-out inventory valuation method consistent with past practice, and (e) is subject to reserves determined in accordance with GAAP, specifically including reserves for obsolescence and excess inventory. No previously sold inventory is subject to returns in excess of those historically experienced by the Company. All products of the Business have been produced in compliance, in all material respects, with all applicable "codes of conduct" of its customers that have been communicated to the Company prior to the production thereof. The Company maintains reasonable commercial policies, practices and procedures with respect to the security and safeguard of inventory and other assets (including, with respect to employee and third party theft and other loss) of the Business and has not made any material changes to such policies, practices and procedures during the year prior to the date hereof.

Section 4.9 Financial Statements.

(a) A copy of the Financial Statements are attached to Schedule 4.9. Except as provided in Schedule 4.9, or in the notes to the Financial Statements, the Financial Statements have been prepared in accordance with GAAP and have been prepared from the books and records of the Company, and such books and records have been maintained on a basis consistent with GAAP. The Financial Statements (including the related notes and schedules, if any, thereto) fairly present, in all

material respects, the financial position of the Company, as of the date of such Financial Statements for the periods set forth therein, subject in the case of the Interim Financial Statements to an absence of notes and normal year-end adjustments. Since December 31, 2009, there has been no change in any accounting (or tax accounting) policy, practice or procedure of the Company. The Company maintains accurate books and records reflecting its assets and liabilities and maintains proper and adequate internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of annual financial statements for external purposes in accordance with GAAP.

(b) The 2010 Projections were prepared in good faith by Company and are based on reasonable assumptions. Notwithstanding the foregoing, no representation, warranty, covenant, agreement, indemnity or guarantee is given or made as to whether the results set forth in the 2010 Projections will actually be achieved.

Section 4.10 No Undisclosed Liabilities. Except for matters reflected or reserved against in the audited balance sheet in the Financial Statements or the Balance Sheet or otherwise disclosed in Schedule 4.10, the Company has no liability (whether absolute, accrued, contingent or otherwise) that would be required under GAAP, as in effect on the date of this Agreement, to be reflected on the Company's balance sheet (including the related notes thereto if such balance sheet was audited or reviewed), except liabilities that (a) were incurred since the date of the Balance Sheet in the Ordinary Course or (b) were incurred in connection with the transactions contemplated by this Agreement, the Contribution Agreement or the Seller Ancillary Documents.

Section 4.11 Absence of Certain Changes. Since December 31, 2009 and except as set forth on Schedule 4.11, (i) there has not been any Material Adverse Effect or any damage, destruction, loss or casualty to property or assets of the Company with a value in excess, individually or in the aggregate, of $50,000, whether or not covered by insurance, and (ii) the Company has:

(a) conducted its businesses in the Ordinary Course and not engaged in any new line of business or entered into any agreement, transaction or activity or made any commitment with respect to the Company, except those in the Ordinary Course;

(b) not (i) sold or transferred any asset, other than finished goods sold in the Ordinary Course, (ii) written-off any guaranteed check, note or account receivable, except in the Ordinary Course, (iii) written-down the value of any asset or investment on the books or records of the Company, except for depreciation and amortization in the Ordinary Course, (iv) cancelled any debt or waived any claim or right except in the Ordinary Course or as set forth in Schedule 4.26(b), or (v) made any commitment for any capital expenditure to be made on or following the date hereof in excess of $50,000 in the case of any single expenditure or $100,000 in the case of all capital expenditures;

(c) not increased in any manner the base compensation of, or entered into any new bonus or incentive agreement or arrangement with, any of its employees, officers, directors or consultants, except in the Ordinary Course and the Post-Closing Employment Agreements;

(d) not increased in any manner the base compensation of, or entered into any new bonus or incentive agreement or arrangement resulting in an increase of 5% or more of the compensation of any of its employees, officers, directors or consultants, whose annualized base compensation was $75,000 or more prior to such increase;

(e) not paid or agreed to pay any additional pension, retirement allowance or other employee benefit under any Company Benefit Plan to any of its employees or consultants, whether past or present;

(f) not adopted, amended or terminated any Company Benefit Plan or increased the benefits provided under any Company Benefit Plan, or promised or committed to undertake any of the foregoing in the future, except with respect to amendments required by Law; and

(g) not amended any existing Employment Agreement or except for the Post-Closing Employment Agreements, entered into any new Employment Agreement.

Section 4.12 Legal Proceedings. Except as set forth on Schedule 4.12, there is no suit, action, claim, arbitration, proceeding or investigation pending or, to the Knowledge of the Company, threatened against, relating to or involving the Company or its Owned Real Property or personal property before any Governmental Entity or arbitrator (a "Legal Proceeding"). None of the Legal Proceedings set forth on Schedule 4.12, if finally determined adversely against the Company, is reasonably likely, individually or in the aggregate, to have a material adverse impact on the Company. The Company is not subject to any Order or any ruling of an arbitration panel relating to any Legal Proceeding.

Section 4.13 Compliance with Law; Regulatory Matters.

(a) The Company is (and has been at all times during the past five (5) years) in compliance, in all material respects, with all applicable Laws. Except as set forth on Schedule 4.13(a), the Company has not been charged with, nor received any written notice that it is under investigation by a Governmental Entity with respect to, any violation of any applicable Law, and the Company has not received written notice that it has been charged with any violation of any applicable Law or other requirement of a Governmental Entity. The Company does not sell, nor has it ever sold, any product or provided any services directly to any Governmental Entity. The Company is not currently under any contract or agreement with any Governmental Entity. The Company has not received written notice from any Governmental Entity notifying the Company that it has been debarred or suspended from doing business with any Governmental Entity.

(b) The Company is (and has been at all times during the past five (5) years) in compliance, in all material respects, with all applicable Laws relating to the importation of merchandise into the United States. The Company's origin declarations with respect to the conduct of the Business are (and during the past five (5) years have been) accurate in all material respects and based on the exercise of reasonable care. Except as set forth on Schedule 4.13(b), the Company has not received any written, or to the Knowledge of the Company, oral, communication with respect to the conduct of the Business during the past five (5) years from United States Customs and Border Protection, or its predecessor, the United States Customs Service, that: (i) alleges that the Company is not in compliance with any applicable Law; (ii) excludes merchandise; or (iii) asserts that the Company owes additional duties, liquidated damages, penalties, or fees.

(c) All products sold by the Company are (and have been at all times during the past five (5) years) in compliance in all material respects with the U.S. Consumer Product Safety Act, the Flammable Fabrics Act, the Hazardous Substances Act, and all rules and regulations of the U.S. Consumer Product Safety Commission as well as all state Laws relating to product safety and related matters.

(d) Neither the Company nor any director, agent, or employee of the Company, nor, to the Knowledge of the Company, any other Person associated with or acting for or on behalf of the Company, has ever (i) taken any action in furtherance of any boycott not sanctioned by the United States of America; or (ii) entered into any contract or agreement to conduct any transaction with any Governmental Entity, agent, representative or resident of, or any Person based or resident in, any of the following countries: Burma (Myanmar); Cuba; Iran; Iraq; Libya; North Korea; Sudan; or Syria.

(e) There has been no failure by the Company to comply with (i) the applicable bylaws, operating rules and identification standards manual of, and any other rules, regulations, manuals, policies and procedures promulgated by, Visa, Inc. and its subsidiaries and Affiliates, MasterCard Incorporated and its subsidiaries and Affiliates or (ii) the PCI Security Standards established by the PCI Security Standards Council, including the Data Security Standard (PCI DSS).

(f) The Company has implemented, and is in compliance with, in all material respects, technical measures to assure the integrity and security of transactions executed through its computer systems and of all confidential and proprietary data processed, maintained or stored by such computer systems. To the Knowledge of the Company, there has been no breach of security or unauthorized access to or unauthorized acquisition, use, loss, destruction, compromise or disclosure of any personally identifiable information, confidential or proprietary data or any other non-public information maintained or stored by the Company in systems directly under its control involving data of any customers. To the Knowledge of the Company, there have been no facts or circumstances that would require the Company to give notice to any of its customers of any actual data security breaches pursuant to an applicable Law requiring notice of such a breach.

(g) The Company has made available to the Purchaser the Company's current privacy and data security policies that are used by the Company with regard to the collection and use of personally identifiable information. The Company is in compliance, in all material respects, with all such policies and all Laws relating to data, the collection and use of data, personally identifiable information and bulk commercial faxes and e-mail (e.g., spam) related to the Business.

(h) The Company is not a party to any agreement that constitutes a franchise, under federal Law governing franchises or similar Laws of the states in which the Company conducts business.

Section 4.14 Company Contracts. Schedule 4.14 sets forth a correct and complete list of the following contracts to which the Company is a party, by which the Company or any of its property is subject, or by which the Company is otherwise bound, whether oral or written (the "Company Contracts") (other than the Employment Agreements set forth on Schedule 4.16, the Company Benefit Plans set forth on Schedule 4.17 and the insurance policies set forth on Schedule 4.19):

(a) all bonds, debentures, notes, loans, credit or loan agreements or loan commitments, mortgages, indentures, guarantees or other contracts relating to the borrowing of money or binding upon any properties or assets (real, personal or mixed, tangible or intangible) of the Company and for which the Company is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise;

(b) all contracts and agreements by which the Company guarantees payments or other obligations of any Person;

(c) all Leases or other leases or licenses involving any properties or assets (whether real, personal or mixed, tangible or intangible), in each case having payment obligations of at least $25,000 in any year or $100,000 in the aggregate (other than end-user licenses in the Ordinary Course);

(d) all contracts and agreements that (i) limit or restrict the Company or any of its officers, directors, employees, agents or representatives (in their capacity as such) from engaging in any business or other activity in any jurisdiction; (ii) create or purport to create any exclusive or preferential relationship or arrangement; (iii) otherwise restrict or limit the ability of the Company to operate or expand the Business; or (iv) impose, or purport to impose, any obligations or restrictions on Affiliates of the Company. For purposes of this provision, permitted use restrictions contained on the face of any contract or lease of real property shall not be considered a provision that limits the ability of the Company to operate or expand its Business;

(e) all confidentiality agreements pursuant to which the Company is subject to non-disclosure or confidentiality covenants other than those entered into in the Ordinary Course;

(f) all contracts and agreements for capital expenditures or the acquisition or construction of fixed assets requiring the payment by the Company of an amount in excess of $25,000 in any year or $100,000 in the aggregate;

(g) all contracts and agreements that provide for an increased payment or benefit, or accelerated vesting, upon the execution hereof, or the Closing, or in connection with the transactions contemplated hereby;

(h) all contracts and agreements granting any Person a Lien;

(i) all contracts and agreements for the cleanup, abatement or other actions in connection with any Hazardous Materials, the remediation of any existing environmental condition or relating to the performance of any environmental audit or study;

(j) all contracts and agreements granting to any Person an option or a first refusal, first-offer or similar preferential right to purchase or acquire any assets;

(k) all contracts and agreements with any agent, distributor or representative that is not terminable without penalty on thirty (30) days' or less notice;

(l) all contracts and agreements pursuant to which the Company has granted a license, sublicense or franchise to another party or under which the Company is obligated to pay or has the right to receive a royalty, license fee, franchise fee or similar payment;

(m) all contracts, licenses and agreements to which the Company is a party (i) with respect to Company Intellectual Property licensed or transferred by the Company to any third party, or (ii) pursuant to which a third party has licensed or transferred any Intellectual Property to the Company (other than end-user licenses in the Ordinary Course) (each a "License Agreement");

(n) all contracts and agreements relating to advertising having payment obligations of at least $25,000 in any year or $100,000 in the aggregate;

(o) all contracts and agreements for the future purchase of inventory, materials, supplies or equipment pursuant to which the Company is obligated to spend more than $25,000 in any year or $100,000 in the aggregate under any such contract or agreement other purchase orders or purchase contracts made in the Ordinary Course for merchandise for resale or to be used as a gift with a purchase;

(p) all contracts and agreements pursuant to which the Company indemnifies or holds harmless any of its officers, directors, or employees;

(q) all joint venture, design or partnership contracts and all other contracts providing for the sharing of any profits;

(r) all contracts or agreements entered into involving the sale or purchase of assets or capital stock of any Person, other than in the Ordinary Course, or a merger, consolidation, business combination or similar transaction;

(s) all customer contracts and agreements, other than open purchase orders entered into in the Ordinary Course for the provision of goods or services by the Company, including all contracts and agreements with all retail stores and Signature Stores other than Company Stores;

(t) all supply contracts and agreements, other than open purchase orders entered into in the Ordinary Course for the provision of goods or services for the Company;

(u) all outstanding powers of attorney empowering any Person to act on behalf of the Company; and

(v) all existing contracts and agreements (other than those described in subsections (a) through (u) of this Section 4.14) (i) involving an annual commitment or annual payment to or from the Company of more than $25,000 individually or (ii) that is material to the Company, individually or in the aggregate.

Except as set forth on Schedule 4.14, correct and complete copies of all Company Contracts have been made available to the Purchaser. The Company Contracts are valid, legally binding and enforceable by the Company in accordance with their respective terms subject to the Enforceability Exception. There is no existing default or breach by the Company under any Company Contract (or event or condition that, with notice or lapse of time or both, could constitute a default or breach) and, to the Knowledge of the Company, there is no such default (or event or condition that, with notice or lapse of time or both, could constitute a default or breach) with respect to any third party to any Company Contract. Except as set forth on Schedule 4.14, the Company is not participating in any discussions or negotiations regarding modification of or amendment to any Company Contract or entry into any new material contract applicable to the Company or the real or personal property of the Company. Schedule 4.14 identifies with an asterisk each Company Contract set forth therein that requires the consent of or notice to the other party thereto to avoid any breach, default or violation of such contract, agreement or other instrument in connection with the transactions contemplated hereby.

Section 4.15 Tax Returns; Taxes.

(a) Except as otherwise disclosed on Schedule 4.15(a): (i) all Tax Returns of the Company due to have been filed through the date hereof in accordance with any applicable Law have been duly filed and are correct and complete in all material respects; (ii) all Taxes, deposits of Taxes or other payments relating to Taxes due and owing by the Company (whether or not shown on any Tax Return) have been paid in full; (iii) there are not now any extensions of time in effect with respect to the dates on which any Tax Returns of the Company were or are due to be filed; (iv) all deficiencies asserted as a result of any examination of any Tax Returns of the Company have been paid in full, accrued on the books of the Company, or finally settled, and no issue has

been raised in any such examination which, by application of the same or similar principles, reasonably could be expected to result in a proposed deficiency for any other period not so examined; (v) no claims have been asserted and no proposals or deficiencies for any Taxes of the Company are being asserted, proposed or, to the Knowledge of the Company, threatened, and no audit or investigation of any Tax Return of the Company is currently underway, pending or, to the Knowledge of the Company, threatened; (vi) no claim has ever been made by a Taxing authority in a jurisdiction in which the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction; (vii) the Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party; (viii) there are no outstanding waivers or agreements by or on behalf of the Company for the extension of time for the assessment of any Taxes or deficiency thereof, nor are there any requests for rulings, outstanding subpoenas or requests for information, notice of proposed reassessment of any property owned or leased by the Company or any other matter pending between the Company and any Taxing authority; (ix) there are no Liens for Taxes (other than Liens for Taxes which are not yet due and payable), nor are there any Liens for Taxes which are pending or, to the Knowledge of the Company, threatened; (x) the Company is not a party to any Tax allocation, sharing or indemnification agreement under which the Company will have any liability after the Closing; (xi) the Company has never been a member of an affiliated group filing a consolidated U.S. federal income Tax Return; (xii) the Company has no liability for the Taxes of any Person (other than for itself) under U.S. Treasury Regulations Section 1.1502-6 (or any similar provision of Law), as a transferee or successor, by contract, or otherwise; (xiii) the Company has not made any payments, is not obligated to make any payments, and is not a party to any agreement that under certain circumstances could obligate it to make any payments that will not be deductible under Section 280G of the Code; and (xiv) the Company has at all times used proper accounting methods and periods in computing its Tax liability.

(b) Except as set forth on Schedule 4.15(b), the Company has made available to the Purchaser correct and complete copies of all federal, state, local and foreign income, sales and use, franchise, gross receipts and/or net worth, occupancy, property, payroll and abandoned property Tax Returns (together with all supporting schedules and any agent's reports) relating to its operations for taxable periods ended on or after December 31, 2007.

(c) The Company has maintained a valid election as an S corporation (as defined in Section 1361 of the Code) from the date of its formation, and such election has not been revoked or terminated, except as modified by the actions taken pursuant to the Contribution Agreement. Holdco, as a continuation of the Company pursuant to Rev. Rul. 2008-18, is a valid S corporation. The Company has been a qualified subchapter S subsidiary within the meaning of Section 1361 of the Code from the date of the transfer of the shares of capital stock in the Company to Holdco pursuant to the Contribution Agreement through and including the date hereof.

(d) The Company has not distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code.

(e) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) beginning on or after the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending prior to Closing Date; (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local, or non-U.S. Tax Law) executed on or before the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; (iv) prepaid amount received on or before the Closing Date; or (v) election made (or contemplated to be made) under Section 108(i) of the Code.

(f) The Company has not been a party to any "reportable transaction" as defined in Treasury Regulations Section 1.6011-4(b).

(g) The Company is not liable for any Tax under Section 1374 of the Code and since December 1, 2000, has not acquired assets from another corporation in a transaction in which the Company's tax basis for the acquired assets was determined, in whole or in part, by reference to the tax basis of the acquired assets (or any other property) in the hands of the transferor.

Section 4.16 Officers and Employees.

(a) Schedule 4.16 contains a correct and complete list of (i) all of the officers of the Company, specifying their position, annual rate of compensation, work location and length of service and (ii) all of the employees (whether full-time or part-time) and independent contractors of the Company (the "Employee List") as of December 17, 2010, specifying their position, status, annual salary, hourly wages, work location, length of service, and consulting or other independent contractor fees, together with an appropriate notation next to the name of any officer or other employee on such list who is subject to any written Employment Agreement or any other written term sheet or other document describing the terms or conditions of employment of such employee or of the rendering of services by such independent contractor. Since December 17, 2010, there has not been any change to the information on the Employee List other than in the Ordinary Course.

(b) Except as set forth on Schedule 4.16, the Company is not a party to or bound by any Employment Agreement. The Company has provided or made available to the Purchaser correct and complete copies of each Employment Agreement to which the Company is a party, or by which it is otherwise bound. Each such Employment Agreement is valid, legally binding and enforceable in accordance with its respective terms with respect to the Company. There is no existing default or breach of the Company under any Employment Agreement (or event or condition that, with notice or lapse of time or both could constitute a default or breach) and, to the Knowledge of the Company, there is no such default (or event or condition that,

with notice or lapse of time or both, could constitute a default or breach) with respect to any third party to any Employment Agreement.

(c) The Company has not received a written claim from any Governmental Entity to the effect that the Company has improperly classified as an independent contractor or a leased employee any Person named on Schedule 4.16; and to the Knowledge of the Company, no basis for such a claim exists.

(d) The Company has not made any commitments to any officer, employee, former employee, consultant or independent contractor of the Company with respect to compensation, promotion, retention, termination, severance or similar matters in connection with the transactions contemplated hereby or otherwise that remain unsatisfied.

(e) Except as set forth on Schedule 4.16, all officers and employees of the Company were active as of December 17, 2010. The Company has not received any written notifications from the United States Department of Homeland Security, the Social Security Administration or any other Governmental Entity that the social security number it has for one or more of its active employees does not match the records of such Governmental Entity, and to the Knowledge of the Company, no basis for such a claim exists.

(f) Except as set forth in Schedule 4.16, the Company is in material compliance with all applicable Laws respecting employment, employment practices, and terms and conditions of employment and termination of employment, including, but not limited to, laws relating to wages and hours, unemployment insurance, worker's compensation, equal employment opportunity, age, race, sex and disability discrimination, laws protecting any other status, characteristic or activity, WARN and immigration control.

Section 4.17 Company Benefit Plans.

(a) Schedule 4.17 lists each Company Benefit Plan (other than the Employment Agreements set forth on Schedule 4.16).

(b) With respect to each Company Benefit Plan, the Company has provided or made available to the Purchaser a true, correct and complete copy of, to the extent applicable, (i) each writing constituting a part of such Company Benefit Plan, including all plan documents, communications with employees of the Company and its Affiliates, benefit schedules, trust agreements, insurance and group annuity contracts and other funding vehicles; (ii) the two most recently filed Annual Report (Form 5500 Series) and accompanying schedules and financial reports; (iii) the current summary plan description and/or any other summary document, and any material modifications thereto; and (iv) the most recent determination, opinion or advisory letter from the Internal Revenue Service. Except as specifically provided in the foregoing documents provided or made available to the Purchaser, (x) there are no amendments to any Company Benefit Plan that have been adopted or approved; nor

(y) except as required to comply with applicable Law, has the Company or any of its ERISA Affiliates undertaken to make any such amendments or to adopt or approve any new Company Benefit Plan.

(c) Schedule 4.17 identifies each Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code. The Internal Revenue Service has issued (i) a favorable determination letter with respect to each such Company Benefit Plan and the related trust that has not been revoked, or (ii) with respect to each such Company Benefit Plan that is a prototype or volume submitter plan, a current favorable GUST opinion letter or advisory letter. To the Knowledge of the Company, there are no existing circumstances, and no events have occurred, that could adversely affect the qualified status of any such Company Benefit Plan or its related trust. No trust funding any Company Benefit Plan is intended to meet the requirements of Section 501(c)(9) of the Code.

(d) No Company Benefit Plan is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA. No Company Benefit Plan is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code. No Company Benefit Plan is subject to the provisions of foreign laws or regulations.

(e) All contributions required to be made to any Company Benefit Plan by applicable Law or by any plan document or other contractual undertaking, and all premiums due or payable with respect to insurance policies funding any Company Benefit Plan, for any period through the date hereof, have been timely made and paid in full or, to the extent not required to be made or paid on or before the date hereof, have been properly reflected on the Final Working Capital Schedule. Each Company Benefit Plan that is an employee welfare benefit plan under Section 3(1) of ERISA either (i) is funded through an insurance company contract and is not a "welfare benefit fund" with the meaning of Section 419 of the Code or (ii) is unfunded.

(f) With respect to each Company Benefit Plan, the Company and its ERISA Affiliates have complied, and are now in compliance, in all material respects, with all provisions of ERISA, the Code, and all laws and regulations applicable to such Company Benefit Plan. Each Company Benefit Plan has been administered in all material respects in accordance with its terms.

(g) All Company Benefit Plans that are group health plans are, and have been operated, in material compliance with COBRA and Section 9801 of the Code (HIPAA).

(h) The Company and its ERISA Affiliates have no liability for life, health, medical or other welfare benefits to former Company employees or beneficiaries or dependents thereof, except for health continuation coverage as required by COBRA. There has been no communication to employees by the Company or any of its ERISA Affiliates that could reasonably be interpreted to promise or guarantee such employees post-employment health or life insurance or other post-employment death benefits on a permanent basis.

(i) Except as described in Schedule 4.17, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby could (either alone or in conjunction with any other event) result in, or cause, the accelerated vesting, funding or delivery of, or increase the amount or value of, any payment or benefit to any current or former employee or director of the Company, or could limit the right of the Company or any of its ERISA Affiliates to amend, merge or terminate any Company Benefit Plan or related trust or any Employment Agreement. Except as set forth in Schedule 4.17, no Company Benefit Plan or Employment Agreement will result in (A) a payment that is not tax deductible under the terms of Section 162(a)(1) or 404 of the Code, or (B) the payment of any excess parachute payments under Section 280G of the Code. No current or former employee of the Company is entitled to receive a tax gross-up payment from the Company or any of its ERISA Affiliates as a result of the imposition of the excise Taxes required by Sections 409A or 4999(a) of the Code being imposed on such person by reason of the transactions contemplated by this Agreement or otherwise.

(j) Neither the Company, its ERISA Affiliates, nor, to the Knowledge of the Company, any other Person, including any fiduciary, has engaged in any prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA), which could subject any of the Company Benefit Plans or their related trusts, the Company, any of its ERISA Affiliates or any Person that the Company or any of its ERISA Affiliates has an obligation to indemnify, to any material tax or penalty imposed under Section 4975 of the Code or Section 502 of ERISA. Neither the Company, its ERISA Affiliates, nor, to the Knowledge of the Company, any other fiduciary (within the meaning of Section 3(21) of ERISA) of the Company has any liability or potential liability for breach of fiduciary duty.

(k) There are no pending or, to the Knowledge of the Company, threatened claims (other than claims for benefits in the Ordinary Course), lawsuits, arbitrations, investigations or governmental audits, that have been asserted or instituted; and, to Knowledge of the Company, no set of circumstances exists which may reasonably give rise to a claim, lawsuit or governmental audit, against the Company Benefit Plans or any fiduciaries thereof with respect to their duties to the Company Benefit Plans or the assets of any of the trusts under any of the Company Benefit Plans.

(l) Except as set forth in Schedule 4.17, each Company Benefit Plan and Employment Agreement that is a "nonqualified deferred compensation plan" within the meaning of Section 409A and any award thereunder, in each case that is subject to Section 409A, has been operated in reasonable, good faith compliance in all material respects with the provisions of Section 409A and the applicable guidance and regulations promulgated thereunder. Except as set forth in Schedule 4.17, since January 1, 2009, each such Company Benefit Plan and Employment Agreement has been in material compliance with the writing requirements of Section 409A and the final regulations promulgated thereunder.

Section 4.18 Labor Relations. Except as set forth in Schedule 4.18, (a) the Company is not a party to any collective bargaining agreement, contract or legally binding commitment to any trade union or employee organization or group in respect of or affecting employees; (b) the Company is not currently engaged in any negotiation with any trade union or employee organization; (c) the Company has not engaged in any unfair labor practice within the meaning of the National Labor Relations Act, and there is no pending, and, to the Knowledge of the Company, there are no threatened complaints against the Company regarding any alleged unfair labor practices as so defined; (d) there is no strike, labor dispute, work slow down or stoppage pending or, to the Knowledge of the Company, threatened against the Company; (e) there is no grievance or arbitration proceeding arising out of or under any collective bargaining agreement which is pending or, to the Knowledge of the Company, threatened against the Company; (f) the Company has not experienced any material work stoppage; (g) the Company is not the subject of any union organization effort; (h) there are no claims pending or, to the Knowledge of the Company, threatened against the Company related to the status of any individual as an independent contractor or employee; and (i) the Company has complied in all respects with WARN.

Section 4.19 Insurance Policies. Schedule 4.19 sets forth a list of all policies of insurance currently maintained owned or held by the Company (collectively, the "Insurance Contracts"), including the policy limits or amounts of coverage, deductibles or self-insured retentions, and annual premiums with respect thereto. Except as provided in Schedule 4.19, the Insurance Contracts are in full force and effect in accordance with their terms and the Insurance Contracts will (unless terminated by the Company at the request of the Purchaser) continue in effect after the Closing Date. The Company has not received written notice that (a) it has breached or defaulted under any of the Insurance Contracts, or (b) that any event has occurred that would permit termination, modification, acceleration or repudiation of such Insurance Contracts. Except as set forth in Schedule 4.19, the Company is not in default (including a failure to pay an insurance premium when due) in any material respect with respect to any Insurance Contract; the Company has not failed to give any notice of any material claim under such Insurance Contract in due and timely fashion; and the Company has not ever been denied or turned down for insurance coverage.

Section 4.20 Environmental, Health and Safety Matters. Except as set forth on Schedule 4.20:

(a) the Company possesses all Licenses required under, and all such Licenses are in compliance with, all applicable Environmental Laws. The Company is in compliance with all Environmental Laws, including all applicable limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in all Environmental Laws, or any notice or demand letter to the Company issued thereunder;

(b) the Company has not received notice of actual or threatened liability under CERCLA or any similar state or local Environmental Law from any Governmental Entity or any third party and to the Knowledge of the Company, there is no fact or circumstance that could form the basis for the assertion of any claim

against the Company under any Environmental Law, including CERCLA or any similar local or state Law with respect to any on-site or off-site location;

(c) the Company has not entered into or agreed to enter into any consent decree or order, and the Company is not subject to any judgment, decree or judicial or administrative order relating to compliance with, or the cleanup of Hazardous Materials under, any applicable Environmental Law;

(d) the Company has not received notice of an actual or alleged violation of Environmental Law, and has not been subject to any administrative or judicial proceeding pursuant to, applicable Environmental Laws either now or any time during the past five (5) years;

(e) to the Knowledge of the Company, the Company is not subject to any claim, obligation, liability, loss, damage or expense of any kind or nature whatsoever, contingent or otherwise, incurred or imposed or based upon any provision of any Environmental Law or arising out of any act or omission of the Company, or the Company's employees, agents or representatives or arising out of the ownership, use, control or operation by the Company of any plant, facility, site, area or property (including any plant, facility, site, area or property currently or previously owned or leased by the Company) from which any Hazardous Materials were Released;

(f) the Company has made available to the Purchaser correct and complete copies of all reports, investigations, studies, assessments, and audits in the Company's possession or control relating to environmental matters of the Company; and the Company has not paid any fine, penalty or assessment within the prior five (5) years with respect to environmental matters;

(g) the Company does not manufacture and has not manufactured any product containing asbestos;

(h) to the Knowledge of the Company, no Company Real Property, improvement or equipment of the Company contains any asbestos, polychlorinated biphenyls, underground storage tanks, open or closed pits, sumps or other containers; and

(i) the Company has not imported, manufactured, stored, managed, used, operated, transported, treated or disposed of any Hazardous Material other than in compliance with all Environmental Laws.

Except as set forth in Section 4.13(c), the Company's sole representations and warranties regarding environmental, health and safety matters are set forth in this Section 4.20.

Section 4.21 Intellectual Property.

(a) Except for the works of original authorship set forth on Schedule 4.21(d), Schedule 4.21(a) contains a list of all Company Intellectual Property (i) the registration of which is currently owned and maintained by the Company, (ii) for

which the Company owns a pending application for registration, (iii) which the Company uses under license, or (iv) to which the Company currently claims unregistered intellectual property rights.

(b) Except as set forth on Schedule 4.21(b), no Company Intellectual Property owned by the Company is subject to any proceeding or outstanding decree, order, judgment, agreement or stipulation (i) restricting in any manner the use, transfer or licensing thereof by the Company or (ii) that may affect the validity, use or enforceability of such Company Intellectual Property. Each item of Company Registered Intellectual Property is valid and subsisting. All necessary registration, annuity, maintenance and renewal fees currently due in connection with Company Registered Intellectual Property have been paid and, except as set forth on Schedule 4.21(c), all necessary documents, recordations and certifications in connection with the Company Registered Intellectual Property have been filed with the relevant copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purpose of maintaining the Company Registered Intellectual Property.

(c) Except as set forth on Schedule 4.21(c), (i) the Company owns and has good and exclusive title to, or has licenses (sufficient for the conduct of the Business as it is conducted on the date hereof) to, each item of Company Intellectual Property, free and clear of any Lien (excluding licenses and related restrictions); and (ii) the Company is the exclusive owner or exclusive licensee of all trademarks and service marks, trade names and domain names used by the Company, free and clear of all Liens. Except as set forth on Schedule 4.21(c), the Company has not granted any rights or interest in the Company Intellectual Property to a third party.

(d) The Company owns exclusively and has good title to all copyrighted works used by the Company that (i) are displayed on, are used in connection with, or constitute, products of the Company or (ii) the Company otherwise expressly purports to own, free and clear of all Liens. Schedule 4.21(d) lists all works of original authorship used by the Company and prepared by or on behalf of the Company (including Software programs and all works of original authorship that are displayed on, used in connection with, or constitute, products of the Company) by title, version number, author(s) and publication date (if any), regardless of whether the Company has obtained or is seeking a copyright registration for such works.

(e) To the extent that the Company Intellectual Property has been developed or created by a third party for the Company, the Company has a written agreement with such third party with respect thereto and the Company thereby either (i) has ownership of and is the exclusive owner of, or (ii) has an irrevocable, perpetual, fully paid up license (sufficient for the conduct of the Business as it is conducted on the date hereof) to, all of such third party's Intellectual Property in such work, material or invention by operation of law or by valid assignment.

(f) The Business as it is conducted on the date hereof, including the Company's design, development, marketing and sale of the products or services of

the Company (including with respect to products currently under development), has not and does not violate, infringe or misappropriate in any manner the Intellectual Property of any third party or constitute unfair competition or trade practices, defamation, or a violation of privacy rights under the Laws of any jurisdiction in a manner that could, individually or in the aggregate, reasonably be expected to result in Losses to the Company of more than $25,000. The Company has no liability for past infringement of the Intellectual Property of any third party.

(g) Except as set forth on Schedule 4.21(g), the Company has no Knowledge of, and has not received notice from any third party, that the Business as it is conducted on the date hereof or any product or service of the Company, infringes or misappropriates the Intellectual Property of any third party, or constitutes unfair competition or trade practices, defamation, or a violation of privacy rights under the Laws of any jurisdiction, other than those matters that have been amicably resolved in a manner that is not material to the Business.

(h) Except as set forth on Schedule 4.21(h), to the Knowledge of the Company, no Person has or is infringing or misappropriating any Company Intellectual Property.

(i) The Company has taken reasonable steps to protect the rights of the Company in the Confidential Information and any trade secret or confidential information of third parties used by the Company, and, to the Knowledge of the Company, there has not been any disclosure by the Company of any Confidential Information or any trade secret or confidential information of third parties except under confidentiality obligations.

Section 4.22 Software.

(a) Schedule 4.22 sets forth a correct and complete list of: (i) the Company Proprietary Software and (ii) the Company Licensed Software.

(b) Except as set forth on Schedule 4.22, the Company has all right, title and interest in and to the Company Proprietary Software, free and clear of all Liens. The use of the Company Software does not breach any term of any license or other contract between the Company and any third party. The Company is in compliance, in all material respects, with the terms and conditions of all license agreements in favor of the Company relating to the Company Licensed Software.

(c) The Company Proprietary Software does not infringe or misappropriate any Intellectual Property right of any third party. The source code for the Company Proprietary Software has been maintained in confidence.

(d) The Company Proprietary Software was: (i) developed by the Company's employees working within the scope of their employment at the time of such development; or (ii) developed by agents, consultants, contractors or other Persons who have executed appropriate instruments of assignment in favor of the Company as assignee that have conveyed to the Company ownership of all of its

Intellectual Property rights in the Company Proprietary Software; or (iii) acquired by the Company in connection with acquisitions in which the Company obtained appropriate representations, warranties and indemnities from the transferring party relating to the title to Intellectual Property rights in the Company Proprietary Software. The Company has not received notice from any third party claiming any right, title or interest in the Company Proprietary Software.

(e) The Company has not granted rights in the Company Software to any third party.

Section 4.23 Transactions with Affiliates. Except as set forth on Schedule 4.23, (a) no officer or director of the Company, (b) no Person with whom any such officer or director has any direct or indirect relation by blood, marriage or adoption, (c) to the Knowledge of the Company, no entity in which any such officer, director or Person owns any beneficial interest (other than a publicly held corporation whose stock is traded on a national securities exchange or in the over-the-counter market and less than five percent (5%) of the stock of which is beneficially owned by all such officers, directors and Persons in the aggregate), and (d) to the Knowledge of the Company, no Affiliate of any of the foregoing has any interest in: (i) any contract, arrangement or understanding with, or relating to, the Company or the properties or assets of the Company; (ii) any loan, arrangement, understanding, agreement or contract for or relating to the Company or the properties or assets of the Company; or (iii) any property (real, personal or mixed), tangible or intangible, used or currently intended to be used by the Company.

Section 4.24 Undisclosed Payments. Neither the Company nor any of its officers or directors, nor anyone acting on behalf of any of them, has made or received any payment with respect to the Company that is not fully disclosed in the Company's books and records.

Section 4.25 Customer and Supplier Relations and Retail Stores.

(a) Schedule 4.25(a) contains a correct and complete list of the Company's (i) Customers, specifying which are distributors, wholesale customers, retail stores and Signature Stores, and (ii) Suppliers, in each case specifying the amount of sales to or purchases from each such Customer or Supplier during the twelve (12) month period ended November 30, 2010. The Company maintains good relations with each of its Customers and Suppliers and, to the Knowledge of the Company, no event has occurred that could materially and adversely affect the Company's relations with any Customer or Supplier. Except as set forth on Schedule 4.25, no Customer or Supplier has during the last eighteen (18) months cancelled, terminated or, to the Knowledge of the Company, threatened to cancel or otherwise terminate any of its contracts with the Company or to decrease its usage or supply of the Company's services or products. The Company has no Knowledge to the effect that any current Customer or Supplier intends to terminate or materially alter its business relations with the Company, either as a result of the transactions contemplated hereby or otherwise. No Supplier (or group of Suppliers) has given the Company notice or has taken any other action which has given the Company any reason to believe that such Supplier (or group of Suppliers) will cease to supply or

adversely change its price or terms to the Company of products or services. The Company has timely paid all trade accounts to suppliers and vendors as they come due and in accordance with their terms.

(b) Schedule 4.25(b) contains a correct and complete list of all retail stores operated by the Company (the "Company Stores") whether located on Leased Real Property or Owned Real Property.

(c) Attached as Schedule 4.25(c) is a correct and complete report listing bookings and orders by customers of the Company for Spring 2011, as of December 17, 2010, which report was prepared in good faith by the Company based on reasonable assumptions. The Company has placed orders with suppliers for inventory in amounts which the Company believes, in good faith and based on reasonable assumptions, are sufficient for the operation of the Company through the end of the Spring 2011 season. Notwithstanding the foregoing provisions of this Section 4.25(c), no representation, warranty, covenant, agreement, indemnity or guarantee is given or made as to whether such bookings or orders will result in revenue.

Section 4.26 Notes and Accounts Receivable.

(a) Notes. All notes receivable and notes payable of the Company owing by or to any director, officer, employee or Affiliate of the Company or by or to any Seller have been paid in full, settled by way of capital contribution in kind, cancelled or otherwise discharged prior to the date hereof.

(b) Accounts Receivable. The Company has provided or made available to the Purchaser a correct and complete schedule of the Receivables showing the amount of each Receivable and an aging of amounts due thereunder, which schedule is correct and complete as of November 30, 2010. Except as set forth on Schedule 4.26(b), to the Knowledge of the Company, the debtors to which the Receivables relate are not in or subject to a bankruptcy or insolvency proceeding and none of the Receivables has been made subject to an assignment for the benefit of creditors. Except as set forth on Schedule 4.26(b), as of November 30, 2010, all such Receivables were current and there were no disputes regarding the collectability of any such Receivables. The Company has not factored any of its Receivables.

(c) Accounts Payable. The accounts payable of the Company reflected on the Balance Sheet arose from *bona fide* transactions in the Ordinary Course.

Section 4.27 Licenses. Schedule 4.27 sets forth a correct and complete list of all Licenses held by the Company, except where the failure to have such Licenses would not, individually or in the aggregate, reasonably be expected to result in Losses to the Company of more than $25,000. The Company owns or possesses all Licenses that are necessary to enable it to carry on its operations as presently conducted. All Licenses listed on Schedule 4.27 are valid, binding and in full force and effect. The execution, delivery and performance hereof and the consummation of the transactions contemplated hereby shall not adversely affect any such License, or require consent from, or notice to, any Governmental Entity. The Company has

taken all necessary action to maintain each License. No loss or expiration of any License is pending, or to the Knowledge of the Company, threatened or reasonably foreseeable (other than expiration upon the end of any term). To the Knowledge of the Company, no Governmental Entity has threatened to terminate any of the Licenses held by the Company.

Section 4.28 Ethical Practices. Neither the Company, nor, to the Knowledge of the Company, any third party, on the Company's behalf, has offered or given, anything of value to: (a) any official of a Governmental Entity, any political party or official thereof or any candidate for political office; (b) any customer or member of any Governmental Entity; or (c) any other Person, in any such case, while knowing or having reason to know that all or a portion of such money or thing of value may be offered, given or promised, directly or indirectly, to any customer or member of any Governmental Entity or any candidate for political office for the purpose of the following: (i) influencing any action or decision of such Person, in such Person's official capacity, including a decision to fail to perform such Person's official function; (ii) inducing such Person to use such Person's influence with any Governmental Entity to affect or influence any act or decision of such Governmental Entity to assist the Company in obtaining or retaining business for, with, or directing business to, any Person; or (iii) where such payment would constitute a bribe, kickback or illegal or improper payment to assist the Company in obtaining or retaining business for, with, or directing business to, any Person.

Section 4.29 Product and Service Warranties and Guaranties. Except as set forth on Schedule 4.29, the Company does not make any express warranty or guaranty as to goods sold, or services provided, by the Company (a "Warranty"), and there is no pending or, to the Knowledge of the Company, threatened claim alleging any breach of any Warranty. Except as set forth on Schedule 4.29 (attached to which are copies of all Warranties), the Company has no exposure to, or liability under, any Warranty (a) beyond that which is typically assumed in the Ordinary Course by Persons engaged in businesses comparable in size and scope of the Company, or (b) that would have a material adverse impact on the Company, or its operations.

Section 4.30 Brokers, Finders and Investment Bankers. No broker, finder or investment banker has acted on behalf of the Company in connection with this Agreement or the transactions contemplated hereby, and there are no brokerage commissions, finders' fees or similar fees or commissions payable by the Company in connection therewith based on this Agreement.

Section 4.31 Bank Accounts. Schedule 4.31 sets forth a correct and complete list and description of any bank account used by the Company.

Section 4.32 Seller Guarantees. Except as otherwise disclosed on Schedule 4.32, no Seller has guaranteed any obligations of the Company under any guarantee, letter of credit, bid bond or performance bond.

ARTICLE V
INDIVIDUAL REPRESENTATIONS AND WARRANTIES OF EACH SELLER AND HOLDCO

Each of the Sellers, severally and not jointly, makes the representations and warranties set forth in Section 5.1 through Section 5.7 to the Purchaser as follows:

Section 5.1 Authorization of Each Seller. Such Seller has full power, authority and capacity to execute and deliver this Agreement and each Seller Ancillary Document to which it is a party and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement, and the Seller Ancillary Documents to which such Seller is a party, have been duly executed and delivered by such Seller, and assuming due authorization and execution by the Purchaser, do or shall, as the case may be, constitute the valid and binding agreement of such Seller enforceable against such Seller in accordance with their respective terms, subject to the Enforceability Exceptions.

Section 5.2 Absence of Restrictions and Conflicts Relating to Sellers. Except as set forth on Schedule 5.2, such Seller's execution, delivery and performance of this Agreement and the Seller Ancillary Documents to which such Seller is a party, the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the terms and conditions hereof and thereof do not or shall not, as the case may be, with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any part the right to terminate, modify or cancel (a) any contract applicable to such Seller, (b) any Order to which such Seller is a party or by which such Seller is bound, or (c) any Law or arbitration award applicable to such Seller.

Section 5.3 Ownership of Equity by Sellers.

(a) Except as set forth in Schedule 5.10, such Seller has good and valid title to and is the record owner of the number of shares of capital stock of Holdco set forth next to such Seller's name on Schedule 5.10, free and clear of all Liens, as of the date hereof.

(b) Other than the shares listed on Schedule 5.10, such Seller owns no shares of capital stock of Holdco or any other equity security of Holdco, or any option, warrant, right, call, commitment or right of any kind to have any such equity security issued.

Section 5.4 Legal Proceedings Relating to Sellers. There is no Legal Proceeding pending or, to the knowledge of such Seller, threatened against such Seller, relating to or involving such Seller which could reasonably be expected to adversely affect such Seller's ability to consummate the transactions contemplated by this Agreement or the Seller Ancillary Documents to which such Seller is a party.

Section 5.5 Voting Trusts of Sellers. Except as set forth on Schedule 5.5, there are no voting trusts, shareholder agreements, commitments, undertakings, understandings, proxies or other restrictions to which such Seller is a party which directly or indirectly restrict or limit

in any manner, or otherwise relate to, the voting, sale or other disposition of such Seller's shares of capital stock in Holdco.

Section 5.6 Amounts Owed to Sellers. To the knowledge of such Seller, the Company does not owe nor is it obligated to pay such Seller any amount, except for salary, employee benefits and bonuses, and Tax distributions.

Section 5.7 Brokers, Finders and Investment Bankers of Sellers. No broker, finder or investment banker has acted on behalf of such Seller in connection with this Agreement or the transactions contemplated hereby, and there are no brokerage commissions, finders' fees or similar fees or commissions payable by such Seller in connection therewith based on this Agreement.

Holdco makes the representations and warranties in Section 5.8 through Section 5.13 to the Purchaser as follows as of the date hereof:

Section 5.8 Authorization of Holdco. Holdco has full power, authority and capacity to execute and deliver this Agreement and each Seller Ancillary Document to which it is a party, and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement and the Seller Ancillary Documents to which Holdco is a party have been duly executed and delivered by Holdco, and assuming due authorization and execution by the Purchaser, do or shall, as the case may be, constitute the valid and binding agreement of Holdco enforceable against Holdco in accordance with their respective terms, subject to the Enforceability Exceptions.

Section 5.9 Absence of Restrictions and Conflicts Relating to Holdco. Except as set forth on Schedule 5.9, Holdco's execution, delivery and performance of this Agreement and the Seller Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the terms and conditions hereof and thereof do not or shall not, as the case may be, with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or give rise to the right to terminate, modify or cancel (a) any contract or License applicable to Holdco, (b) any Order to which Holdco is a party or by which Holdco is bound, or (c) any Law or arbitration award applicable to Holdco.

Section 5.10 Capitalization of Holdco. Schedule 5.10 accurately and completely sets forth the capital structure of Holdco including the number of shares of capital stock or other equity interests which are authorized and which are issued and outstanding and specifying which shares of capital stock or other equity interests have voting rights and which do not have voting rights. All of the issued and outstanding shares of capital stock of Holdco issued and outstanding (a) are duly authorized, validly issued, fully paid and nonassessable, (b) are held of record by the Persons and in the amounts set forth on Schedule 5.10, and (c) were not issued or acquired by the holders thereof in violation of any Law, agreement or the preemptive rights of any Person. Other than the Sellers, no other Person is the record holder of any capital stock or other equity interests in the Company. At least fifty percent (50%) of all issued and outstanding

shares of capital stock of Holdco do not, to the fullest extent permitted by applicable Law, have any voting rights.

Section 5.11 Ownership of the Shares. Holdco has good and valid title to and is the record owner of the Shares and such Shares (i) are validly issued, fully paid, and nonassessable, (ii) are free and clear of all Liens and (iii) were not issued or acquired by Holdco in violation of any Law, agreement or the preemptive rights of any Person.

Section 5.12 Legal Proceedings Relating to Holdco. There is no Legal Proceeding pending or, to the knowledge of Holdco, threatened against, Holdco relating to or involving such Seller which could reasonably be expected to adversely affect such Holdco's ability to consummate the transactions contemplated by this Agreement or the Seller Ancillary Documents to which Holdco is a party.

Section 5.13 Brokers, Finders and Investment Bankers of Holdco. No broker, finder or investment banker has acted on behalf of Holdco in connection with this Agreement or the transactions contemplated hereby, and there are no brokerage commissions, finders' fees or similar fees or commissions payable by such Seller in connection therewith based on this Agreement.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Company and Sellers as follows:

Section 6.1 Organization. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

Section 6.2 Authorization. The Purchaser has full corporate power and authority to execute and deliver this Agreement and the Purchaser Ancillary Documents, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Purchaser Ancillary Documents by the Purchaser, the performance by the Purchaser of its obligations hereunder and thereunder, and the consummation of the transactions provided for herein and therein have been duly and validly authorized by all necessary corporate action on the part of the Purchaser. This Agreement and the Purchaser Ancillary Documents have been duly executed and delivered by the Purchaser and, assuming due authorization and execution by the Company, Holdco and the Sellers as applicable, do or shall, as the case may be, constitute the valid and binding agreements of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, subject to the Enforceability Exceptions.

Section 6.3 Absence of Restrictions and Conflicts. The execution, delivery and performance of this Agreement and the Purchaser Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfillment of, and compliance with, the terms and conditions hereof and thereof do not or shall not (as the case may be), with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or

default under, result in the loss of any benefit under, or permit the acceleration of any obligation under or create in any party the right to terminate, modify or cancel, (i) any term or provision of the charter documents of the Purchaser, (ii) any contract to which the Purchaser is a party, (iii) any judgment, decree or order of any Governmental Entity to which the Purchaser is a party or by which the Purchaser or any of its properties is bound, or (iv) any Law applicable to the Purchaser. Assuming the accuracy of the representations and warranties of the Sellers and Holdco in Section 4.3 and of Holdco in Section 5.10, no notice to, filing with, or consent of, any Governmental Entity is required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder in connection with the execution and delivery of this Agreement or for the consummation of the transactions contemplated in this Agreement or the Purchaser Ancillary Documents.

Section 6.4 Compliance with Law. The Purchaser is in compliance, in all material respects, with all applicable Laws which would materially affect its ability to perform its obligations under this Agreement or any of the Purchaser Ancillary Documents.

Section 6.5 Legal Proceedings. There is no Legal Proceeding pending or, to the knowledge of the Purchaser, threatened against, the Purchaser or any of its subsidiaries relating to or involving the Purchaser or its subsidiaries which could reasonably be expected to adversely affect Purchaser's ability to consummate the transactions contemplated by this Agreement or the Purchaser Ancillary Documents to which Purchaser is a party.

ARTICLE VII
CERTAIN COVENANTS AND AGREEMENTS

Section 7.1 Public Announcements. No Seller nor Holdco shall issue any press release or otherwise publicly disclose this Agreement or the transactions contemplated hereby to the financial community, Governmental Entities, or its employees, customers, suppliers or the general public without the prior written approval of the Purchaser.

Section 7.2 Seller Guaranty. Each Individual Seller shall cause Holdco to do all things required by Holdco pursuant to this Agreement.

Section 7.3 Tax Matters.

(a) Status of Transaction. The Parties acknowledge that the purchase of the Shares will be treated for U.S. federal tax purposes as the purchase of the assets and assumption of the liabilities of the Company, followed by the Purchaser's transfer of the Company's assets to, and the assumption of the Company's liabilities by, a new entity, and will not take any position on any income Tax Return that is inconsistent with such treatment.. The Parties also acknowledge that the Company and the Sellers will treat Holdco as a continuation of the Company for U.S. federal, state and local income Tax purposes, pursuant to the determination of the Company and the Sellers that the actions taken under the Contribution Agreement constitute a reorganization under Section 368(a)(1)(F) of the Code. In accordance with Rev. Rul. 2008-18, the Company will retain its existing employer identification number, and Holdco will obtain a new employer identification number.

(b) Allocation of Purchase Price. The Purchase Price shall be allocated among the assets of the Company (the "Allocations") in a manner consistent with the principles set forth on Exhibit 7.3(b). For purposes of the Allocations, the fair market values of the Company's assets shall be consistent with such values as determined in good faith by the Purchaser for financial accounting purposes in accordance with GAAP as has been consistently applied by the Company, and in accordance with the principles set forth on Exhibit 7.3(b). The Purchaser shall be under no obligation to have the Allocations prepared or reviewed by an independent appraiser. The Purchaser shall deliver to Holdco a written notice of the Allocations no later than ninety (90) days after the Closing Date. Holdco shall be deemed to have accepted the Allocations unless Holdco shall, within fifteen (15) days after receipt thereof by Holdco, deliver to the Purchaser a written notice to the effect that Holdco objects to the Allocations on the basis of Holdco's good faith determination that the Allocations are not consistent with the principles set forth on Exhibit 7.3(b) or are unreasonable and the reasons therefore, in which event Holdco and the Purchaser shall endeavor in good faith to agree upon the Allocations. If Holdco and the Purchaser are unable to resolve any dispute within fifteen (15) days after Holdco has provided Purchaser with its notice of dispute regarding the Allocations, such dispute shall be resolved by the Arbitrator, which shall be directed to resolve any issue in dispute as promptly as practicable and in accordance with the principles of Section 1060 of the Code and the principles set forth on Exhibit 7.3(b). Upon the Arbitrator's delivery of its determination to the Purchaser and Holdco, appropriate adjustments shall be made to the Allocations to reflect the Arbitrator's determination. The determination by the Arbitrator shall be final, conclusive and binding on the Parties. The Sellers and the Purchaser agree to file Form 8594 in a manner consistent with the Allocations as finally determined in accordance with this Section, and to prepare and file all relevant Tax Returns in accordance with the Allocations.

(c) Tax Periods Ending on or Before the Closing Date.

(i) Holdco shall prepare and file all federal and state income Tax Returns of the Company for all periods ending on or prior to the Closing Date ("Pre-Closing Tax Period"), and the Company's Pennsylvania Capital Stock Tax Return for the year 2010. The Purchaser shall prepare or cause to be prepared and file or cause to be filed all other Tax Returns of the Company for all periods ending on or prior to the Closing Date which are filed after the Closing Date. The Purchaser shall be reimbursed by the Sellers, on a joint and several basis, for Taxes of the Company with respect to all taxable periods ending on or before the Closing Date within fifteen (15) days after payment by the Purchaser or the Company of such Taxes, except to the extent such Taxes were reflected as a liability on the Final Working Capital Schedule.

(ii) The Purchaser shall not file, and shall not permit the Company or any Affiliate of the Company or of the Purchaser to file, an amended tax Return for the Company for any Pre-Closing Tax Period, or to file a Tax Return for a Pre-Closing Tax Period in any jurisdiction in which the Company did not file in a previous taxable period a Tax Return for a Pre-Closing Tax Period, without

Holdco's consent, which consent shall not be unreasonably withheld or delayed. Without limitation of the foregoing, the Purchaser shall not file, and shall not permit the Company or any Affiliate of the Company or of the Purchaser to file, an amended income Tax Return for the Company for any Pre-Closing Tax Period, or to file an income Tax Return for a Pre-Closing Tax Period in any jurisdiction in which the Company did not file in a previous taxable period an income Tax Return for a Pre-Closing Tax Period unless the Purchaser has received a written opinion from its counsel reasonably acceptable to Holdco stating that the filing is required as a matter of law.

(d) Tax Periods Beginning Before and Ending After the Closing Date. The Purchaser shall prepare or cause to be prepared and file or cause to be filed any Tax Returns of the Company for Tax periods which begin before the Closing Date and end after the Closing Date, in a manner consistent with prior Tax Returns, subject to the review and approval of Holdco. The Purchaser shall be reimbursed by the Sellers, on a joint and several basis, for an amount equal to the portion of such Taxes which relates to the portion of such Taxable period ending on the Closing Date within fifteen (15) days after payment by the Purchaser or the Company of such Taxes, except to the extent such Taxes were reflected as a liability on the Final Working Capital Schedule. For purposes of this Agreement, in the case of any Taxes that are imposed on a periodic basis and are payable for a Taxable period that includes (but does not end on) the Closing Date, the portion of such Tax that relates to the portion of such Taxable period ending on the Closing Date shall, (y) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Tax for the entire Taxable period multiplied by a fraction the numerator of which is the number of days in the Taxable period ending on the Closing Date and the denominator of which is the number of days in the entire Taxable period, and (z) in the case of any Tax based upon or related to income or receipts, be deemed equal to the amount which would be payable if the relevant Taxable period ended on the Closing Date. Any credits relating to a Taxable period that begins before and ends after the Closing Date shall be taken into account as though the relevant Taxable period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations shall be made in a manner consistent with prior practice of the Company.

(e) Cooperation on Tax Matters. The Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns pursuant to this Section and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Individual Sellers agree to cause Holdco (i) to retain all books and records with respect to Tax matters pertinent to the Company relating to any Taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by the Purchaser, any extensions thereof) of the respective taxable periods, and to abide by

all record retention agreements entered into with any taxing authority, and (ii) to give the Purchaser reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the Purchaser so requests, the Sellers shall allow the Purchaser to take possession of such books and records. The Purchaser, Holdco and the Sellers agree, upon request, to use their commercially reasonable best efforts to obtain any certificate or other document from any Governmental Entity or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

(f) Tax Sharing Agreements. Any Tax sharing agreement with respect to or involving the Company shall have been terminated as of the Closing Date and shall have no further effect for any taxable year (whether the current year, a future year, or a past year).

(g) Certain Taxes. All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement shall be shared equally by the Purchaser, on the one hand, and Holdco, on the other.

(h) Inventory Tax Gross-Up Amount.

(i) The Purchaser shall pay to Holdco, at the time described below, as additional purchase price, an amount equal to the sum of (A) twenty percent (20%) of the excess, if any, of the fair market value of the Company's inventory on the Closing Date (as determined under Section 7.3(b) and the procedure set forth on Exhibit 7.3(b)) over the income tax basis of such inventory to the Company on the Closing Date and (B) the amount needed to pay the income Taxes imposed on the Sellers on the amount received pursuant to this Section 7.3(h) (the "Inventory Tax Gross-Up Amount"), such that the Sellers are made whole with respect to any additional Taxes attributable to the increase in the tax basis of the Company's inventory that is obtained by the Purchaser as a result of its deemed purchase of such property.

(ii) Within fifteen (15) Business Days following the final determination of the Allocations, Holdco shall deliver to the Purchaser a written notice of the Inventory Tax Gross-Up Amount (the "Gross-Up Notice"). The Purchaser shall be deemed to have accepted such amount unless it provides written notice to Holdco within fifteen (15) Business Days of the receipt of the Gross-Up Notice that it disagrees with the Gross-Up Notice and specifies the items of disagreement in reasonable detail and the Purchaser's calculation of the items that are the subject of the disagreement. If the Purchaser timely provides the notice of disagreement, Holdco and the Purchaser shall negotiate in good faith to attempt to achieve an agreement on the Inventory Tax Gross-Up Amount. If no agreement is achieved within fifteen (15) Business Days after the receipt by Holdco of the Purchaser's notice of disagreement, the items of disagreement shall be submitted to the Arbitrator for resolution, which shall be delivered as promptly as possible. The determination by the Arbitrator shall be final, conclusive and

binding on the Parties. The Purchaser shall pay to Holdco the Inventory Tax Gross-Up Amount within ten (10) Business Days after its final determination under this Section, and all Parties shall treat it as additional purchase price for Tax purposes.

(i) Effective Time of Closing. For the avoidance of doubt, the Closing is deemed to occur after the close of business on the Closing Date, and all items of income and expenses of the Company that are incurred on the Closing Date shall be included in the Tax Return of Holdco.

ARTICLE VIII
CLOSING

Section 8.1 Closing. The Closing shall occur contemporaneously with the execution and delivery of this Agreement. The Closing shall take place remotely via the exchange of documents and signatures or at such other place as the Parties may agree.

Section 8.2 Holdco Closing Deliveries. Contemporaneously with the execution and delivery of this Agreement, Holdco shall deliver, or cause to be delivered, to the Purchaser the following, unless such delivery is waived in writing by Purchaser:

(a) stock certificate(s) representing the Shares and accompanying stock power(s) duly executed by Holdco, evidencing the transfer of the Shares to the Purchaser;

(b) a certificate issued by a Governmental Entity as to the good standing (or its equivalent) of the Company, in its jurisdiction of incorporation and in each other jurisdiction where the Company is qualified to do business;

(c) a certificate executed by the Secretary or any Assistant Secretary of the Company, dated as of the Closing Date, as to the effectiveness of the resolutions of the board of directors of the Company and the Sellers authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby;

(d) written consents of or notices to, as applicable (or waivers with respect thereto), the third parties to those Company Contracts listed on Exhibit 8.2(d);

(e) an opinion of Pepper Hamilton LLP, counsel to the Sellers, dated the Closing Date, substantially in the form attached as Exhibit 8.2(e);

(f) satisfactory payoff letters ("Payoff Letters") from each lender to the Indebtedness outstanding as of the Closing Date (including any interest accrued thereon and any prepayment or similar penalties and expenses associated with the prepayment of such indebtedness on the Closing Date) evidencing that, if such aggregate amount so identified is paid to such lender on the Closing Date, such indebtedness shall be repaid in full and that all Liens affecting any real or personal property of the Company will be released;

(g) the Closing Date Indebtedness Statement, Closing Date Expense Statement and Closing Date Financial Statement;

(h) the Earnout Agreement, executed by the Company, Holdco and the Sellers;

(i) the Non-Competition Agreements, executed by the Individual Sellers;

(j) the Escrow Agreement, executed by Holdco;

(k) the Contribution Agreement;

(l) the Funds Flow Statement;

(m) the organizational record books, minute books and corporate seal of the Company;

(n) a consent from Ms. Lilly Rousseau in the form attached as Exhibit 8.2(n), which consent shall be in full force and effect on the Closing Date;

(o) resignations of the directors of the Company;

(p) a certificate of non-foreign status of Holdco that complies with Treasury Regulation Section 1.1445-2(b)(2); and

(q) a copy of the Qualified Subchapter S Subsidiary Election on IRS Form 8869 as filed by Holdco with the Internal Revenue Service with respect to the Company.

Section 8.3 Purchaser Closing Deliveries. At the Closing, the Purchaser shall have delivered, or caused to be delivered, to Holdco or third parties, as applicable, the following, unless such delivery is waived in writing by Holdco:

(a) the Closing Payment, payable to Holdco pursuant to Section 3.5;

(b) the Escrow Amount, payable to the Escrow Agent in accordance with Section 3.3 and the Escrow Agreement;

(c) the amounts designated in Section 3.6, payable to the accounts specified on the Closing Date Indebtedness Statement and the Closing Date Expense Statement and the account of the Company, as applicable;

(d) a certificate issued by a Governmental Entity as to the good standing (or its equivalent) of the Purchaser in its jurisdiction of incorporation;

(e) a certificate executed by the Secretary or any Assistant Secretary of the Purchaser, dated as of the Closing Date, as to the effectiveness of resolutions of the board of directors of the Purchaser that authorize the execution, delivery and

performance of this Agreement, the Earnout Agreement and the transactions contemplated hereby and thereby;

(f) the Earnout Agreement, executed by the Purchaser;

(g) the Non-Competition Agreements, executed by the Purchaser; and

(h) the Escrow Agreement, executed by the Purchaser.

ARTICLE IX
INDEMNIFICATION

Section 9.1 Indemnification Obligations of the Sellers and Holdco. Subject to the limitations and other provisions of this Article IX, from and after the Closing, each of the Sellers and Holdco shall indemnify, defend and hold harmless the Purchaser Indemnified Parties in accordance with Section 9.5(c) from, against, and in respect of any and all Losses arising out of or relating to:

(a) any breach of, or any inaccuracy in, any representation or warranty made by such Seller contained in this Agreement or any Seller Ancillary Document (other than the Earnout Agreement, Non-Competition Agreements and the Post-Closing Employment Agreements);

(b) any breach of, or inaccuracy in, any representation or warranty made by the Company or Holdco in this Agreement;

(c) any breach of any covenant, agreement or undertaking made by Holdco or any Seller in this Agreement or the Seller Ancillary Documents (other than the Earnout Agreement, Non-Competition Agreements and the Post-Closing Employment Agreements);

(d) any provision of any Environmental Law and arising out of, or relating to, (i) any act or omission of the Company or its employees, agents or representatives on or prior to the Closing Date or (ii) the ownership, use, control or operation on or prior to the Closing Date of any real property, plant, facility, site, area or property used by the Company (whether currently or previously owned or leased by the Company prior to the Closing Date), including arising from any Release of any Hazardous Material or off-site shipment of any Hazardous Material at, to or from such real property, plant, facility, site, area or property at any time on or prior to the Closing Date;

(e) except as described in Schedule 9.1, (i) claims made against the Company in pending or future suits, actions investigations or other legal, governmental or administrative proceedings or (ii) claims against the Company based on violations of Law, breach of contract by the Company or employment practices of the Company, in the case of the foregoing clauses (i) and (ii), arising out of or relating to events which shall have occurred, or services performed, or the operation of the Company, prior to the Closing Date;

(f) any Company Benefit Plan in respect of or relating to any period ending on or prior to the Closing Date;

(g) (i) any Taxes of the Company with respect to any Tax period or portion thereof ending on or before the Closing Date (or for any Tax period beginning before and ending after the Closing Date to the extent allocable (determined in a manner consistent with Section 7.3(d)) to the portion of such period beginning before and ending on the Closing Date), (ii) the unpaid Taxes of any Person (other than the Company) under Treasury Regulations Section 1.1502-6 (or any similar provision of Law), and (iii) the unpaid Taxes of any Person (other than the Company) as a transferee or successor, by contract, or otherwise, which Taxes relate to an event or transaction occurring before the Closing;

(h) claims by any Seller or other holder of equity securities in Holdco or the Company as a result of the transactions contemplated by this Agreement, other than any claims (i) relating to the Purchaser's failure to pay any portion of the Purchase Price pursuant to this Agreement or otherwise perform its obligations hereunder, (ii) against the Purchaser or any of its Affiliates (other than the Company) unrelated in any way to the Company or (iii) against the Purchaser arising under this Agreement or any Purchaser Ancillary Document or any Seller Ancillary Document;

(i) the Indebtedness, Change of Control Payments or Transaction Expenses if and to the extent not set forth on the Closing Date Indebtedness Statement or the Closing Date Expense Statement or not included in the Final Working Capital Schedule;

(j) except as described in Schedule 9.1, the operation of the Business prior to the Closing other than (i) the liabilities of the Company to the extent and in the amount reflected as a liability on the Final Working Capital Schedule, the Closing Date Indebtedness Statement or the Closing Date Expense Statement and (ii) the obligations of the Company under each contract to which the Company is a party to the extent (A) such obligations are not required to be performed on or prior to the Closing Date, (B) such obligations are disclosed on the face of such contract or specifically described in Schedule 4.14, (C) such obligations accrue and relate to the operations of the Business subsequent to the Closing Date and (D) such contracts are disclosed on Schedule 4.14 if required to be disclosed;

(k) the Lease Termination Obligations; or

(l) the matters referred to on Exhibit 9.1(l).

The Losses of the Purchaser Indemnified Parties described in this Section 9.1 as to which the Purchaser Indemnified Parties are entitled to indemnification pursuant to this Article IX are collectively referred to as "Purchaser Losses."

Section 9.2 Indemnification Obligations of the Purchaser. Subject to the limitations and other provisions of this Article IX, from and after the Closing, the Purchaser shall

indemnify and hold harmless the Seller Indemnified Parties from, against and in respect of any and all Losses arising out of or relating to:

(a) any breach or inaccuracy of any representation or warranty made by the Purchaser in this Agreement or in any Purchaser Ancillary Document (other than the Earnout Agreement, Non-Competition Agreements and the Post-Closing Employment Agreements); or

(b) any breach of any covenant, agreement or undertaking made by the Purchaser in this Agreement or in any Purchaser Ancillary Document (other than the Earnout Agreement, Non-Competition Agreements and the Post-Closing Employment Agreements).

The Losses of the Seller Indemnified Parties described in this Section 9.2 as to which the Seller Indemnified Parties are entitled to indemnification pursuant to this Article IX are collectively referred to as "Seller Losses."

Section 9.3 Indemnification Procedure.

(a) Third Party Claims; Settlements

(i) Promptly following receipt by an Indemnified Party of notice by a third party (including any Governmental Entity) of any complaint or the commencement of any audit, investigation, action or proceeding ("Third Party Claim") with respect to which such Indemnified Party may be entitled to receive payment from any party required to provide indemnification pursuant to this Article IX for any Purchaser Loss or any Seller Loss (as the case may be) (the "Indemnifying Party"), such Indemnified Party shall notify the Purchaser (if the Purchaser is the Indemnifying Party), or Holdco (if the Sellers are the Indemnifying Parties), promptly following the Indemnified Party's receipt of such complaint or notice of the commencement of such Third Party Claim; provided, however, that the failure to so notify the Indemnifying Party shall relieve the Indemnifying Party from liability hereunder with respect to such claim only if, and only to the extent that, such failure to so notify the Indemnifying Party materially prejudices the Indemnifying Party. Any notice regarding a Third Party Claim shall describe in reasonable detail the facts giving rise, or that could reasonably be expected to give rise, to the claim for indemnification hereunder that is the subject to such notice. Such notice shall also include (if and to the extent then known) the amount and the method of computation of the amount of such claim, and a reference to the provision or provisions of this Agreement or any agreement, certificate or instrument executed pursuant hereto or in connection herewith upon which such claim is based and all material documentation relevant to the claim (to the extent not previously provided under this Section 9.3(a)). The Indemnifying Party shall have the right, upon written notice delivered to the Indemnified Party within twenty (20) days thereafter, to assume full responsibility for any Purchaser Losses or Seller Losses (as the case may be) resulting from such Third Party Claim to the extent such Third Party Claim involves solely

monetary damages, including the retention of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel; provided, however, that an Indemnifying Party will not be entitled to assume the defense of any Third Party Claim if (i) such claim could result in criminal liability of, or equitable remedies against, the Indemnified Party; or (ii) the Indemnified Party reasonably believes that the interests of the Indemnifying Party and the Indemnified Party with respect to such claim are in conflict with one another, and as a result, the Indemnifying Party could not adequately represent the interests of the Indemnified Party in such claim. In the event, however, that the Indemnifying Party declines or fails to assume, or is not permitted to assume, the defense of the Third Party Claim on the terms provided above or to employ counsel reasonably satisfactory to the Indemnified Party, in either case within such twenty (20) day period, or if the Indemnifying Party is not entitled to assume the defense of the Third Party Claim in accordance with the preceding sentence, then such Indemnified Party may employ counsel to represent or defend it in any such Third Party Claim and the Indemnifying Party shall pay the reasonable fees and disbursements of such counsel for the Indemnified Party as incurred; provided, however, that the Indemnifying Party shall not be required to pay the fees and disbursements of more than one counsel for all Indemnified Parties in any jurisdiction in any single Third Party Claim. In any Third Party Claim for which indemnification is being sought hereunder the Indemnified Party or the Indemnifying Party, whichever is not assuming the defense of such action, shall have the right to participate in such matter and to retain its own counsel at such Party's own expense. The Indemnifying Party or the Indemnified Party (as the case may be) shall at all times use commercially reasonable efforts to keep the Indemnifying Party or the Indemnified Party (as the case may be) reasonably apprised of the status of the defense of any matter the defense of which it is maintaining and to cooperate in good faith with each other with respect to the defense of any such matter.

(ii) No Indemnified Party may settle or compromise any Third Party Claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder without the prior written consent of the Indemnifying Party, unless (A) the Indemnifying Party fails to assume, or is not permitted to assume, and maintain the defense of such claim pursuant to Section 9.3(a) or (B) such settlement, compromise or consent includes an unconditional release of the Indemnifying Party and its officers, directors, managers, employees and Affiliates from all liability arising out of such claim. An Indemnifying Party may not, without the prior written consent of the Indemnified Party, settle or compromise any claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder unless such settlement, compromise or consent (x) includes an unconditional release of the Indemnified Party and its officers, directors, managers, employees and Affiliates from all liability arising out of such claim, (y) does not contain any admission or statement suggesting any wrongdoing or liability on behalf of the Indemnified Party and (z) does not contain any equitable order, judgment or term that in any manner affects,

restrains or interferes with the business of the Indemnified Party or any of the Indemnified Party's Affiliates.

(iii) Notwithstanding anything to the contrary in this Agreement, Holdco shall have the sole right to control, prosecute and settle any claim with respect to Taxes imposed on or based on income for a Pre-Closing Tax Period or Tax period beginning before the Closing and ending after the Closing to the extent such claim could give rise to an adjustment of the income or expenses of a Seller's Tax Return for such period.

(b) Non-Third Party Claims. In the event an Indemnified Party claims a right to payment pursuant to this Article IX not involving a Third Party Claim, such Indemnified Party shall send written notice of such claim ("Claim Notice") to the to the Purchaser, if the Purchaser is the Indemnifying Party, or Holdco, if the Sellers are the Indemnifying Parties. The Claim Notice shall describe in reasonable detail the facts giving rise, or that could reasonably be expected to give rise, to the claim for indemnification hereunder that is the subject to the Claim Notice. The Claim Notice shall include (if and to the extent then known) the amount and the method of computation of the amount of such claim, and a reference to the provision or provisions of this Agreement or any agreement, certificate or instrument executed pursuant hereto or in connection herewith upon which such claim is based and all material documentation relevant to the claim (to the extent not previously provided under this Section 9.3(b)). The failure by any Indemnified Party to so notify the Indemnifying Party shall relieve the Indemnifying Party from any liability that it may have to such Indemnified Party with respect to any claim made pursuant to this Section 9.3(b) if, and only to the extent that, such failure to so notify the Indemnifying Party materially prejudices the Indemnifying Party. The Indemnifying Party (acting through Holdco, in the case of indemnification sought by a Purchaser Indemnified Party, and acting through the Purchaser, in the case of indemnification sought by a Seller Indemnified Party) shall have thirty (30) days after the giving of any proper Claim Notice pursuant hereto to (i) agree to the amount or method of determination set forth in the Claim Notice and to pay or cause to be paid such amount to such Indemnified Party in immediately available funds, or (ii) provide such Indemnified Party with written notice that it disagrees with the amount or method of determination set forth in the Claim Notice (the "Indemnity Claim Dispute Notice"). For a period of thirty (30) days after the giving of any Indemnity Claim Dispute Notice, the Indemnifying Party and the Indemnified Party shall negotiate in good faith to resolve the matter. In the event that the controversy is not resolved within thirty (30) days after the date the Indemnity Claim Dispute Notice is given, the Indemnifying Party and the Indemnified Party may thereupon proceed to pursue any and all available remedies at law. If the Indemnifying Party agrees to the Claim Notice pursuant to the immediately preceding clause (i) or fails to provide a timely Indemnity Claim Dispute Notice pursuant to the immediately preceding clause (ii), then promptly following the date the applicable Purchaser Loss or Seller Loss becomes finally determined (x) if the Indemnified Party is a Purchaser Indemnified Party, then such Purchaser Indemnified Party shall be entitled to receive the applicable amount set forth in the Claim Notice in accordance with Section 9.5(c),

and Holdco shall promptly execute a written instruction to the Escrow Agent to release any applicable amount (up to the maximum amount contained in the Escrow Fund) to such Indemnified Party, or (y) if the Indemnified Party is a Seller Indemnified Party, then the Purchaser shall, using its own funds, pay the Seller Indemnified Party the amount set forth in the Claim Notice.

Section 9.4 Claims Period. The Claims Period hereunder shall begin on the date hereof and terminate as follows:

(a) with respect to Purchaser Losses arising under (i) Section 9.1(a) or 9.1(b) with respect to any breach or inaccuracy of any Fundamental Representation, or (ii) Section 9.1(c), 9.1(g), 9.1(h), 9.1(i) or 9.1(k), (all Purchaser Losses described in this Section 9.4(a), the "Surviving Obligations"), the Claims Period shall survive until thirty (30) days after the expiration of any statute of limitations applicable to such Purchaser Losses (which, for this purpose, shall mean the longer of (x) the statute of limitations applicable to Third Party Claims or claims made by a Governmental Entity with respect to the matters for which the Purchaser Indemnified Parties are indemnified pursuant to Section 9.1 and (y) the statute of limitations, if any, otherwise applicable to the Purchaser Indemnified Parties with respect to claims made under this Agreement), and if no statute of limitations is applicable to such Purchaser Losses, indefinitely; and

(b) with respect to all other Purchaser Losses arising hereunder, the Claims Period shall terminate on the date that is twenty-four (24) months following the Closing Date (the "General Indemnity Expiration Date"); and

(c) with respect to Seller Losses arising under Section 9.2, the Claims Period shall survive until thirty (30) days after the expiration of the statute of limitations applicable to such Seller Losses (which, for this purpose, shall mean the longer of (x) the statute of limitations applicable to Third Party Claims or claims made by a Governmental Entity with respect to the matters for which the Seller Indemnified Parties are indemnified pursuant to Section 9.2 and (y) the statute of limitations, if any, otherwise applicable to the Seller Indemnified Parties with respect to claims made under this Agreement).

Notwithstanding the foregoing, if, prior to 5:00 P.M. Atlanta, Georgia time, on the last day of the applicable Claims Period, an Indemnifying Party shall have been properly notified of a claim for indemnity hereunder and such claim shall not have been finally resolved or disposed of at such date, such claim shall continue to survive and shall remain a basis for indemnity hereunder until such claim is finally resolved or disposed of in accordance with the terms hereof.

Section 9.5 Liability Limits.

(a) Notwithstanding anything to the contrary set forth herein, the Purchaser Indemnified Parties shall not make a claim against any Seller for indemnification under this Article IX for Purchaser Losses unless and until, and only to the extent that, the aggregate amount of such Purchaser Losses exceeds $450,000

(the "Purchaser Basket"), in which event the Purchaser Indemnified Parties may claim indemnification for all Purchaser Losses in excess of $450,000; provided, however, that Purchaser Losses related to Surviving Obligations shall not be subject to the Purchaser Basket nor shall they be included in calculating the Purchaser Basket. The total aggregate amount of the liability of Holdco and the Sellers for Purchaser Losses shall be limited to $11,000,000 (the "Purchaser Cap"); provided, however, that Purchaser Losses arising from Surviving Obligations shall not be subject to the Purchaser Cap. Notwithstanding anything to the contrary set forth herein, in no event shall the aggregate liability of the Sellers and Holdco for indemnification pursuant to this Article IX exceed the amount equal to the Maximum Cap.

(b) The Purchaser Indemnified Parties shall not be entitled to indemnification under this Article IX for Purchaser Losses to the extent such Purchaser Losses were (i) reflected as a liability on the Final Working Capital Schedule or (ii) included on the Closing Date Expense Statement or the Closing Date Indebtedness Statement and, with respect to the foregoing clause (ii), were paid at Closing.

(c) Any indemnification obligation of the Sellers pursuant to this Article IX shall be satisfied first from the Escrow Fund, and if the Escrow Fund is insufficient, at the sole discretion of the Purchaser, (a) by Holdco and/or (b) by each of the Sellers on a several and not joint basis; provided that:

(i) each Non-Individual Seller's liability for any Purchaser Loss shall not exceed such Non-Individual Seller's Seller Percentage of such Purchaser Loss, and in the event a Non-Individual Seller indemnifies a Purchaser Indemnified Party for a Purchaser Loss, such indemnification payment shall, with respect to such Purchaser Loss, reduce, dollar-for-dollar, the indemnification limits under Section 9.5(c)(ii) or Section 9.5(c)(iii), as applicable, of the Individual Seller to which such Non-Individual Seller is a Related Party;

(ii) each Individual Seller's liability for any Purchaser Loss shall not exceed such Individual Seller's Indemnification Percentage of such Purchaser Loss, and in the event that an Individual Seller indemnifies a Purchaser Indemnified Party in an amount equal to such Individual Seller's Indemnification Percentage of such Purchaser Loss, the Purchaser Indemnified Party may not seek indemnification from such Individual Seller's Related Parties as a result of such Purchaser Loss; and

(iii) each Individual Seller is responsible for 100% of any Purchaser Loss arising under Section 9.1(a) with respect to a breach by such Individual Seller or such Individual Seller's Related Party of any representation in Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, or 5.7.

Notwithstanding the foregoing, the Purchaser may, at its sole discretion, set off any obligation of the Sellers for Purchaser Losses pursuant to this Article IX from

any Earnout Amount payable to Holdco pursuant to the Earnout Agreement. In no event shall the Purchaser be entitled to use any of the funds held in the Escrow Fund to satisfy any of its indemnification obligations to any Seller Indemnified Party.

(d) The amount of Purchaser Losses otherwise payable to the Purchaser Indemnified Parties pursuant to this Article IX shall be net of any insurance proceeds actually received by the Purchaser Indemnified Parties with respect to such Purchaser Losses under insurance policies maintained by the Company prior to the date hereof.

(e) No Purchaser Loss or Seller Loss shall include punitive damages (unless required to be paid by the Indemnified Party in respect of a Third Party Claim).

Section 9.6 Cash Purchase Price Adjustment. Any indemnification payment made by an Indemnifying Party pursuant to this Agreement shall be treated by the Parties as an adjustment to the purchase price paid for the Shares for Tax purposes.

Section 9.7 Exclusive Remedy. The Parties agree that, excluding (a) any claim for injunctive or other equitable relief, (b) the rights of the Parties under Section 10.15, (c) any claim related to fraud, willful misconduct or bad faith by Holdco, the Sellers or the Purchaser in connection with the transactions related to this Agreement, or (d) for matters related to the Post-Closing Employment Agreements, the Non-Competition Agreements or the Earnout Agreement, the indemnification provisions of this Article IX are intended to provide the sole and exclusive remedy as to all claims either Holdco or the Sellers, on the one hand, or the Purchaser, on the other hand, may incur arising from or relating to this Agreement.

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 10.1 Notices. All notices, communications and deliveries required or made hereunder must be made in writing signed by or on behalf of the Party making the same and shall be delivered personally or by a national overnight courier service or by registered or certified mail (return receipt requested) (with postage and other fees prepaid) as follows:

To the Purchaser:	Oxford Industries, Inc. 222 Piedmont Avenue, N.E. Atlanta, Georgia 30308-3391 Attn: General Counsel
with a copy to (which copy shall not constitute notice):	King & Spalding LLP 1180 Peachtree Street Atlanta, GA 30309 Attn: Russell B. Richards Rahul Patel
To Holdco or the Sellers:	SWI Holdings, Inc. c/o PHS Corporate Services, Inc. 1313 N. Market Street, Suite 5100

Wilmington, DE 19801

with a copy to (which copy shall not constitute notice):	Pepper Hamilton LLP 3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103 Attn: Barry M. Abelson

or to such other representative or at such other address of a Party as such Party may furnish to the other Parties in writing. Any such notice, communication or delivery shall be deemed given or made (a) on the date of delivery, if delivered in person, (b) on the first Business Day following timely delivery to a national overnight courier service or (c) on the third Business Day following it being mailed by registered or certified mail.

Section 10.2 Schedules and Exhibits. The Schedules and Exhibits are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full herein.

Section 10.3 Assignment; Successors in Interest. No assignment or transfer by any Party of such Party's rights and obligations hereunder shall be made except with the prior written consent of the other Parties; provided that the Purchaser shall, without the obligation to obtain the prior written consent of any other Party, be entitled to assign this Agreement or all or any part of its rights or obligations hereunder to one or more Affiliates of the Purchaser. Notwithstanding the foregoing, no assignment of this Agreement or any rights or obligations hereunder by Purchaser to any of its Affiliates, shall relieve the Purchaser of its obligations hereunder or under the Earnout Agreement if the assignee fails to purchase the Shares or fails to timely pay any amounts due to the Sellers or Seller Indemnified Parties under this Agreement or the Earnout Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns, and any reference to a Party shall also be a reference to the successors and permitted assigns thereof.

Section 10.4 Captions. The titles, captions and table of contents contained herein are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 10.5 Controlling Law; Amendment. This Agreement shall be governed by and construed and enforced in accordance with the internal Laws of the State of New York without reference to its choice of law rules (other than Section 5-1401 of the General Obligations Law of the State of New York). This Agreement may not be amended, modified or supplemented except by written agreement of the Parties.

Section 10.6 Consent to Jurisdiction, Etc. Each Party hereby irrevocably consents and agrees that any Legal Dispute shall be brought only to the exclusive jurisdiction of the state courts of the State of New York located in New York County or the United States District Court for the Southern District of New York, and each Party hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in

any such court or that any such suit, action or proceeding that is brought in any such court has been brought in an inconvenient forum. During the period a Legal Dispute is pending before a court, all actions, suits or proceedings with respect to such Legal Dispute or any other Legal Dispute, including any counterclaim, cross-claim or interpleader, shall be subject to the exclusive jurisdiction of such court. Each Party hereby waives, and shall not assert as a defense in any Legal Dispute, that (a) such Party is not subject thereto, (b) such action, suit or proceeding may not be brought or is not maintainable in such court, (c) such Party's property is exempt or immune from execution, (d) such action, suit or proceeding is brought in an inconvenient forum or (e) the venue of such action, suit or proceeding is improper. A final judgment in any action, suit or proceeding described in this Section 10.6 following the expiration of any period permitted for appeal and subject to any stay during appeal shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Laws.

Section 10.7 Severability. Any provision hereof 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. To the extent permitted by Law, each Party hereby waives any provision of Law that renders any such provision prohibited or unenforceable in any respect.

Section 10.8 Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Section 10.9 Enforcement of Certain Rights. Nothing expressed or implied herein is intended, or shall be construed, to confer upon or give any Person other than the Parties, and their successors or permitted assigns, any right, remedy, obligation or liability under or by reason of this Agreement, or result in such Person being deemed a third-party beneficiary hereof.

Section 10.10 Waiver. Any agreement on the part of a Party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such Party. A waiver by a Party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any Party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

Section 10.11 Integration. This Agreement and the documents executed pursuant hereto supersede all negotiations, agreements and understandings among the Parties with respect to the subject matter hereof (except for that certain Confidentiality Agreement) and constitute the entire agreement among the Parties with respect thereto. The Confidentiality Agreement shall continue in accordance with its terms until the Closing has been consummated,

at which time it will terminate; however, if the Closing is not consummated, the Confidentiality Agreement will continue in accordance with its terms.

Section 10.12 Cooperation Following the Closing. Following the Closing, each Party shall deliver to the other Parties such further information and documents and shall execute and deliver to the other Parties such further instruments and agreements as any other Party shall reasonably request to consummate or confirm the transactions provided for herein, to accomplish the purpose hereof or to assure to any other Party the benefits hereof.

Section 10.13 Transaction Costs. Except as provided above or as otherwise expressly provided herein, (a) the Purchaser shall pay its own fees, costs and expenses incurred in connection herewith and the transactions contemplated hereby, including the fees, costs and expenses of its financial advisors, accountants and counsel, and (b) the fees, costs and expenses of the Company and the Sellers incurred in connection herewith and the transactions contemplated hereby shall be paid pursuant to Section 3.6(c).

Section 10.14 Seller Representative.

(a) By the execution and delivery hereof, including counterparts hereof, each Seller hereby irrevocably constitutes and appoints Holdco as the true and lawful agent and attorney-in-fact of such Seller (the "Seller Representative") with full powers of substitution to act in the name, place and stead of such Seller with respect to the performance on behalf of such Seller under the terms and provisions hereof and to do or refrain from doing all such further acts and things, and to execute all such documents, as Holdco shall deem necessary or appropriate in connection with any transaction contemplated hereunder, including the power to:

(i) act for each Seller with respect to all indemnification matters referred to herein, including the right to compromise or settle any such claim on behalf of any Seller;

(ii) act for each Seller with respect to all Purchase Price adjustments referred to herein;

(iii) act for each Seller in connection with the Escrow Agreement and Earnout Agreement;

(iv) amend or waive any provision hereof (including any condition to Closing) in any manner that does not differentiate among the Sellers in any material respect as determined by Holdco;

(v) employ, obtain and rely upon the advice of legal counsel, accountants and other professional advisors as Holdco, in the sole discretion thereof, deems necessary or advisable in the performance of the duties of Holdco;

(vi) receive and provide receipt for any portion of the Purchase Price or any other payment due from the Purchaser to the Sellers pursuant to this Agreement;

(vii) incur any expenses, liquidate and withhold assets received on behalf of the Sellers prior to their distribution to the Sellers to the extent of any amount that Holdco deems necessary for payment of or as a reserve against expenses, and pay such expenses or deposit the same in an interest-bearing account established solely for such purpose;

(viii) receive all notices, communications and deliveries under this Agreement on behalf of the Sellers; and

(ix) do or refrain from doing any further act or deed on behalf of each Seller that Holdco deems necessary or appropriate, in the sole discretion of Holdco, relating to the subject matter hereof as fully and completely as any Seller could do if personally present and acting as though any reference to any Seller herein was a reference to Holdco.

(b) The appointment of Holdco shall be deemed coupled with an interest and shall be irrevocable, and any other Person may conclusively and absolutely rely, without inquiry, upon any action of Holdco as the act of any Seller in all matters referred to herein. Each Seller hereby ratifies and confirms each action and other steps that Holdco shall do or cause to be done by virtue of its appointment as Seller Representative of such Seller. Holdco shall not be responsible to any Seller for any loss or damage any Seller may suffer by reason of the performance by Holdco of Holdco's duties hereunder or under any Seller Ancillary Document, other than loss or damage arising from willful misconduct or gross negligence in the performance of Holdco's duties hereunder or under any Seller Ancillary Document.

(c) Each Seller hereby expressly acknowledges and agrees that Holdco is authorized to act on behalf of such Seller notwithstanding any dispute or disagreement among the Sellers, and that any Person shall be entitled to rely on any and all action taken by Holdco hereunder without liability to, or obligation to inquire of, any Seller. In the event Holdco resigns or ceases to function in such capacity for any reason whatsoever, then the successor Seller Representative shall be Scott A. Beaumont or James B. Bradbeer, Jr.. In the event that neither Scott A. Beaumont nor James B. Bradbeer, Jr. are able or willing to serve as Seller Representative, then the successor Seller Representative shall be the Person the remaining Sellers (holding a majority of the Seller Percentage) appoint; provided, however, that in the event for any reason no successor has been appointed within thirty (30) days following such resignation or cessation, then any Seller shall have the right to petition a court of competent jurisdiction for appointment of a successor Seller Representative. The Sellers, severally and not jointly, shall indemnify and hold Holdco harmless from and against any and all liabilities, losses, costs, damages and expenses (including attorneys' fees) reasonably incurred or suffered as a result of the performance of Holdco's duties hereunder or under any Seller Ancillary Document, except for willful misconduct or gross negligence.

Section 10.15 <u>Specific Performance and Other Remedies</u>. Each Party hereby acknowledges that the rights of each Party hereunder are special, unique and of extraordinary

character and that, in the event that any Party violates or fails or refuses to perform any covenant or agreement made by it herein, the nonbreaching Party may be without an adequate remedy at law. In the event that any Party violates or fails or refuses to perform any covenant or agreement made by such Party herein, the nonbreaching Party or Parties may, subject to the terms hereof and in addition to any remedy at law for damages or other relief, and without the necessity of posting a bond, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other equitable relief.

* * * * *

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

PURCHASER:

OXFORD INDUSTRIES, INC.

By: /s/ Thomas C. Chubb III
Name: Thomas C. Chubb III
Title: President

COMPANY:

SUGARTOWN WORLDWIDE, INC.

By: /s/ Scott A. Beaumont
Name: Scott A. Beaumont
Title: Chief Executive Officer & Treasurer

HOLDCO:

SWI HOLDINGS, INC.

By: /s/ Scott A. Beaumont
Name: Scott A. Beaumont
Title: President

SELLERS:

/s/ Scott A. Beaumont
Scott A. Beaumont

/s/ James B. Bradbeer, Jr.
James B. Bradbeer, Jr.

TRUST UNDER DEED OF SCOTT A. BEAUMONT, DATED JULY 17, 2002

By: /s/ Judith A. Beaumont
Name: Judith A. Beaumont
Title: Trustee

GST TRUST UNDER DEED OF SCOTT A. BEAUMONT, DATED JULY 18, 2007

By: /s/ Judith A. Beaumont
Name: Judith A. Beaumont
Title: Trustee

REBECCA H. BRADBEER GRANTOR TRUST

By: /s/ James B. Bradbeer, Jr.
Name: James B. Bradbeer, Jr.
Title: Trustee

TRUST UNDER DEED OF JAMES B. BRADBEER, JR., DATED JULY 17, 2002

By: /s/ Carol H. Bradbeer
Name: Carol H. Bradbeer
Title: Trustee

EXHIBIT 10.1

EARNOUT AGREEMENT

by and among

OXFORD INDUSTRIES, INC.,

SUGARTOWN WORLDWIDE, INC.,

SWI HOLDINGS, INC.,

and

THE SELLERS (AS IDENTIFIED HEREIN)

Dated as of December 21, 2010

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EARNOUT AGREEMENT

This **EARNOUT AGREEMENT** (this "Agreement") is made as of the 21st day of December, 2010, by and among OXFORD INDUSTRIES, INC., a Georgia corporation (the "Purchaser"); SUGARTOWN WORLDWIDE, INC., a Pennsylvania corporation (the "Company"); SWI HOLDINGS, INC., a Delaware corporation ("Holdco"); and the Persons listed under the heading "Sellers" on the signature pages hereto (the "Sellers"). The Purchaser, the Company, Holdco and the Sellers are sometimes individually referred to herein as a "Party" and collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, the Purchaser, the Company, Holdco, and the Sellers entered into a Stock Purchase Agreement (the "Purchase Agreement"), dated as of the date hereof, pursuant to which Holdco agreed to sell to the Purchaser, and the Purchaser agreed to purchase from Holdco, all of the issued and outstanding capital stock of the Company on the terms and subject to the conditions set forth in the Purchase Agreement;

WHEREAS, pursuant to the Purchase Agreement, the Parties agreed to enter into this Agreement as a condition to the consummation of the transactions contemplated by the Purchase Agreement;

NOW, THEREFORE, in consideration of the premises and mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS. For purposes of this Agreement:

1.1. Certain Definitions. Any capitalized term used in this Agreement but not otherwise defined herein shall have the respective meaning ascribed to such term in the Purchase Agreement. The following terms shall have the following meanings:

1.1.1. "Acceptance Notice" shall have the meaning set forth in Section 2.3.

1.1.2. "Acquired Business" shall have the meaning set forth in Section 2.5.8.

1.1.3. "Additional Earnout Payment" shall have the meaning set forth in Section 2.2.

1.1.4. "Adjusted PBT" for an Earnout Year shall mean the EBIT for such Earnout Year less the applicable Capital Charge for such Earnout Year.

1.1.5. "Agreement" shall have the meaning set forth in the preamble.

1.1.6. "Arbitrator" shall have the meaning set forth in Section 2.3.

1.1.7. "Arbitrator Fees" shall have the meaning set forth in Section 2.3.

1.1.8. "Basic Earnout Payment" and "Basic Earnout Payments" shall have the respective meanings set forth in Section 2.1.1.

1.1.9. "Capital Charge" for an Earnout Year shall mean the product of (a) the average of the month-end "Adjusted Net Assets" included in such Earnout Year (for purposes of clarity, Exhibit 1.1.9 sets forth the months-end in each Earnout Year) and (b) 0.12. Notwithstanding the foregoing, with respect to EY 2011 only, the "Capital Charge" otherwise determined for EY 2011 pursuant to the immediately preceding sentence shall be multiplied by the EY 2011 Fraction to determine finally the applicable Capital Charge for EY 2011. "Adjusted Net Assets" shall be determined in accordance with the guidelines set forth in Schedule 1.1.9 hereto.

1.1.10. "Change of Control of Purchaser" shall be mean the effective time of a merger or similar consolidation of the Purchaser with one or more corporations as a result of which the holders of the Purchaser's outstanding voting stock immediately prior to such merger or similar consolidation hold less than 50% of the voting stock of the surviving or resulting corporation.

1.1.11. "Consolidating Business" shall have the meaning set forth in Section 2.5.8.

1.1.12. "Company" shall have the meaning set forth in the preamble.

1.1.13. "Credit Facility" shall mean the Second Amended and Restated Credit Agreement, dated as of August 15, 2008, by and among the Purchaser and certain of its Subsidiaries (as defined therein), the domestic subsidiaries of the Borrowers (as defined therein) party thereto as Guarantors (as defined therein), the financial institutions party thereto as Lenders (as defined therein), the financial institutions party thereto as Issuing Banks (as defined therein), and SunTrust Bank as Administrative Agent, as amended, restated, supplemented or otherwise modified from time to time, or any successor or replacement agreement(s) whether by the same or any other agent, lender or group of lenders.

1.1.14. "Earnout Calculations" shall have the meaning set forth in Section 2.3.

1.1.15. "Earnout Payment" shall mean any Basic Earnout Payment and/or Additional Earnout Payment, as applicable.

1.1.16. "Earnout Year" shall mean, as the case may be, EY 2011, EY 2012, EY 2013 or EY 2014.

1.1.17. "EBIT" for an Earnout Year shall be equal to net after tax income of the Company calculated on a consolidated stand-alone basis without giving effect to the impact of any purchase price accounting adjustments under Financial Accounting Standards No. 141R required in connection with the transactions contemplated by this Agreement or the Purchase Agreement plus (a) state and federal income taxes included in such net after tax income plus (b) interest expense included in such net after tax income.

1.1.18. "EY 2011" shall mean the period beginning on 12:00 a.m., New York, New York, time, on the day immediately following the Closing Date and ending January 28, 2012, inclusive.

1.1.19. "EY 2011 Adjusted PBT" shall mean Adjusted PBT for EY 2011.

1.1.20. "EY 2011 Fraction" shall mean the fraction the numerator of which is the number of calendar days included in the time period commencing on the day immediately following the Closing Date and ending on January 28, 2012 (inclusive) and the denominator of which is 365.

1.1.21. "EY 2011 Target PBT" shall mean $10,608,000.

1.1.22. "EY 2012" shall mean the period beginning January 29, 2012 and ending February 2, 2013, inclusive.

1.1.23. "EY 2012 Adjusted PBT" shall mean Adjusted PBT for EY 2012.

1.1.24. "EY 2012 Target PBT" shall mean $13,223,000, as adjusted pursuant to Section 2.1.2.4 (if applicable).

1.1.25. "EY 2013" shall mean the period beginning February 3, 2013 and ending February 1, 2014, inclusive.

1.1.26. "EY 2013 Adjusted PBT" shall mean Adjusted PBT for EY 2013.

1.1.27. "EY 2013 Target PBT" shall mean $16,100,000, as adjusted pursuant to Section 2.1.3.4 (if applicable).

1.1.28. "EY 2014" shall mean the period beginning February 2, 2014 and ending January 31, 2015, inclusive.

1.1.29. "EY 2014 Adjusted PBT" shall mean Adjusted PBT for EY 2014.

1.1.30. "EY 2014 Target PBT" shall mean $20,347,000, as adjusted pursuant to Section 2.1.4.4 (if applicable).

1.1.31. "Four-Year Period" shall have the meaning set forth in Section 2.1.1.

1.1.32. "Four-Year Period Adjusted PBT" shall mean the sum of (a) the EY 2011 Adjusted PBT, (b) the EY 2012 Adjusted PBT, (c) the EY 2013 Adjusted PBT, and (d) the EY 2014 Adjusted PBT.

1.1.33. "Four-Year Period Target PBT" shall mean the sum of (a) the EY 2011 Target PBT, (b) the EY 2012 Target PBT (prior to any adjustment pursuant to Section 2.1.2.4), (c) the EY 2013 Target PBT (prior to any adjustment pursuant to Section 2.1.3.4), and (d) the EY 2014 Target PBT (prior to any adjustment pursuant to Section 2.1.4.4).

1.1.34. "GAAP" shall mean generally accepted accounting principles in the United States as applied consistently with the past practices of the Purchaser.

1.1.35. "Holdco" shall have the meaning set forth in the preamble.

1.1.36. "Indenture" shall mean the Indenture, dated as of June 30, 2009, by and among the Purchaser, the Subsidiary Guarantors (as defined therein) party thereto and U.S. Bank National Association, as Trustee, or any successor or replacement indenture(s) or financing agreement(s).

1.1.37. "Indemnification Payment" shall have the meaning set forth in Section 2.5.8.

1.1.38. "Objection Notice" shall have the meaning set forth in Section 2.3.

1.1.39. "Parties" and "Party" shall have the meaning set forth in the preamble.

1.1.40. "Purchase Agreement" shall have the meaning set forth in the recitals.

1.1.41. "Purchaser" shall have the meaning set forth in the preamble.

1.1.42. "Restrictions" shall have the meaning set forth in Section 2.4.2.

1.1.43. "Sellers" shall have the meaning set forth in the preamble.

1.2. Certain Matters of Construction. In addition to the definitions referred to or set forth in this Section 1 unless the context of this Agreement clearly requires otherwise, (a) references to the plural include the singular, and references to the singular include the plural, (b) references to any gender include the other genders, (c) the words "include," "includes" and "including" do not limit the preceding terms or words and shall be deemed to be followed by the words "without limitation," (d) the terms "hereof," "herein," "hereunder," "hereto" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, (e) the terms "day" and "days" mean and refer to calendar day(s), (f) the terms "year" and "years" mean and refer to calendar year(s), and (g) all references in this Agreement to "dollars" or "$" shall mean United States Dollars. Unless otherwise set forth herein, references in this Agreement to (i) any document, instrument or agreement (including this Agreement) (A) includes and incorporates all exhibits, schedules and other attachments thereto, (B) includes all documents, instruments or agreements issued or executed in replacement thereof and (C) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified or supplemented from time to time in accordance with its terms and in effect at any given time, and (ii) a particular law means such law as amended, modified, supplemented or succeeded, from time to time and in effect at any given time. All Article, Section, Exhibit and Schedule references herein are to Articles, Sections, Exhibits and Schedules of this Agreement, unless otherwise specified. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it. All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

2. EARNOUT PAYMENTS.

2.1. Basic Earnout Payment.

2.1.1. Generally. The Purchaser and the Company, jointly and severally, will pay Holdco certain payments with respect to each of EY 2011, EY 2012, EY 2013, and EY 2014 (collectively, the "Four-Year Period"), in each case, subject to the review and dispute procedures set forth in Section 2.3, based on the achievement of the performance targets for the applicable periods specified below. A payment earned in accordance with this Section 2.1 with respect to any of EY 2011, EY 2012, EY 2013, and EY 2014 shall be referred to herein as a "Basic Earnout Payment" and such payments shall be referred to herein, collectively, as the "Basic Earnout Payments." Notwithstanding anything contained in this Section 2.1 to the contrary, the maximum Basic Earnout Payment with respect to any single Earnout Year shall not exceed Two Million Five Hundred Thousand Dollars ($2,500,000) and the aggregate Basic Earnout Payments earned by Holdco with respect to the entire Four-Year Period shall not, in the aggregate, exceed Ten Million Dollars ($10,000,000).

2.1.2. EY 2011 Basic Earnout Payment.

2.1.2.1 If the EY 2011 Adjusted PBT is equal to or less than 85% of the EY 2011 Target PBT, then no Basic Earnout Payment will be earned with respect to EY 2011.

2.1.2.2 If the EY 2011 Adjusted PBT is greater than 85% of the EY 2011 Target PBT but less than 100% of the EY 2011 Target PBT, then a Basic Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the following total amount will be earned with respect to EY 2011: $2,500,000 multiplied by a fraction (a) the numerator of which shall be (i) the EY 2011 Adjusted PBT minus (ii) the product of (A) the EY 2011 Target PBT multiplied by (B) 0.85 and (b) the denominator of which shall be the product of (i) the EY 2011 Target PBT multiplied by (ii) 0.15.

2.1.2.3 If the EY 2011 Adjusted PBT is greater than or equal to 100% of the EY 2011 Target PBT, then a Basic Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the total amount of $2,500,000 will be earned with respect to EY 2011.

2.1.2.4 If the EY 2011 Adjusted PBT is less than the EY 2011 Target PBT, then the EY 2012 Target PBT shall be increased by the amount by which the EY 2011 Adjusted PBT is less than the EY 2011 Target PBT. If the EY 2011 Adjusted PBT is greater than the EY 2011 Target PBT, then the EY 2012 Target PBT shall be decreased by an amount equal to the lesser of (a) the amount by which the EY 2011 Adjusted PBT is greater than the EY 2011 Target PBT and (b) the amount equal to the EY 2012 Target PBT prior to any adjustment pursuant to this Section 2.1.2.4.

2.1.3. EY 2012 Basic Earnout Payment.

2.1.3.1 If the EY 2012 Adjusted PBT is equal to or less than 85% of the EY 2012 Target PBT, then no Basic Earnout Payment will be earned with respect to EY 2012.

2.1.3.2 If the EY 2012 Adjusted PBT is greater than 85% of the EY 2012 Target PBT but less than 100% of the EY 2012 Target PBT, then a Basic Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the following total amount will be earned with respect to EY 2012: $2,500,000 multiplied by a fraction (a) the numerator of which shall be (i) the EY 2012 Adjusted PBT minus (ii) the product of (A) the EY 2012 Target PBT multiplied by (B) 0.85 and (b) the denominator of which shall be the product of (i) the EY 2012 Target PBT multiplied by (ii) 0.15.

2.1.3.3 If the EY 2012 Adjusted PBT is greater than or equal to 100% of the EY 2012 Target PBT, then a Basic Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the total amount of $2,500,000 will be earned with respect to EY 2012.

2.1.3.4 If the EY 2012 Adjusted PBT is less than the EY 2012 Target PBT, then the EY 2013 Target PBT shall be increased by the amount by which the EY 2012 Adjusted PBT is less than the EY 2012 Target PBT. If the EY 2012 Adjusted PBT is greater than the EY 2012 Target PBT, then the EY 2013 Target PBT shall be decreased by an amount equal to the lesser of (a) the amount by which the EY 2012 Adjusted PBT is greater than the EY 2012 Target PBT and (b) the amount equal to the EY 2013 Target PBT prior to any adjustment pursuant to this Section 2.1.3.4.

2.1.4. EY 2013 Basic Earnout Payment.

2.1.4.1 If the EY 2013 Adjusted PBT is equal to or less than 85% of the EY 2013 Target PBT, then no Basic Earnout Payment will be earned with respect to EY 2013.

2.1.4.2 If the EY 2013 Adjusted PBT is greater than 85% of the EY 2013 Target PBT but less than 100% of the EY 2013 Target PBT, then a Basic Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the following total amount will be earned with respect to EY 2013: $2,500,000 multiplied by a fraction (a) the numerator of which shall be (i) the EY 2013 Adjusted PBT minus (ii) the product of (A) the EY 2013 Target PBT multiplied by (B) 0.85 and (b) the denominator of which shall be the product of (i) EY 2013 Target PBT multiplied by (ii) 0.15.

2.1.4.3 If the EY 2013 Adjusted PBT is greater than or equal to 100% of the EY 2013 Target PBT, then a Basic Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the total amount of $2,500,000 will be earned with respect to EY 2013.

2.1.4.4 If the EY 2013 Adjusted PBT is less than the EY 2013 Target PBT, then the EY 2014 Target PBT shall be increased by the amount by which the EY 2013 Adjusted PBT is less than the EY 2013 Target PBT. If the EY 2013 Adjusted PBT is greater than the EY 2013 Target PBT, then the EY 2014 Target PBT shall be decreased by an amount equal to the lesser of (a) the amount by which the EY 2013 Adjusted PBT is greater than the EY 2013 Target PBT and (b) the amount equal to the EY 2014 Target PBT prior to any adjustment pursuant to this Section 2.1.4.4.

2.1.5. EY 2014 Basic Earnout Payment.

2.1.5.1 If the EY 2014 Adjusted PBT is equal to or less than 85% of the EY 2014 Target PBT, then no Basic Earnout Payment will be earned with respect to EY 2014.

2.1.5.2 If the EY 2014 Adjusted PBT is greater than 85% of the EY 2014 Target PBT but less than 100% of the EY 2014 Target PBT, then a Basic Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the following total amount will be earned with respect to EY 2014: $2,500,000 multiplied by a fraction (a) the numerator of which shall be (i) the EY 2014 Adjusted PBT minus (ii) the product of (A) the EY 2014 Target PBT multiplied by (B) 0.85 and (b) the denominator of which shall be the product of (i) the EY 2014 Target PBT multiplied by (ii) 0.15.

2.1.5.3 If the EY 2014 Adjusted PBT is greater than or equal to 100% of the EY 2014 Target PBT, then a Basic Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the total amount of $2,500,000 will be earned with respect to EY 2014.

2.2. Additional Earnout Payment. The Purchaser and the Company, jointly and severally, will pay Holdco an additional amount of up to Ten Million Dollars ($10,000,000) (the "Additional Earnout Payment") with respect to the Four-Year Period, subject to the review and dispute procedures set forth in Section 2.3, based on the achievement of the following performance targets for the Four-Year Period:

2.2.1. If the Four-Year Period Adjusted PBT is equal to or less than 85% of the Four-Year Period Target PBT, then no Additional Earnout Payment will be earned.

2.2.2. If the Four-Year Period Adjusted PBT is greater than 85% of the Four-Year Period Target PBT but less than 100% of the Four-Year Period Target PBT, then an Additional Earnout Payment payable to Holdco, in accordance with Section 2.3 and Section 2.4, in the following total amount will be earned with respect to the Four-Year Period: $10,000,000 multiplied by a fraction (a) the numerator of which shall be (i) the Four-Year Period Adjusted PBT minus (ii) the product of (A) the Four-Year Period Target PBT multiplied by (B) 0.85 and (b) the denominator of which shall be the product of (i) Four-Year Period Target PBT multiplied by (ii) 0.15.

2.2.3. If the Four-Year Period Adjusted PBT is greater than or equal to 100% of the Four-Year Period Target PBT, then the Purchaser shall pay Holdco an Additional Earnout Payment equal to $10,000,000.

2.3. Review, Dispute and Payment Procedures. Within ninety (90) days after the end of each Earnout Year, the Purchaser shall submit to Holdco in writing the proposed calculations necessary to determine the Basic Earnout Payment for the most recently ended Earnout Year and, in addition, with respect to EY 2014, the Additional Earnout Payment (collectively, the "Earnout Calculations"), together with the monthly income statements and monthly balance sheets of the Company and Capital Charge calculations for such Earnout Year. The Purchaser and the Company shall give Holdco such access during normal business hours to the books and records of the Company as Holdco shall reasonably request in order to evaluate such Earnout Calculations. If Holdco objects to any of the Earnout Calculations within thirty (30) days after delivery thereof, Holdco will deliver to the Purchaser a notice of objection (an "Objection Notice") with respect to such Earnout Calculations. If no Objection Notice is delivered to the Purchaser within such thirty (30) day period or if Holdco delivers to the Purchaser a notice of acceptance of such calculations (the "Acceptance Notice"), the applicable Earnout Calculations for such Earnout Year shall be final and binding, and any Earnout Payment shall be paid to Holdco by the Purchaser in accordance with, but subject to, Section 2.4 within ten (10) Business Days after the earlier of (a) the expiration of such thirty (30) day period or (b) the date the Acceptance Notice is delivered to the Purchaser, as the case may be. If an Objection Notice is given, the Purchaser and Holdco shall attempt in good faith to resolve the objection. If the Purchaser and Holdco are unable to reach agreement within twenty (20) days after an Objection Notice has been delivered to the Purchaser, the Parties shall submit their final calculations of the items in dispute to the Arbitrator as soon as practical following the end of such twenty (20) day period, but in any event within thirty-five (35) days after the later of (a) such twenty (20) day period or (b) the selection of the Arbitrator. As used herein, the term "Arbitrator" shall mean the St. Louis, Missouri office of Deloitte LLP, or in the event such accounting firm is unable or unwilling to take such assignment, a nationally recognized independent accounting firm agreed upon by the Purchaser and Holdco or, failing such agreement within thirty-five (35) days after an Objection Notice has been delivered to the Purchaser, then upon the written request of either the Purchaser or Holdco, such nationally recognized independent accounting firm selected by the CPR in accordance with the CPR Rules for Non-Administered Arbitration. The Purchaser and Holdco shall instruct the Arbitrator to make a final determination of such Earnout Calculation based solely on the items that are in dispute and that, in resolving such items in dispute in such Earnout Calculation, the Arbitrator shall not assign to any item in dispute a value that is (A) greater than the greatest value for such item assigned by the Purchaser, on the one hand, or Holdco, on the other hand, or (B) less than the smallest value for such item assigned by the Purchaser, on the one hand, or Holdco, on the other hand. The Arbitrator shall be instructed to use commercially reasonable best efforts to complete its work within thirty (30) days following its engagement. The resolution of the dispute by the Arbitrator will be final and binding on the Parties. The fees, costs and expenses of the Arbitrator (collectively, the "Arbitrator Fees") (1) shall be borne by the Purchaser in the proportion that the aggregate dollar amount of all such disputed items so submitted that are unsuccessfully disputed by the Purchaser (as finally determined by the Arbitrator) bears to the aggregate dollar amount of such items so submitted and (2) shall be borne by Holdco in the proportion that the aggregate dollar amount of such disputed items so submitted that are successfully disputed by the Purchaser (as finally

determined by the Arbitrator) bears to the aggregate dollar amount of all such items so submitted. Notwithstanding the foregoing, if the Arbitrator requires an advance payment of the Arbitrator Fees, the Purchaser, on the one hand, and Holdco, on the other hand, shall each be responsible for one-half of such advance payment of Arbitrator Fees and following the final determination of the Earnout Calculations by the Arbitrator, the Arbitrator Fees payable by the Purchaser and Holdco shall be adjusted in accordance with the immediately preceding sentence. Within ten (10) Business Days after the final determination of the Earnout Calculations by the Arbitrator, the Purchaser shall pay, in accordance with, but subject to, Section 2.4, to Holdco any Earnout Payment which is payable hereunder. Holdco acknowledges that receipt of the applicable Adjusted PBT for any Earnout Year, to the extent not already disclosed to the public, may constitute receipt of material, non-public information concerning the Purchaser or its Affiliates. To the extent such information constitutes material, non-public information concerning the Purchaser or its Affiliates, Holdco and each Seller acknowledges that it is prohibited from (a) purchasing or selling securities of the Purchaser until such information is disclosed to the public and (b) communicating such information to any other Person under circumstances in which it is reasonably foreseeable that such Person is likely to purchase or sell securities of the Purchaser until such information is disclosed to the public. The determination of Adjusted PBT for any Earnout Year pursuant to this Section 2.3 shall be final and binding with respect to Adjusted PBT for such Earnout Year for purposes of any subsequent Earnout Calculations.

2.4. Payment and Restrictions.

2.4.1. Payment; Allocation. Notwithstanding anything herein to the contrary, each Earnout Payment shall be paid in accordance with the instructions set forth in Exhibit 2.4.1. Upon such payment to Holdco, the Purchaser shall be fully released and discharged of any obligations with respect to such Earnout Payment.

2.4.2. Restrictions on Payment of Earnout Payments. Notwithstanding anything to the contrary herein, the Purchaser shall not be required to pay any portion of any Earnout Payment at the time required by Section 2.3 if such payment is restricted (the "Restrictions") due to a default under the Credit Facility or the Indenture (or such payment would otherwise result in a default under the Credit Facility or the Indenture). The Purchaser shall notify Holdco as soon as is reasonably practicable after the Purchaser becomes aware of circumstances that would permit non-payment of any Earnout Payment pursuant to this Section 2.4.2. If payment of any portion of an Earnout Payment is withheld pursuant to this Section 2.4.2, then simple interest will accrue on the unpaid balance at the rate of 3.5% per annum from the date such payment is due until the date such payment is made and the Purchaser will use commercially reasonable efforts to make such payment as soon as the Restrictions are no longer applicable. The Parties agree that payment of an Earnout Payment that is due and payable pursuant to Section 2.3, as applicable, shall have priority and be paid prior to any dividend to the Purchaser's shareholders (other than any dividend that has been declared in the Ordinary Course prior to the date payment of such Earnout Payment is due). Following any Change of Control of Purchaser, this Section 2.4.2 shall not be applicable.

2.4.3. Offset. The Purchaser shall have the right to offset from any Earnout Payment then due and payable to Holdco (a) up to the full amount due and payable to the

Purchaser for any Working Capital Deficit pursuant to Section 3.7(f)(i) of the Purchase Agreement and (b) for any indemnification claims for Purchaser Losses pursuant to Section 11.1 of the Purchase Agreement. The offset rights of the Purchaser pursuant to this Section 2.4.3 shall be in addition to any rights of the Purchaser pursuant to the Escrow Agreement.

2.4.4. Tax Treatment. The payment of any Earnout Payment shall be treated as an adjustment to the purchase price paid for the Shares pursuant to the Purchase Agreement for tax purposes, except as required by Section 483 of the Code.

2.5. Operating and Accounting Procedures of the Company.

2.5.1. Generally. The guidelines and rules set forth in this Section 2.5 shall be used in calculating the Adjusted PBT and the Earnout Payments. The Purchaser shall use its commercially reasonable efforts to provide the Company with sufficient liquidity in order to make the capital expenditures contemplated in the agreed-upon budgets of the Company. Until the date on which the Earnout Calculations for EY 2014 and the Additional Earnout Payment become final and binding on the Parties in accordance with the terms of this Agreement, the Purchaser will not intentionally take, and will not intentionally permit the Company to take, any actions with respect to any accounting books, records, policies or procedures on which the Earnout Calculations are to be based, or from which it is to be derived, for the intent of materially impeding or delaying, or otherwise intentionally making unavailable information required for, the determination of the Earnout Calculations in accordance with the terms of this Agreement. Notwithstanding anything to the contrary herein, nothing contained in this Agreement shall be construed to restrict in any way management of the Purchaser from operating its businesses (including the business of the Company) in the manner which the Purchaser's management and board of directors, acting in good faith and without taking into consideration the obligation to make the Earnout Payments hereunder, deem most beneficial for the Purchaser and the Purchaser's shareholders.

2.5.2. Accounting Standards. Unless otherwise agreed to in writing by the Parties, all financial statements of the Company for all times from and after the Closing shall be prepared in accordance with GAAP in a manner such that Adjusted PBT and any Earnout Payment will be reasonably determinable pursuant to the terms of this Agreement. All matters relating to the calculation of Adjusted PBT and any Earnout Payment (including the determination with respect to capitalization or expense of various items and related depreciation or amortization periods, reserve methods for accounts receivable and inventory, and the treatment of other unusual or extraordinary items) shall be determined in accordance with GAAP.

2.5.3. Corporate Administrative Charges. Throughout the Four-Year Period, intercompany charges for services provided by the Purchaser or any of its other Affiliates to the Company will be at rates determined in a manner consistent with the determination of rates for intercompany charges for services provided to the other operating units of the Purchaser; provided, however, in no event will the intercompany charges (including transfer prices) in the aggregate for those services provided by Purchaser (or any of its other Affiliates) to the Company as a substitute for services otherwise received by the Company prior to the Closing exceed the then current market rates for arms-length transactions which third parties may charge

in the aggregate for such substitute services. The Company will not be charged for any "general corporate administrative" charge during the Four-Year Period nor will the Company be charged for any Earnout Payment made to Holdco pursuant to the terms of this Agreement.

2.5.4. Management of Company. Following the Closing, the Company will be subject to all policies, procedures, and requirements applicable to the Purchaser's operating units, as communicated to the Company by the Purchaser from time to time. The Purchaser shall have the sole and absolute right to make any and all business decisions related to the Company, including with respect to opening new stores; wholesale distribution, including establishing new wholesale accounts and entering into new "signature store" agreements; product sourcing plans; minimum standards for business partners; product pricing plans; licensing activities; acquisitions; pricing; capital expenditures; changes in salaries and benefits; budgets and other business practices.

2.5.5. Business Practices. Unless the Company has received prior written authorization from the Purchaser, the Company shall not accelerate or delay the recognition of revenue or expense or delay investment in working or fixed capital, but shall account for such items on a basis consistent with the Company's past practices. If any such acceleration, deferral, or change occurs (without written authorization of the Purchaser), Adjusted PBT will be adjusted to negate the effects thereof.

2.5.6. Internal Controls. The Company shall be subject to a system of internal accounting controls consistent with the system of internal accounting controls applicable to the Purchaser as in effect from time to time and communicated to the Company by the Purchaser.

2.5.7. Changes in GAAP. Any changes in GAAP accounting rules from and after the date hereof shall not affect the calculation of any Earnout Payment. The Parties shall use the GAAP rules, regulations and standards in effect as of the date hereof as a basis for calculation of any Earnout Payment.

2.5.8. Indemnification Payments. To the extent the Purchaser actually receives payment (the "Indemnification Payment") from the Sellers or Holdco pursuant to Article IX of the Purchase Agreement for any Purchaser Loss that would reduce EBIT for an Earnout Year, neither the Indemnification Payment nor the portion of such Purchaser Loss that is covered by such Indemnification Payment shall be included in the calculation of such EBIT.

2.5.9. Acquisitions or Sale of the Company. Nothing in this Agreement shall be interpreted as a restriction or limitation on the Purchaser's and its Affiliates' right and ability (a) to acquire by purchase, exchange, or otherwise, any other Person, whether or not engaged in a business similar or related to the Company (an "Acquired Business"), or (b) to sell all or any shares of capital stock of the Company, to sell all or any of the assets of the Company, or to merge (or to cause the Company to merge) with another Person (such other Person, a "Consolidating Business"). Neither Holdco nor any of its shareholders shall have any rights or interests in or relating to any Acquired Business or any Consolidating Business. The Purchaser shall account for any Acquired Business or Consolidating Business separate from the Company such that the calculation of the Adjusted PBT and any Earnout Payment (i) will in no way be affected by such Acquired Business or Consolidating Business and (ii) will continue to be

reasonably determinable pursuant to the terms of this Agreement. In the event that the Purchaser shall sell, or cause the sale of, all or substantially all of the assets or capital stock of the Company prior to end of the Four-Year Period, the Purchaser shall make the assumption of the Purchaser's obligations under this Agreement by such purchaser a condition to the closing of such transaction. Such assumption shall be in writing and within five (5) Business Days after the closing of such transaction, the Purchaser shall deliver to Holdco a copy of such assumption.

2.6. Transfer of Holdco Shares. Each Seller agrees and acknowledges that it may not sell, transfer or assign such Seller's right, title or interest in and to its shares of capital stock in Holdco, except that a Seller may sell, transfer or assign such Seller's right, title or interest in and to some but not all of its shares of capital stock in Holdco to an immediate family member of such Seller or to a trust all beneficiaries of which are the Seller or an immediate family member of such Seller (or a combination thereof), until the date on which both the Earnout Payment for EY 2014 and the Additional Earnout Payment are finally determined pursuant to the terms of this Agreement.

2.7. Certain Acknowledgements. Holdco agrees and acknowledges that the right to receive the Earnout Payments, if any, pursuant to this Agreement: (a) is an integral part of the total consideration for the acquisition of the Company and not an investment; (b) does not represent an ownership interest in the Purchaser or any of its Affiliates; (c) does not carry voting, dividend or liquidation rights; (d) is not represented by any form of certificate or instrument; and (e) shall not be assignable or transferable (other than by testamentary disposition or the laws of intestacy or as provided in Section 3.4).

3. MISCELLANEOUS.

3.1. Seller Representative. The appointment and removal of Holdco as Seller Representative, as well as the authority of the Purchaser to rely on the consent and approval of Holdco, shall be governed by Section 10.14 of the Purchase Agreement.

3.2. Integration. This Agreement and the documents executed pursuant hereto supersede all negotiations, agreements and understandings among the Parties with respect to the subject matter hereof and constitute the entire agreement of the Parties with respect thereto.

3.3. Waiver. Any agreement on the part of a Party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such Party. A waiver by a Party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any Party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

3.4. Severability. Any provision hereof 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. To the extent permitted by law, each Party hereby waives any provision of law that renders any such provision prohibited or unenforceable in any respect.

3.5. Assignment; Successors in Interest. No assignment or transfer by any Party of such Party's rights and obligations hereunder shall be made except with the prior written consent of the other Parties. Notwithstanding the foregoing, the Purchaser shall, without the obligation to obtain the prior written consent of Holdco, be entitled to assign this Agreement or all or any part of its rights or obligations hereunder to (i) one or more Affiliates of the Purchaser; provided, however, that, any such assignment shall not relieve the Purchaser of its obligations under this Agreement should any of the Purchaser's Affiliates fail to perform its obligations hereunder; and (ii) any purchaser of all or substantially all of the assets or capital stock of the Company, provided that such purchaser assumes, in writing, all of the Purchaser's obligations under this Agreement and a copy of such written assumption is delivered to Holdco as provided in Section 2.5.8. Notwithstanding anything to the contrary in this Agreement, Holdco, without the obligation to obtain the prior written consent of the Purchaser or the Company, may assign its rights to receive payment of any Earnout Payment to any of Holdco's shareholders. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns, and any reference to a Party shall also be a reference to the successors and permitted assigns thereof.

3.6. Notices. All notices, communications and deliveries required or made hereunder must be made in writing signed by or on behalf of a party hereto making the same and shall be delivered personally or by a national overnight courier service or by registered or certified mail (return receipt requested) (with postage and other fees prepaid) as follows:

To the Purchaser:	Oxford Industries, Inc. 222 Piedmont Avenue, N.E. Atlanta, Georgia 30308-3391 Attn: General Counsel
with a copy to (which copy shall not constitute notice):	King & Spalding LLP 1180 Peachtree Street Atlanta, GA 30309 Attn: Russell B. Richards Rahul Patel
To Holdco:	SWI Holdings, Inc. c/o PHS Corporate Services, Inc. 1313 N. Market Street, Suite 5100 Wilmington, DE 19801
with a copy to (which copy shall not constitute notice)	Pepper Hamilton LLP 3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103 Attn: Barry M. Abelson

To Sellers:	Attn: SWI Holdings, Inc. c/o PHS Corporate Services, Inc. 1313 N. Market Street, Suite 5100 Wilmington, DE 19801
with a copy to (which copy shall not constitute notice)	Pepper Hamilton LLP 3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103 Attn: Barry M. Abelson

or to such other representative or at such other address of a Party as such Party may furnish to the other Parties in writing. Any such notice, communication or delivery shall be deemed given or made (a) on the date of delivery, if delivered in person, (b) on the first Business Day following timely delivery to a national overnight courier service or (c) on the third Business Day following it being mailed by registered or certified mail.

3.7. Captions. The titles, captions and table of contents contained herein are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

3.8. Enforcement of Certain Rights. Nothing expressed or implied herein is intended, or shall be construed, to confer upon or give any Person other than the Parties, and their respective successors or permitted assigns, any right, remedy, obligation or liability under or by reason of this Agreement, or result in such Person being deemed a third-party beneficiary hereof.

3.9. Counterparts. This Agreement may be executed and delivered in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

3.10. Controlling Law; Amendment. This Agreement shall be governed by and construed and enforced in accordance with the internal Laws of the State of New York without reference to its choice of law rules (other than Section 5-1401 of the General Obligations Law of the State of New York). This Agreement may not be amended, modified or supplemented except by written agreement of the Parties.

3.11. Dispute Resolution. Any dispute between or among the Parties arising out of or related to this Agreement or the breach thereof shall be finally settled by the Arbitrator in accordance with Section 2.3. Judgment on any award rendered by the Arbitrator may be entered in the state courts of the State of New York located in New York County or the United States District Court for the Southern District of New York having jurisdiction. The award rendered by the Arbitrator shall be final and binding on the Parties and not subject to further appeal. Each Party hereby agrees that any legal proceeding instituted to enforce an arbitration award hereunder will be brought in the state courts of the State of New York located in New York

County or the United States District Court for the Southern District of New York, and hereby submits to personal jurisdiction therein and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have as to venue therein, and further agrees not to plead or claim in any such court that any such proceeding has been brought in an inconvenient forum.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties, intending to be legally bound hereby, have caused this Agreement to be executed, as of the date first above written by their respective officers thereunto duly authorized.

PURCHASER:

OXFORD INDUSTRIES, INC.

By: /s/ Thomas C. Chubb III
Name: Thomas C. Chubb III
Title: President

COMPANY:

SUGARTOWN WORLDWIDE, INC.

By: /s/ Scott A. Beaumont
Name: Scott A. Beaumont
Title: Chief Executive Officer & Treasurer

HOLDCO:

SWI HOLDINGS, INC.

By: /s/ Scott A. Beaumont
Name: Scott A. Beaumont
Title: President

SELLERS:

/s/ Scott A. Beaumont
Scott A. Beaumont

/s/ James B. Bradbeer, Jr.
James B. Bradbeer, Jr.

TRUST UNDER DEED OF SCOTT A. BEAUMONT, DATED JULY 17, 2002

By: /s/ Judith A. Beaumont
Name: Judith A. Beaumont
Title: Trustee

GST TRUST UNDER DEED OF SCOTT A. BEAUMONT, DATED JULY 18, 2007

By: /s/ Judith A. Beaumont
Name: Judith A. Beaumont
Title: Trustee

REBECCA H. BRADBEER GRANTOR TRUST

By: /s/ James B. Bradbeer, Jr.
Name: James B. Bradbeer, Jr.
Title: Trustee

TRUST UNDER DEED OF JAMES B. BRADBEER, JR., DATED JULY 17, 2002

By: /s/ Carol H. Bradbeer
Name: Carol H. Bradbeer
Title: Trustee

Exhibit 10.2

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 21st day of December, 2010 (the "Effective Date"), by and between Sugartown Worldwide, Inc., a Pennsylvania corporation (the "Company"), and Scott A. Beaumont, a resident of the Commonwealth of Pennsylvania ("Employee").

R E C I T A L S

The Company desires to employ Employee and to have the benefit of his skills and services, and Employee desires to accept employment with the Company, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, terms, covenants and conditions set forth herein, and the performance of each, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, agree as follows:

AGREEMENTS

1. **Employment; Term**. The term of this Agreement shall begin on the Effective Date and continue through January 31, 2015 or until terminated pursuant to Section 6 of this Agreement (the "Term").

2. **Duties**. Employee shall be employed by the Company to serve as the Chief Executive Officer of the Lilly Pulitzer Group (the "Lilly Pulitzer Group"), which is an operating group of the Company's parent, Oxford Industries, Inc. ("Oxford"), and shall have such responsibilities, duties and authorities consistent with an Employee at his level as are assigned to him by the Company's parent Oxford through the President of Oxford. Employee shall fulfill his duties and responsibilities in a reasonable and appropriate manner and in compliance with the Company's policies and the laws and regulations that apply to the Company's operation and administration. Other than during any vacation, sick or personal time provided to Employee, Employee shall devote his full business time and attention to the business and affairs of the Company and shall not be engaged in, or employed by, any other business enterprise; provided, however, that notwithstanding the foregoing, it shall not be a violation of this Agreement for Employee to (A) serve, with the consent of the Executive Committee of the Oxford Board of Directors consistent with Oxford's conflict of interest and business ethics policy, on boards, committees or similar bodies of any entity subject to compliance with Section 7 hereof, (B) serve or participate on the boards, committees or similar bodies of the entities listed on Exhibit A hereto, and as an officer of the entity listed therein to the extent disclosed therein, the service and participation of which has received the requisite consent from Oxford, and/or (C) manage Employee's personal affairs and investments. Employee will be based at the headquarters of the

Lilly Pulitzer Group in or around Philadelphia, Pennsylvania. Employee will be required to travel (domestically and/or internationally) from time to time in the performance of his duties.

3. **Compensation**. For all services rendered by Employee, the Company shall compensate Employee as follows:

(a) *Base Salary*. Employee shall receive a base salary (the "Base Salary") at the annualized rate of (i) THREE HUNDRED TWENTY THOUSAND DOLLARS ($320,000.00) for the period commencing on the Effective Date and continuing through December 31, 2010, (ii) FOUR HUNDRED THOUSAND DOLLARS ($400,000.00) for the period commencing on January 1, 2011 and continuing through December 31, 2011 and (iii) FOUR HUNDRED FIFTY THOUSAND DOLLARS ($450,000.00) for the period commencing on January 1, 2012 through the end of the Term. The Base Salary shall be payable, less applicable withholdings, in reasonable periodic installments in accordance with the Company's regular payroll practices in effect from time to time, but not less frequently than twice monthly.

(b) *Additional Compensation*. Beginning after the first anniversary of the Effective Date, at the sole discretion of the Company, in addition to the Base Salary, Employee may be eligible to receive cash and/or equity bonus compensation in accordance with bonus opportunities established by the Company, in its sole discretion. For purposes of clarity, the Company has no current plans and no obligation to pay any bonus pursuant to this paragraph 3(b).

4. **Other Benefits**.

(a) *Expense Reimbursement*. The Company shall reimburse Employee for (or, at the Company's option, pay) all reasonable business travel and other out of pocket expenses reasonably incurred or paid by Employee in connection with, or related to, the performance of Employee's duties, responsibilities or services under this Agreement in accordance with the applicable policies of the Company and its affiliates during the Term. All reimbursable expenses shall be appropriately documented in reasonable detail by Employee upon submission of any request for reimbursement, and in a format and manner consistent with the Company's expense reporting policy applicable to employees of the Company at the level of Employee's position, as well as applicable federal and state tax record keeping requirements. All such reimbursements will be made in any event no later than the last day of Employee's taxable year following the taxable year in which the expense was incurred. The expenses reimbursed by the Company during any taxable year of Employee will not affect the expenses reimbursed by the Company in another taxable year. Further, this right to reimbursement is not subject to liquidation or exchange for another benefit.

(b) *Participation in Employee Benefits Plans*. During the Term, the Employee is entitled to participate in the health, hospitalization, major medical,

dental, life and long term disability insurance coverage generally consistent with that provided by the Company to other senior executives of the Lilly Pulitzer Group pursuant to the terms of such benefits and plans as they are in effect from time to time. For such coverage during the Term, the Company will pay on Employee's behalf one hundred percent (100%) of the health, dental, life and long term disability insurance premiums for Employee and his dependents; and to the extent the Company does not pay those amounts for other full-time employees of the Lilly Pulitzer Group, the Company will report those payments as taxable income on Employee's IRS Form W-2. For purposes of this Agreement, "dependents" is defined as the Employee's spouse and his children who are properly claimed as and recognized by the Internal Revenue Service as dependents on the Federal Income Tax filings of Employee. If and when the Company develops plans, benefits or programs in addition to the health, dental, life and long term disability insurance described above, Employee shall be entitled to participate therein on the same basis as other full-time employees of the Lilly Pulitzer Group. In addition, Employee shall be entitled to participate in any 401(k) plan and any employee savings plan on the same basis as offered to other full-time employees of the Lilly Pulitzer Group.

(c) *Vacation*. In addition to Company holidays, Employee shall be entitled to twenty-five (25) days of paid vacation time annually each year during the Term, which annual paid vacation time accrues in full as of January 1 of each year. Employee may carry forward five (5) unused days of vacation time from the preceding year into each succeeding year.

5. **Existing Employment Agreement**. Employee acknowledges that any employment agreement or arrangement between Employee and the Company ("Existing Employment Agreement") in effect immediately prior to the Effective Date, including, without limitation, the employment agreement between Employee and the Company, dated as of January 1, 2010, shall be terminated as of the Effective Date, and Employee hereby waives all rights he has under such Existing Employment Agreement, including, without limitation, any right to receive any bonus payment, severance payment or any right under any wage continuation provision, other than the right to receive unpaid base compensation earned through the Effective Date.

6. **Termination; Rights on Termination**.

(a) *Termination*. Employee's employment is "at will" and Employee and the Company may terminate such employment at any time. Employee's employment may be terminated in any one of the following ways, prior to the expiration of the Term:

(i) *Termination by the Company for Good Cause*. The Company may terminate this Agreement and Employee's employment for Good Cause immediately upon providing written notice to Employee. "Good Cause" shall mean: (A) Employee's willful and continued failure to

perform any substantial duty as required under this Agreement; (B) Employee's willful engagement in any gross misconduct or knowing violation of the applicable policies of the Company or its affiliates; (C) Employee's engagement in any activity that is in breach of Section 7 of this Agreement; (D) Employee's engagement in any act of fraud or dishonesty against the Company or its affiliates; (E) any theft, conversion or misappropriation of the property of Company or its affiliates by the Employee; (F) Employee's engagement in any material breach of federal or state securities laws or regulations; (G) Employee being intoxicated or in possession of any illegal substance in the workplace; (H) Employee's engagement in an act of assault or other act of violence; (I) Employee's engagement in any willful act which brings disrepute to the Company or any of its affiliates or materially impairs any of their reputations; (J) Employee's harassment of any individual in the workplace based on age, gender or other protected status or class or violation of any applicable policy of the Company or its affiliates regarding harassment; or (K) Employee's conviction for any felony or misdemeanor charge (other than charges related to routine traffic and other similar, insignificant violations); provided, that in the event the Company desires to terminate Employee's employment for Good Cause under clause (A) above, the Company shall first give Employee written notice of such intent, a detailed and specific description of the reasons and basis therefor, and, if such behavior is susceptible to cure, thirty (30) days to remedy or cure such perceived breaches or deficiencies. In the event of such termination for Good Cause, no compensation or benefits shall be payable to Employee after the date of termination, except as provided for in paragraph 6(b).

(ii) *Termination by the Company Without Good Cause*. The Company may, without Good Cause and for any reason whatsoever, terminate this Agreement and Employee's employment, effective thirty (30) days after written notice is provided to Employee. Upon such termination without Good Cause, the compensation described in paragraph 6(b) shall be payable to Employee, and the severance pay described in paragraph 6(c) shall be payable to Employee provided he executes and does not revoke a release as described in paragraph 6(d).

(iii) *Termination by Employee for Good Reason*. Employee may, for Good Reason (as defined in paragraph 6(a)(vi)), terminate this Agreement and Employee's employment effective thirty (30) days after written notice is provided to the Company; provided, such notice must be given within one hundred twenty (120) days of the initial existence of the Good Reason condition. Upon such termination for Good Reason, the compensation described in paragraph 6(b) shall be payable to Employee, and the severance pay described in paragraph 6(c) shall be payable to

Employee provided he executes and does not revoke a release as described in paragraph 6(d).

(iv) *Termination by Employee Without Good Reason*. Employee may, without Good Reason, terminate this Agreement and Employee's employment effective thirty (30) days after written notice is provided to the Company. In the event of such a termination, no compensation or benefits shall be payable to Employee after the date of termination, except as provided for in paragraph 6(b).

(v) *Termination Due to Death or Disability*. This Agreement and Employee's employment shall terminate immediately upon his death. In addition, the Company may terminate this Agreement and Employee's employment upon his becoming disabled. For this purpose, "disabled" or "disability" means Employee would be entitled to long-term disability benefits under the Company's long-term disability plan as in effect from time to time, assuming for the purpose of such determination that Employee is actually participating in such plan at such time. If the Company does not maintain a long-term disability plan, "disabled" or "disability" shall mean that Employee is unable to perform the substantial duties of his job for a period of at least ninety (90) consecutive days or for a period of at least ninety (90) days in the aggregate in any twelve (12) consecutive month period due to a medically determinable physical or mental impairment. In the event of termination of Employee's employment due to his death or by the Company due to his disability, no compensation or benefits shall be payable to Employee after the date of termination, except as provided for in paragraph 6(b).

(vi) *Good Reason*. "Good Reason" shall mean any of the following conditions that remain uncured after the expiration of thirty (30) days following Employee's delivery of written notice of such condition to the President or Chief Executive Officer of Oxford: (A) the Company's requirement, as a condition of continued employment in Employee's current position or any future position, that Employee relocate his principal place of employment to any area outside a fifty (50) mile radius of the metropolitan Philadelphia area; (B) a material reduction in Employee's duties or responsibilities that is inconsistent with Employee's position as Chief Executive Officer of the Lilly Pulitzer Group; (C) a material breach by the Company of any of its obligations under this Agreement; or (D) a material reduction in Employee's Base Salary (other than in connection with a general decrease in the salary for other executive employees of the Lilly Pulitzer Group) without Employee's written consent.

(b) *Payment Through Termination*. Upon termination of Employee's employment for any reason provided for in this Agreement, Employee shall be entitled to receive all compensation earned and all benefits and reimbursements (including payments for accrued vacation and sick leave, in each case in accordance with, and to the extent provided under, applicable policies of the Company) due through the effective date of termination. No other compensation will be due or payable to Employee subsequent to termination, except as expressly provided by this Section 6 or required by law.

(c) *Payment for Termination Without Good Cause or For Good Reason*. In the event of termination of Employee's employment by the Company without Good Cause or by Employee for Good Reason (the date on which such termination becomes effective shall be referred to as the "Termination Date") during the period commencing on the Effective Date through December 31, 2011, Employee shall receive from the Company an amount of severance pay equal to his Base Salary calculated from the Termination Date until the second (2nd) anniversary of the Effective Date (with such period being referred to as "Severance Period No. 1"). In the event of termination of Employee's employment by the Company without Good Cause or by Employee for Good Reason during the period commencing on January 1, 2012 through January 31, 2014, Employee shall receive from the Company an amount of severance pay equal to his Base Salary calculated from the Termination Date until the first (1st) anniversary of the Termination Date (with such period being referred to as "Severance Period No. 2"). In the event of termination of Employee's employment by the Company without Good Cause or by Employee for Good Reason during the period commencing on February 1, 2014 through January 31, 2015, Employee shall receive from the Company an amount of severance pay equal to his Base Salary calculated from the Termination Date until January 31, 2015 (with such period being referred to as "Severance Period No. 3," and Severance Period No. 1, Severance Period No. 2 and Severance Period No. 3 being referred to collectively and individually as the "Severance Period"). Except as provided in paragraph 6(d), the amount of severance pay determined under any of the three preceding sentences, whichever is applicable, shall be paid commencing upon the date Employee incurs a separation from service (as defined in Treasury Regulation Section 1.409A-1(h); a "Separation from Service") and shall be paid in substantially equal installments in accordance with the Company's regular payroll procedures for similarly-situated employees for the number of months in Severance Period No. 1, Severance Period No. 2 or Severance Period No. 3, whichever is applicable. Each payment of severance pay under this paragraph shall be considered a separate payment for purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A").

(d) *Release Agreement*. Employee's entitlement to any severance pay under paragraph 6(c) is conditioned upon Employee's first entering into, and not revoking, a release agreement in such form and with such terms, as prescribed by the Company in its general form as prescribed from time to time; provided, such

release agreement shall be delivered to Employee within seven (7) days after the date of his Separation from Service. During the period permitted to Employee to review the release agreement, he may request and negotiate for changes thereto; provided, the Company shall retain the sole discretion as to whether or not to accept and make any such changes. Any payment of severance pay due under paragraph 6(c) shall be delayed until after the expiration of the seven (7)-day revocation period required for an effective age-based release, and any amount otherwise due under said paragraph before the end of such revocation period shall be paid upon the day after the end of such period in a single lump-sum payment, but not later than March 15 of the calendar year following the calendar year in which his separation from service occurs; provided, if all or any portion of the severance pay that is payable to Employee under paragraph 6(c) within the 60-day period commencing on his Separation from Service is subject to, and not exempt from, Section 409A, all severance pay payable within such 60-day period shall be paid on the 60th day after his Separation from Service regardless of how quickly he executes his release agreement.

(e) *Earnout Payments*. Notwithstanding anything to the contrary, the cessation of Employee's employment with the Company for any reason (whether by termination, resignation or otherwise) shall have no effect on (i) the obligation of Oxford, the Company or their respective successors and assigns from making any payments that may be due under the Earnout Agreement, dated December 21, 2010, by and among Oxford, the Company and Sugartown Worldwide Holdings, Inc. ("Holdco"), or (ii) Employee's share of any payment made to Holdco pursuant to the terms of such Earnout Agreement.

(f) *Survival*. All rights and obligations of the Company and Employee under this Agreement shall cease as of the effective date of termination, except that (i) the Company's obligations under Section 6 shall survive such termination in accordance with its terms and (ii) Employee's obligations under Sections 7, 8 and 10 shall survive such termination in accordance with their terms.

7. **Employee Covenants**.

(a) During the Term or, if employment is terminated prior to January 31, 2015, until the later of (*x*) the second (2nd) anniversary of the Effective Date or (*y*) the earlier of (1) the date twelve (12) months following such termination or (2) January 31, 2015 (any such period, a "Restricted Period"), Employee shall not, directly or indirectly, for himself or on behalf of or in conjunction with any other person, company, partnership, corporation, business, group or other entity (each, a "Person") (other than on behalf of the Company or its Associated Companies):

(i) engage within the Territory (as defined below), as an officer, director, owner, partner, member, joint venturer, or in a managerial capacity (whether as an employee, independent contractor, or consultant) in any business activity or enterprise engaged in the Business

Activities (as defined below); provided, that, during the term of Employee's employment pursuant to this Agreement, the foregoing shall not prevent Employee from acquiring or holding up to one percent (1%) of the outstanding shares of any company whose common stock is traded on a national or regional securities exchange or in the over-the-counter market and which represents less than ten percent (10%) of the market value of the Employee's personal investment portfolio; provided, further, following the termination of Employee's employment for any reason, the foregoing shall not prevent Employee from acquiring or holding up to five percent (5%) of the outstanding shares of any company whose common stock is traded on a national or regional securities exchange or in the over-the-counter market. For the avoidance of doubt, nothing herein shall restrict Employee's passive investment in or ownership of shares or other interests in mutual funds or exchange traded funds.

(ii) Solicit or attempt to solicit for employment or engagement, recruit or attempt to recruit for employment or engagement any employee, agent or contract worker of the Company or the Associated Companies (as defined below) with whom Employee had contact during the course of his employment with the Company; provided, however, the foregoing shall not restrict Employee from (A) having contact with individuals as part of, or following their response to, generalized searches for employment, or (B) recruiting or soliciting individuals whose employment was terminated by the Purchaser or the Company not less than eighteen (18) months prior to such recruitment or solicitation or attempted recruitment or solicitation.

(iii) Solicit or attempt to solicit any business related to the Business Activities from any Person who, as of the date of the solicitation or attempted solicitation or within twelve (12) months prior to that date, is or was a customer of the Company, or an actively sought prospective customer, with whom Employee had contact (through sales calls, presentations, or other business dealings) during the course of his employment with the Company.

(b) For purposes of Sections 7 through 11:

(i) References to the "Territory" shall mean Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West

Virginia, Wisconsin, Wyoming, District of Columbia and all other U.S. territories and possessions, Canada and Mexico.

(ii) References to the "Associated Companies" shall mean any entity directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. As used in the definition of "Associated Companies," "control," "controlling" or "controlled by" means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

(iii) References to the "Business Activities" shall mean the business of designing, marketing, procuring, wholesaling and/or retailing apparel and/or footwear for women, children and/or men.

(c) The covenants in this Section 7 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this Section 7 relating to the time period, scope, or geographic areas of the restrictive covenants shall be declared by a court of competent jurisdiction to exceed the maximum time period, scope, or geographic area, as applicable, that such court deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

(d) All of the covenants in this Section 7 shall be construed as an agreement independent of any other provisions in this Agreement, and the existence of any claim or cause of action Employee may have against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants.

(e) Employee has carefully read and considered the provisions of this Section 7 and, having done so, agrees that the restrictive covenants in this Section 7 impose a fair and reasonable restraint on Employee and are reasonably required to protect the interests of the Company and its officers, directors, employees, and stockholders. Employee covenants that he will not challenge the enforceability of this Section 7 nor will he raise any equitable defense to its enforcement.

8. **Trade Secrets and Confidential Information**.

(a) For purposes of this Section 8, "Confidential Information" means any data or information with respect to the conduct or details of the business conducted by the Company and its Associated Companies, other than Trade Secrets, that is valuable to the Company and/or its Associated Companies and not generally known or reasonably ascertainable to the public or to competitors of the Company. "Trade Secret" means information with respect to the conduct or details of the business conducted by the Company and its Associated Companies, including, but

not limited to, any data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(b) Employee acknowledges he is employed by the Company in a confidential relationship wherein he, in the course of his employment with the Company, has received or will receive and has had or will have access to Confidential Information and Trade Secrets, including but not limited to confidential and secret business and marketing plans, strategies and studies, detailed client/customer lists and information relating to the operations and business requirements of those clients/customers and, accordingly, he is willing to enter into the covenants contained in Sections 7 and 8 of this Agreement in order to provide the Company with what he considers to be reasonable protection for its interests.

(c) Employee hereby agrees that, during the Term and for a period of five years thereafter, he will hold in confidence all Confidential Information that came into his knowledge during his employment by the Company and will not disclose, publish or make use of such Confidential Information without the prior written consent of the Company.

(d) Employee shall hold in confidence all Trade Secrets that came into his knowledge during his employment by the Company and shall not disclose, publish or make use of at any time after the date hereof such Trade Secrets without the prior written consent of the Company for as long as the information remains a Trade Secret.

(e) Employee hereby agrees that all inventions, developments, methods, processes, writings, designs, works of authorship, and ideas conceived or developed by Employee during his employment, or reduced to practice by Employee during his employment and for three (3) months thereafter, which are directly or indirectly useful in, or relate to, the business of or services provided by or sold by the Company or any of its Associated Companies shall be promptly and fully disclosed by Employee to an appropriate executive officer of the Company (accompanied by all papers, drawings, data and other materials relating thereto) and shall be the Company's exclusive property. Employee will, upon the Company's request and at its expense (but without any additional compensation to Employee), execute all documents reasonably necessary to assign Employee's right, title and interest in any such invention, development, method, process,

writing, design, work of authorship, or idea to the Company (and to direct issuance to the Company of all patents or copyrights with respect thereto).

(f) Notwithstanding the foregoing, the provisions of paragraph 8(c) and paragraph 8(d) will not apply to the extent of (i) information required to be disclosed by Employee in the ordinary course of his duties hereunder or (ii) Confidential Information that otherwise becomes generally known in the industry or to the public through no act or omission of Employee or any person or entity acting by or on Employee's behalf, or which is required to be disclosed by court order or applicable law.

(g) The parties agree that the restrictions stated in this Section 8 are in addition to and not in lieu of protections afforded to trade secrets and confidential information under applicable state law. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting the Company's right under applicable state law to protect its trade secrets and confidential information.

9. **Indemnification; Directors and Officers Liability Insurance**. The Company will indemnify Employee for and defend Employee from claims arising from the Employee's good faith performance of his duties as an employee of the Company to the fullest extent permitted under applicable law and in accordance with the terms and conditions provided in the articles of incorporation and By-Laws of the Company (or equivalent governing documents to the extent the Company is not a corporation). The Company will maintain liability insurance covering Employee's potential liability in connection with his performance of his obligations hereunder commensurate with the coverage provided to Oxford's officers and directors from time to time.

10. **Key Man Insurance**. Employee shall reasonably cooperate with the Company should the Company determine at any time during the Term, at the Company's cost and expense, to pursue a "Key Man" insurance policy or other similar insurance arrangement on Employee. Employee acknowledges and agrees that such cooperation may include normal and customary health screenings or such other measures as the Company may reasonably request of Employee.

11. **Return of Company Property**. All records, designs, patents, business plans, financial statements, manuals, memoranda, customer lists, customer database, rolodex and other property delivered to or compiled by Employee by or on behalf of the Company (including the respective Associated Companies thereof) or its representatives, vendors or customers which pertain to the business of the Company (including the respective Associated Companies thereof) shall be and remain the property of the Company, and be subject at all times to its discretion and control. Upon the request of the Company and, in any event, upon the termination of Employee's employment with the Company, Employee shall deliver all such materials to the Company; provided, that Employee shall be permitted to retain a copy of this Agreement, employee benefit materials generally distributed to employees and his personal rolodex or address book. Likewise, all correspondence, reports, records, charts, advertising materials and other similar data pertaining to the business, activities or future plans of the Company which are

collected by Employee shall be delivered promptly to the Company without request by it upon termination of Employee's employment.

12. **No Prior Agreements**. Employee hereby represents and warrants to the Company that the execution of this Agreement by Employee and his employment by the Company and the performance of his duties hereunder will not violate or be a breach of any agreement with a former employer, client or any other person or entity.

13. **Assignment; Binding Effect**. Employee understands that he has been selected for employment by the Company on the basis of his personal qualifications, experience and skills. Employee agrees, therefore, he cannot assign all or any portion of his performance under this Agreement. The Company may assign, in its sole discretion, all or part of this Agreement to the purchaser of substantially all of the assets of the Company. Without limitation of the foregoing, the Company's rights under this Agreement may be assigned to, and the Company's obligations hereunder assumed by, any successor entity or employer into which the Company is merged or consolidated. Subject to the preceding three sentences, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective heirs, legal representatives, successors and assigns.

14. **Complete Agreement; Waiver; Amendment**. Employee has no oral representations, understandings, or agreements with the Company or any of its officers, directors, or representatives covering the same subject matter as this Agreement. This Agreement is the final, complete, and exclusive statement of expression of the agreement between the Company and Employee with respect to the subject matter hereof, and cannot be varied, contradicted, or supplemented by evidence of any prior or contemporaneous oral or written agreement. This written Agreement may not be later modified except by a further writing signed by a duly authorized officer of the Company and Employee, and no term of this Agreement may be waived except by a writing signed by the party waiving the benefit of such term.

15. **Notice**. Whenever any notice is required hereunder, it shall be given in writing addressed as follows:

To the Company:

Sugartown Worldwide, Inc.
c/o Oxford Industries, Inc.
222 Piedmont Avenue, N.E.
Atlanta, Georgia 30308-3391
Attn: General Counsel

To the Employee:

Scott A. Beaumont
414 Rock Creek Circle
Berwyn, Pennsylvania 19132

With a copy to (which copy shall not constitute notice):	Pepper Hamilton LLP 3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103 Attn: Barry M. Abelson

16. **Severability; Headings**. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative. This severability provision shall be in addition to, and not in place of, the provisions of paragraph 7(c) above. The Section and paragraph headings are for reference purposes only and are not intended in any way to describe, interpret, define or limit the extent of the Agreement or of any part hereof.

17. **Counterparts**. This Agreement may be executed and delivered in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

18. **Equitable Remedy**. Because of the difficulty of measuring economic losses to the Company as a result of a breach of the covenants set forth in Section 7, 8, 9 and 10, and because of the immediate and irreparable damage that would be caused to the Company for which monetary damages would not be a sufficient remedy, it is hereby agreed that in addition to all other remedies that may be available to the Company at law or in equity, the Company shall be entitled to seek specific performance and any injunctive or other equitable relief as a remedy for any breach or threatened breach of Employee's covenants.

19. **Construction**. No provision of this Agreement shall be construed against or interpreted to the disadvantage of Employee or the Company by any court or the government or judicial authority by reason of Employee or the Company having or being deemed to have structured or drafted such provision of this Agreement.

20. **Governing Law**. This Agreement shall in all respects be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, not including the choice of law rules thereof.

21. **Section 409A**. This Agreement and the amounts paid hereunder are intended to be exempt from, or in compliance with Section 409A, and should be interpreted as such. Notwithstanding anything in this paragraph to the contrary, to the extent any payments made under Section 6 are not exempt from Section 409A and Employee, as of the date of his Separation from Service, is a specified employee as defined in Treasury Regulation Section 1.409A-1(i), the payments described in Section 6 shall be delayed until six (6) months after the date of Executive's Separation from Service, and any payments that would otherwise be payable during such six (6)-month period shall be accumulated without interest and paid in a lump sum

on the day after the six (6)-month anniversary of the date of Employee's Separation from Service.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Employment Agreement to be duly executed as of the date first written above.

SUGARTOWN WORLDWIDE, INC.

By: /s/ James B. Bradbeer, Jr.
Name: James B. Bradbeer, Jr.
Title: President

EMPLOYEE:

/s/ Scott A. Beaumont
Scott A. Beaumont

Exhibit 99.1

Oxford Industries, Inc. Press Release
222 Piedmont Avenue, N.E. • Atlanta, Georgia 30308

Contact:	Anne M. Shoemaker
Telephone:	(404) 653-1455
Fax:	(404) 653-1545
E-Mail:	ashoemaker@oxfordinc.com

FOR IMMEDIATE RELEASE
December 21, 2010

Oxford Industries Announces Acquisition of Lilly Pulitzer

— Transaction to Bring Strong, Lifestyle Brand to Oxford —

ATLANTA, GA — Oxford Industries, Inc. (NYSE:OXM) today announced that it has acquired Sugartown Worldwide, Inc., the owner of Lilly Pulitzer®, a growing, iconic, upscale women's lifestyle brand. Lilly Pulitzer, with a heritage and aesthetic based on the Palm Beach resort lifestyle, is a leading marketer and distributor of dresses, sportswear and other products to better specialty and department stores as well as through its own direct to consumer channels.

J. Hicks Lanier, Chairman and Chief Executive Officer of Oxford Industries, Inc., commented, "We are excited to add the Lilly Pulitzer brand to our growing platform of lifestyle apparel brands. Scott Beaumont, Jim Bradbeer and their team have done an exceptional job over the last 17 years of nurturing and developing the remarkable brand DNA originally created by Lilly Pulitzer in the late 1950's. They share our values and our strategic vision for how to continue to grow this iconic brand. We believe this business is an excellent fit with our operating model and will prove capable of significant growth. We are continuing to realize our vision for Oxford as a diversified purveyor of strong, company-owned lifestyle brands."

Scott Beaumont, Chief Executive Officer — Lilly Pulitzer Group, commented, "This is an extraordinarily good fit for us and we are very pleased to join forces with one of the strongest companies in the apparel market. We are very impressed with Oxford's leadership, strategic vision, operational expertise and financial strength." Jim Bradbeer, President — Lilly Pulitzer Group, added, "It is worth mentioning that we were not marketing the company when Oxford called us earlier this year. We have been approached by interested parties many times in the past but never felt that any were the right partner for us. We believe that joining forces with Oxford will enable us to best pursue our vision for the brand and to continue on our growth trajectory."

The Company will hold a conference call with senior management to discuss this transaction in more detail at 5:00 p.m. ET today. A live web cast of the conference call will be available on the Company's website at www.oxfordinc.com. Please visit the

(MORE)

website at least 15 minutes before the call to register for the teleconference web cast and download any necessary software. A replay of the call will be available through January 4, 2011. To access the telephone replay, participants should dial (858) 384-5517. The access code for the replay is 3856870. A replay of the web cast will also be available following the teleconference on the Company's website at www.oxfordinc.com.

About Oxford:

Oxford Industries, Inc. is an international apparel design, sourcing and marketing company featuring a diverse portfolio of owned and licensed brands and a collection of private label apparel businesses. Oxford's brands include Tommy Bahama®, Ben Sherman®, Lilly Pulitzer®, Oxford Golf®, Arnold Brant® and Billy London®. The Company also holds exclusive licenses to produce and sell certain product categories under the Kenneth Cole®, Geoffrey Beene® and Dockers® labels. Oxford's wholesale customers are found in every major channel of distribution, including national chains, specialty catalogs, mass merchants, department stores, specialty stores and Internet retailers. The Company operates retail stores, restaurants and Internet websites for some of its brands. The Company also has license arrangements with select third parties to produce and sell certain product categories under its Tommy Bahama, Ben Sherman and/or Lilly Pulitzer brands. Oxford's stock has traded on the New York Stock Exchange since 1964 under the symbol OXM. For more information, please visit Oxford's website at www.oxfordinc.com.

(MORE)

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This press release may include statements that are forward-looking statements within the meaning of the federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. We intend for all forward-looking statements contained herein or on our website, and all subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf, to be covered by the safe harbor provisions for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Important assumptions relating to these forward-looking statements include, among others, assumptions regarding the consummation and impact of acquisition or disposition activities, including the acquisition of Sugartown Worldwide, Inc., the owner of the Lilly Pulitzer brand, and the announced sale of substantially all of our Oxford Apparel Group, the impact of economic conditions on consumer demand and spending, demand for our products, timing of shipments requested by our wholesale customers, expected pricing levels, competitive conditions, the timing and cost of planned capital expenditures, costs of products and raw materials we purchase, access to capital and/or credit markets, expected outcomes of pending or potential litigation and regulatory actions and disciplined execution by key management. Forward-looking statements reflect our current expectations, based on currently available information, and are not guarantees of performance. Although we believe that the expectations reflected in such forward-looking statements are reasonable, these expectations could prove inaccurate as such statements involve risks and uncertainties, many of which are beyond our ability to control or predict. Should one or more of these risks or uncertainties, or other risks or uncertainties not currently known to us or that we currently deem to be immaterial, materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Important factors relating to these risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. contained in our Annual Report on Form 10-K for the period ended January 30, 2010 under the heading "Risk Factors" and those described from time to time in our future reports filed with the SEC.

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