

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-9
(RULE 14d-101)

SOLICITATION/RECOMMENDATION STATEMENT UNDER SECTION 14(d) (4)
OF THE SECURITIES EXCHANGE ACT OF 1934

LANDS' END, INC.
(Name of Subject Company)

LANDS' END, INC.
(Name of Person Filing Statement)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title and Classes of Securities)

515086 10 6
(Cusip Number of Class of Securities)

DONALD R. HUGHES
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
LANDS' END, INC.
ONE LANDS' END LANE
DODGEVILLE, WISCONSIN 53595
(608) 935-9341

(Name, Address and Telephone number of Person Authorized to Receive
Notices and Communications on Behalf of the Person(s) Filing Statement)

with copies to:

KARL DAHLEN	ROBERT S. OSBORNE, P.C.
VICE PRESIDENT AND SENIOR	KIRKLAND & ELLIS
LEGAL OFFICER	200 EAST RANDOLPH DRIVE
LANDS' END, INC.	CHICAGO, ILLINOIS 60601
ONE LANDS' END LANE	(312) 861-2368
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53595	
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Check the box if the filing relates solely to preliminary communications
made before the commencement of a tender offer.

ITEM 1. SUBJECT COMPANY INFORMATION

NAME AND ADDRESS

The name of the subject company to which this Solicitation/Recommendation Statement on Schedule 14D-9 (this "Statement") relates is Lands' End, Inc., a Delaware corporation (the "Company"). The address of the principal executive offices of the Company is One Lands' End Lane, Dodgeville, Wisconsin 53595. The telephone number of the principal executive offices of the Company is (608) 935-9341.

SECURITIES

The title of the class of securities to which this Statement relates is the common stock, par value \$0.01 per share, of the Company (the "Common Stock"). As of May 12, 2002, there were 30,012,942 shares of Common Stock issued and outstanding.

ITEM 2. IDENTITY AND BACKGROUND OF FILING PERSON

NAME AND ADDRESS

The name, address and telephone number of the Company, which is the person filing this Statement and is also the subject company, are set forth under the caption Item 1. "Subject Company Information -- Name and Address" above.

TENDER OFFER AND MERGER

This Statement relates to the tender offer by Inlet Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly-owned subsidiary of Sears, Roebuck and Co., a New York corporation ("Parent"), disclosed in a Tender Offer Statement on Schedule TO filed by Purchaser and Parent (the "Schedule TO") with the United States Securities and Exchange Commission (the "SEC") on May 17, 2002, to purchase all the outstanding shares of Common Stock at a purchase price of \$62 per share, net to the seller in cash (the "Offer Price"), on the terms and subject to the conditions set forth in the Offer to Purchase, dated May 17, 2002 (the "Offer to Purchase"), and the related Letter of Transmittal (the "Letter of Transmittal" which, together with the Offer to Purchase, as they may be amended and supplemented from time to time, constitute the "Offer"). As set forth in the Schedule TO, the principal executive offices of Parent and Purchaser are located at 3333 Beverly Road, Hoffman Estates, IL 60179.

The Offer is being made pursuant to the Acquisition Agreement and Agreement and Plan of Merger, dated as of May 12, 2002, among Parent, Purchaser and the Company (the "Acquisition Agreement"). The Acquisition Agreement provides, among other things, that as soon as practicable following consummation of the Offer and the satisfaction or waiver of the conditions set forth in the Acquisition Agreement, in accordance with the relevant provisions of Delaware law, Purchaser will be merged with and into the Company (the "Merger"). Following the effective time of the Merger (the "Effective Time"), the Company will continue as the surviving corporation (the "Surviving Corporation") and a wholly-owned subsidiary of Parent.

In the Merger, each share of Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Common Stock owned by the Company, any subsidiary of the Company, Parent or Purchaser or any other wholly-owned subsidiary of Parent, which shall be canceled, and other than the shares of Common Stock, if any, held by holders of Common Stock who have properly demanded and perfected their appraisal rights under Section 262 of the General Corporation Law of the State of Delaware ("DGCL")) will, by virtue of the Merger and without any action on the part of the holders of Common Stock, be converted into the right to receive the Offer Price, in cash, less any required withholding taxes and without interest, upon surrender of the certificate(s) formerly representing such shares of Common Stock. The Acquisition Agreement is more fully described in Section 11. "The Transaction Documents--The Merger Agreement" of the Offer to Purchase, which is filed herewith as Exhibit (a)(1) and incorporated herein by reference.

1

Each of Mr. Gary C. Comer, the Company's Chairman, certain trusts and charitable foundations established by Mr. Comer, and a trust associated with Mr. Richard C. Anderson, the Company's Vice Chairman, have entered into Tender Agreements, dated as of May 12, 2002 (each, a "Tender Agreement"), with Parent and Purchaser, pursuant to which they have, among other things, agreed to tender in the Offer an aggregate of approximately 55% of the issued and outstanding Common Stock (approximately 50.1% on a fully diluted basis), subject to certain terms and conditions. For purposes of the Offer and as used herein, "on a fully diluted basis" means, as of any date, the number of shares of Common Stock issued and outstanding, together with the shares of Common Stock that may be issued by the Company pursuant to warrants, options, rights or obligations outstanding at that date, whether or not vested or then exercisable.

The Tender Agreements are more fully described in Section 11. "The Transaction Documents--The Tender Agreements" of the Offer to Purchase, which is filed herewith as Exhibit (a)(1) and incorporated herein by reference.

Copies of the Acquisition Agreement and form of Tender Agreement (collectively, the "Transaction Agreements") are filed herewith as Exhibits (e)(1) and (e)(2), respectively, and incorporated herein by reference. Copies of (i) the joint press release issued by the Company and Parent on May 13, 2002, Q&A to Company employees and certain other materials issued by the Company on May 13, 2002; (ii) the transcript of the conference call held by the Company on May 13, 2002; (iii) the press release issued by the Company on May 16, 2002; and (iv) the employee newsletter circulated by the Company on May 16, 2002, are filed herewith as Exhibits (a)(3) through (a)(6) and incorporated herein by reference.

ITEM 3. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS

Certain contracts, agreements, arrangements or understandings between the Company or its affiliates and certain of its directors and executive officers and between the Company and Parent and Purchaser are, except as noted below, described in the Information Statement pursuant to Section 14(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 14f-1 thereunder (the "Information Statement") that is attached as Annex B to this Statement and incorporated herein by reference. Except as set forth in this Item 3 or in the Information Statement or as incorporated by reference herein, to the knowledge of the Company, as of the date hereof, there are no material agreements, arrangements or understandings and no actual or potential conflicts of interest between the Company or its affiliates and (i) the Company or its executive officers, directors or affiliates or (ii) Parent, Purchaser, or their respective executive officers, directors or affiliates.

THE TRANSACTION AGREEMENTS

The summaries of the Transaction Agreements and the description of the conditions of the Offer are contained in Sections 11. "The Transaction Agreements--The Merger Agreement" and "--The Tender Agreements" and 15. "Certain Conditions of the Offer" of the Offer to Purchase, which is filed herewith as Exhibit (a)(1) and incorporated herein by reference. Such summaries and descriptions are qualified in their entirety by reference to the Transaction Agreements, which are filed herewith as Exhibits (e)(1) and (e)(2) and incorporated herein by reference.

CEO EMPLOYMENT AGREEMENT; SENIOR EXECUTIVE RETENTION AGREEMENTS; AND EXECUTIVE RETENTION PLANS

CEO Employment Agreement. The Company entered into an Amended and Restated Agreement with David F. Dyer, its President and Chief Executive Officer, dated as of May 12, 2002 (the "CEO Agreement"), which amends a previous agreement between Mr. Dyer and the Company dated December 11, 1998. Under the CEO Agreement, Mr. Dyer will continue to serve as President and Chief Executive Officer of the Company, and after a sale of the Company to Parent, will report directly to the Chief Executive Officer of Parent. The CEO Agreement also provides that Mr. Dyer's base salary will be at least \$600,000 per annum and that he is eligible to receive an annual bonus at specified target bonus levels. Mr. Dyer is also entitled to participate in the Company's long-term incentive plans and in any employee pension and welfare benefit plans and programs made available to other senior executives, and to use the Company's plane.

If Mr. Dyer's employment with the Company is terminated by the Company without cause or by Mr. Dyer following certain specified actions by the Company, Mr. Dyer will be entitled to: (i) payment of his base salary, any earned and unpaid incentive awards and accrued and unused vacation days through the termination date, and all other vested benefits as of the termination date, (ii) payment of an aggregate amount, to be paid on a regular basis over a 24-month period (the "Salary Continuation Period"), equal to two times the sum of his annual base salary plus a specified percentage of his target bonus, (iii) participation in the Company's health and medical insurance policies for himself and his spouse during the Salary Continuation Period at the same cost and expense as other senior executives of the Company, (iv) participation in the Company's retiree medical plan for himself and his spouse at the same cost

and expense as other participants in such plan from the end of the Salary Continuation Period until the earlier of his 65th birthday or his death, and (v) the right to elect to have the Company purchase his home in Dodgeville, Wisconsin. In addition, after a sale of the Company, Mr. Dyer may be entitled to receive certain gross up payments under certain circumstances to compensate him for the amount of any excise tax he incurs in connection with the accrual of benefits in respect of such sale and any incremental income tax he incurs as a result of the gross up payments. Under the terms of the CEO Agreement, the consummation of the Merger, but not the consummation of the Offer, constitutes a sale of the Company.

Mr. Dyer's agreement prohibits him from engaging in certain activities that compete with the Company's business for a period of one year after the termination of his employment with the Company and prohibits him from soliciting employees and certain customers of the Company for a period of two years after the termination of his employment with Company.

CEO Letter Agreement. On May 13, 2002, Mr. Dyer entered into a letter agreement with Parent regarding his employment with Parent after a sale of the Company (the "CEO Letter Agreement"). The CEO Letter Agreement, which is subject to approval by the compensation committee of Parent's board of directors, provides that following the Merger, Mr. Dyer will be the President and CEO of the Company and Executive Vice President/General Manager, Customer Direct, of Parent, reporting directly to the Chairman and Chief Executive Officer of Parent.

The CEO Letter Agreement also provides that following a sale of the Company to Parent, Mr. Dyer will be granted 50,000 non-qualified stock options to purchase Parent stock, which will vest over a three-year period and 40,000 shares of restricted stock of Parent that vest on the second and third anniversaries of the date of grant. If Mr. Dyer's employment is terminated, his stock options and shares of restricted stock will continue to vest during any salary continuation period. If an involuntary termination occurs during the first year of employment other than for cause, including for good reason, (i) any restricted stock not vested at the end of the Salary Continuation Period shall vest in full at the end of such period, (ii) Parent will pay Mr. Dyer, within 30 days after the Salary Continuation Period, an amount equal to the option spread on up to 16,668 stock options of Parent that do not otherwise vest during the Salary Continuation Period and (iii) his participation in the long-term incentive plan will be prorated through the last active day worked.

Mr. Dyer will also be entitled to participate in the long-term performance incentive program of Parent and the qualified and non-qualified pension plans of Parent. Under the non-qualified pension plan of Parent, Mr. Dyer will receive 2 years of service credit for each year of service during the first five years of his employment with Parent. In the event of a change of control of Parent during his employment or if his employment is terminated without cause after the expiration of his current employment agreement, the terms of Mr. Dyer's separation would mirror those of other similarly situated executives of Parent. At the expiration of the CEO Agreement, it is anticipated that Mr. Dyer will be asked to enter into agreements regarding severance, non-competition, non-solicitation and non-disclosure with Parent on terms that would mirror those of other similarly situated executives of Parent.

Senior Executive and Other Officer Retention Agreements. In addition to the CEO Agreement, the Company entered into agreements, dated as of May 12, 2002, with 16 of its senior executives and other officers (the "Executive Retention Agreements"). Under the Executive Retention Agreements, if an executive remains continuously employed by the Company for one year following a sale of the Company, such executive will be entitled to receive a retention bonus, payable in a lump sum, in an amount equal to such executive's base salary

multiplied by either 1.0 or 0.75, depending on the identity of the covered executive. If all such executives receive a retention bonus, the aggregate amount of these retention bonuses would be approximately \$3.5 million. The Executive Retention Agreements provide that the consummation of the Merger, but not the Offer, constitutes a sale of the Company.

In addition to the retention bonuses, if an executive's employment with the Company is terminated by the Company other than for cause or by such executive following certain specified actions by the Company, such executive would be

entitled to: (i) receive his or her base salary through the date of termination, any earned and unpaid bonus from the fiscal year prior to the termination date, and all other vested benefits as of the date of termination and payment with respect to any unused vacation time, (ii) payment of a pro rata portion of a specified percentage of his or her target bonus for the then current fiscal year, (iii) a severance payment in an aggregate amount equal to 1.5 of the sum of (x) his or her then current base salary plus (y) a specified percentage of his or her target bonus, which severance payment is payable over 18 months and (iv) if such termination occurs after a sale of the Company and during the two year period following such sale, participation in the Company's health and medical benefits during such severance payment period at the same cost and expense as other executives of the Company. If employment with the Company of all 16 executives is terminated by the Company other than for cause or by such executives following certain specified actions by the Company, the aggregate amount of the severance payments under clause (iii) above would be approximately \$11.2 million (excluding all retention bonuses and gross up payments).

After a sale of the Company, each executive may be entitled to receive certain gross up payments under certain circumstances to compensate him or her for the amount of excise tax he or she incurs in connection with the accrual of benefits in respect of such sale and any incremental income tax he or she incurs as a result of the gross up payments.

The Executive Retention Agreements also contain restrictive covenants that prohibit each covered executive from engaging in certain activities that compete with the Company's business for a period of 6 months following the termination of his or her employment with the Company and from soliciting employees and certain customers of the Company for a period of two years following the termination of his or her employment with the Company.

Executive Retention Plans. On May 12, 2002, the Company adopted the Executive Retention Plan -- Group A ("Plan A") and the Executive Retention Plan -- Group B ("Plan B" and, together with Plan A, the "Plans"). Twenty-four officers and other key employees of the Company are eligible to participate in Plan A and sixty-nine key employees of the Company are eligible to participate in Plan B (collectively, "Eligible Employees"). The Plans provide that each Eligible Employee will be entitled to receive a retention bonus, payable in a lump sum, if such Eligible Employee remains continuously employed by the Company for one year following a sale of the Company, in an amount equal to (x) 0.5 times such Eligible Employee's base salary, for Eligible Employees under Plan A and (y) 0.25 times such Eligible Employee's base salary, for Eligible Employees under Plan B (in each case, the "Retention Bonus"). If, during the one year period following a sale of the Company, an Eligible Employee is terminated by the Company other than for cause or if such Eligible Employee terminates his or her employment following certain specified actions by the Company, such Eligible Employee would be entitled to receive his or her Retention Bonus upon such termination. If all Eligible Employees receive Retention Bonuses, the aggregate amount of all Retention Bonuses payable under the Plans would be approximately \$3.7 million. Under the terms of the Plans, the consummation of the Merger, but not the Offer, constitutes a sale of the Company.

The Plans also provide that if, after the occurrence of a sale of the Company and prior to the second anniversary of such sale, an Eligible Employee's employment with the Company is terminated by the Company other than for cause or by such Eligible Employee following certain specified actions by the Company, then such Eligible Executive shall be entitled to: (i) payment of such Eligible Employee's base salary through the date of termination, (ii) any earned and unpaid bonus from the previous fiscal year, (iii) a pro rata portion of a specified percentage of his or her target bonus for the then current fiscal year, (iv) an amount equal to either 1.0 times, in the case of Plan A, or 0.5 times, in the case of Plan B, the sum of (x) his or her then current annual base salary plus (y) a specified percentage of his or her target bonus, which severance amount is payable over 12 months under Plan A and 6 months under Plan B, (v) all other vested benefits as of the termination date, (vi) payment

with respect to unused vacation time and (vii) participation in the Company's health and medical benefits during such respective severance period at the same cost and expense as other similarly situated employees. If, after a sale of the

Company, all Eligible Employees were terminated other than for cause or if they were to terminate their employment following certain specified actions by the Company, then the aggregate amount of the severance payments under clause (iv) above would be approximately \$10.6 million (excluding all retention bonuses and gross up payments). Prior to a sale of the Company, no amounts are payable under the Plans.

After a sale of the Company, each Eligible Employee covered under Plan A may be entitled to receive certain gross up payments under certain circumstances to compensate him or her for the amount of excise tax he or she incurs in connection with the accrual of benefits in respect of such sale and any incremental income tax he or she incurs as a result of the gross up payments.

The foregoing summaries of the CEO Employment Agreement, the CEO Letter Agreement, Executive Retention Agreements and the Plans are qualified in their entirety by reference to the CEO Employment Agreement, CEO Letter Agreement, form of Executive Retention Agreement and the Plans filed herewith as Exhibits (e) (4) through (e) (9) and incorporated herein by reference.

CONFIDENTIALITY AGREEMENT

On February 26, 2002, Parent and the Company entered into a confidentiality agreement in connection with Parent's evaluation of the Company and the Company's provision of certain information to Parent (the "Confidentiality Agreement"). The Confidentiality Agreement is filed herewith as Exhibit (e) (3) and incorporated herein by reference.

EFFECT OF THE MERGER ON EMPLOYEE BENEFIT PLANS AND STOCK PLANS

The Acquisition Agreement provides that from the Effective Time until the first anniversary of the Effective Time, the Parent will provide (or cause the Surviving Corporation to provide) employees who were employees of the Company at the Effective Time with salary and benefits (including benefits pursuant to qualified and nonqualified benefit and retirement plans, savings plans, medical, dental, disability and life insurance plans and programs, deferred compensation arrangements, bonus and incentive compensation plans, and retiree benefit plans, policies and arrangements) other than equity related compensation, that are no less favorable in the aggregate than those provided by the Company and the Company's subsidiaries to such employees immediately prior to the Effective Time. The Parent has also agreed to honor and perform (and to cause the Surviving Corporation to honor and perform) all severance, change in control and termination programs, policies, agreements (including any change in control, termination, severance agreements or employment agreements containing such type of provisions) and plans of the Company or any of the Company's subsidiaries. However, the employee benefits section of the Acquisition Agreement provides that it does not create in any Company employee any rights of employment or continued employment.

The consummation of the Offer constitutes a "Sale of the Company" pursuant to the terms of the options to purchase Common Stock under the Lands' End Stock Option Plan (together with the options outstanding under the Non-Employee Director Stock Option Plan, the "Company Options"). Consequently, upon consummation of the Offer, all unvested Company Options will fully vest and become exercisable and all conditions and restrictions with respect to the Company Options then outstanding, including limitations on exercisability and vesting, risk of forfeiture and conditions and restrictions requiring continued performance of services or the meeting of any targets or milestones with respect to the exercisability or vesting of any such Company Options, will immediately lapse.

The Acquisition Agreement further provides that each Company Option unexercised and outstanding at the Effective Time will be cancelled as of the Effective Time in exchange for a cash payment to the holder of the Company Option in an amount equal to the excess of (x) the Offer Price multiplied by the number of shares of Common Stock purchasable pursuant to such Company Option immediately prior to the Effective Time over (y) the aggregate exercise price for the shares of Common Stock purchasable pursuant to such Company Option immediately prior to the Effective Time (in each case assuming such Company Option had been fully vested and fully exercisable as of the Effective Time as contemplated by the Acquisition Agreement), less any amounts as

Revenue Code of 1986, as amended, or any provision of state or local tax law in connection with such payment. The aggregate value of vested Company Options (based on the difference between \$62 and the per share exercise price of such Company Options), held by each of the Company's directors and executive officers, as of May 7, 2002, is approximately \$31.35 million. The aggregate value of unvested Company Options (based on the difference between \$62 and the per share exercise price of such Company Options), held by each of the Company's directors and executive officers, as of May 7, 2002, is approximately \$20.55 million.

INDEMNIFICATION AND INSURANCE

The Acquisition Agreement provides that the Parent and the Surviving Corporation jointly and severally shall indemnify, to the full extent permitted under Delaware law, the present and former directors and officers of the Company and its subsidiaries in respect of actions taken prior to and including the Effective Time in connection with their duties as directors or officers of the Company or its subsidiaries (including in connection with the Offer and the Merger). The Acquisition Agreement also provides that for at least six years after the Effective Time, the Parent or the Surviving Corporation will maintain in effect directors' and officers' liability insurance covering the persons who are currently covered by the existing directors' and officers' liability insurance of the Company with respect to actions that have taken place prior to or at the Effective Time, on terms and conditions (including coverage amount) no less favorable to such persons than those in effect under the existing directors' and officers' liability insurance of the Company. Furthermore, under the terms of the Acquisition Agreement, any successor to or assignee of Parent, Purchaser or the Company will be bound by these indemnification and insurance obligations.

REPRESENTATION ON THE BOARD

The Acquisition Agreement provides that, subject to compliance with Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder, upon the purchase of and payment for at least two-thirds of the issued and outstanding Common Stock in connection with the Offer by Parent or any of its subsidiaries and prior to the Effective Time:

- . The size of the Company's board of directors (the "Board") will be increased to 9.
- . All current directors will resign, other than 3 of the current directors who are not employees of the Company or stockholders, affiliates, associates or employees of Parent or Purchaser (the "Independent Directors").
- . A number of persons equal to the aggregate vacancies so created will be designated by Parent and will be elected to fill the vacancies so created.

After the election of Parent's designees to the Board and prior to the Effective Time, the affirmative vote of 8 out of 9 of the Company's directors (or such other number that would constitute a majority of the Independent Directors) will be necessary to (i) amend or terminate the Acquisition Agreement, (ii) waive any obligation or other act of Parent or Purchaser or waive any of the Company's rights, remedies or benefits under the Acquisition Agreement or (iii) take any other action of the Company's Board under or in connection with the Acquisition Agreement in any manner that adversely affects the holders of Common Stock.

As of the date of this Statement, no determination has been made as to which directors of the Company will serve as Independent Directors.

ITEM 4. THE SOLICITATION OR RECOMMENDATION

RECOMMENDATION OF THE BOARD

At a meeting held on May 12, 2002, the members of the Board unanimously:

- . determined that the terms of the Acquisition Agreement, the Offer and the Merger were fair to, and in the best interests of, the Company and its stockholders, and declared that the Offer and the Merger are advisable;
- . approved the Acquisition Agreement and the transactions contemplated thereby, including the Offer and the Merger, and each of the Tender Agreements and the transactions contemplated by the Tender Agreements; and

- . recommended (subject to the further exercise of its fiduciary duties) that the Company's stockholders accept the Offer and tender their shares of Common Stock pursuant to the Offer and, if necessary under the DGCL, approve and adopt the Acquisition Agreement and the Merger.

THE BOARD RECOMMENDS THAT THE STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES OF COMMON STOCK PURSUANT TO THE OFFER.

BACKGROUND

Over a period of several years prior to the Transaction, the Company and Mr. Comer had contacts from time to time with Parent regarding Parent's potential interest in engaging in a business or strategic transaction with the Company. Among other things, in connection with the Company's exploration of strategic alternatives in 2000, the Company and Parent entered into a confidentiality agreement in May 2000 pursuant to which the Company provided Parent with certain confidential information. In addition, Mr. Comer received a preliminary contact from the Chief Executive Officer of Parent in late summer 2001, but subsequently indicated to him that the Company was not interested in engaging in a business or strategic transaction at that time.

None of the foregoing contacts matured into any definitive or binding proposal by either party. Further information provided by the Parent with respect to these contacts is set forth in Section 10. "Background of the Offer; Past Contacts or Negotiations with the Company" of the Offer to Purchase, which is filed herewith as Exhibit (a)(1) and incorporated herein by reference.

At a November 3, 2001 meeting of the Board of Directors, Mr. Comer reported that he had recently received an inquiry from a third party regarding a potential strategic transaction involving the Company. The directors engaged in a discussion with the Company's outside counsel, Kirkland & Ellis, regarding the fiduciary responsibilities of the Board in connection with strategic transactions. Mr. Comer expressed his intention not to individually sell his interest in the Company and stated that he only would support a transaction that involved all stockholders and gave each stockholder the opportunity to receive the same consideration. He also confirmed that he had no intention of controlling or limiting the process by which the Company might engage in a strategic transaction and intended that the Board as a whole would control any strategic process for the benefit of all stockholders. After further discussing the potential strategic opportunity, the Board reviewed the Company's then current strategic plan for operating on a stand-alone basis and discussed a wide range of possible strategic transactions that could be viewed as alternatives to the then current plan. Based on these discussions, the Board determined that it should take steps to become better informed about the recent inquiry and that it should consult with an independent financial advisor in determining how best to proceed.

Peter J. Solomon Company Limited ("PJSC") was invited to attend portions of a Board meeting on November 5, 2001 to make a presentation regarding the resources and capabilities of PJSC as an independent financial advisor. At the conclusion of the meeting, the Board decided to engage PJSC as the Company's financial advisor for purposes of evaluating the third party's strategic proposal and any other strategic transactions to be considered by the Board.

In November 2001, PJSC engaged in preliminary discussions with the third party and its financial advisor with respect to a possible strategic transaction. Shortly after such discussions commenced, however, the third party determined not to pursue a transaction with the Company.

At a January 22, 2002 meeting, the Board invited PJSC to discuss its views with respect to other strategic opportunities that might be available to the Company. Kirkland & Ellis also provided advice to the directors regarding the legal standards applicable to their decision making process in this regard. The Board then authorized management to proceed to work with PJSC on exploring other strategic opportunities subject to further Board review and guidance.

Commencing in late February 2002, PJSC contacted over 35 potential strategic and financial buyers selected on the basis of a variety of factors, including perceived interest in the Company, familiarity with the business in which the Company operated and financial ability to consummate a transaction with the

engaged in preliminary discussions with these potential buyers, and those parties expressing an interest in pursuing a possible transaction were asked to sign a confidentiality agreement. Seven parties signed confidentiality agreements and received a confidential information memorandum prepared by PJSC. These parties were asked to submit a written, non-binding preliminary indication of interest to the Company by April 15, 2002.

On March 18, 2002, the Board met by telephone conference to review, among other matters, the progress of the strategic review process. At the meeting, PJSC provided an update and led a discussion of the process that it had engaged in on behalf of the Company. At the conclusion of the meeting, the Board requested that PJSC prepare certain financial analyses with respect to the Company on a standalone going-concern basis to be delivered in advance of the next Board meeting.

On April 16, 2002, the Board met by telephone conference to review the progress of the strategic review process and to consider the two written indications of interest received from third parties, as well as the financial analyses prepared by PJSC. At this meeting, the Board discussed with Kirkland & Ellis its fiduciary duties in the context of a possible sale of the Company and discussed with PJSC the financial analyses that had been requested by the Board. PJSC then led a discussion of the indications of interest received from third parties and Kirkland & Ellis led a discussion of structural issues and contract issues relating to the implementation of a possible transaction.

At the April 16, 2002 meeting, the Board determined to provide both parties that had submitted indications of interest, one of which was Parent, with nonpublic information regarding the Company, and authorized Kirkland & Ellis to provide each with forms of an acquisition agreement, pursuant to which such third party would make a cash tender offer for all outstanding shares of Common Stock to be followed by a merger at the same cash price, and a tender agreement, whereby Mr. Comer, subject to the conditions set forth therein, would agree to tender certain of his shares of Common Stock in the tender offer. The two third parties were asked to submit definitive proposals to the Company by May 9, 2002.

After more than three weeks of due diligence review of the Company and its businesses, both third parties that submitted indications of interest made proposals to the Company on the bid deadline, May 9, 2002. The third party other than Parent reported to the Company that it was prepared to proceed with a fully-financed transaction, but not at a higher price than stated in its previous indication of interest. The highest proposal that the Company received was made by Parent. Parent submitted a written proposal contemplating a fully-financed cash tender offer for all outstanding shares of Common Stock for \$61 per share to be followed by a merger at the same cash price and included a detailed markup of the proposed forms of acquisition agreement and tender agreement. Parent also requested that Mr. Anderson, and certain trusts and foundations associated with Mr. Comer, enter into tender agreements, in addition to Mr. Comer.

On May 10, 2002, the Board met by telephone conference with the Company's legal and financial advisors to discuss the proposals that had been received. PJSC reviewed with the Board the proposals and the valuation methodologies it expected to utilize in evaluating the consideration to be received in a transaction. PJSC also provided a current update of its previous financial analyses regarding the Company on a standalone going-concern basis. The Board then discussed with Kirkland & Ellis its fiduciary responsibilities in the context of the proposals, and certain revisions to the form of acquisition agreement requested by Parent. The Board then engaged in a detailed discussion regarding the proposals and discussed the relative merits of remaining an independent public company. Following this discussion, the Board authorized management and its advisors to continue negotiations with Parent as to both pricing and terms of a definitive acquisition agreement.

On May 11, 2002, representatives of the Company's and Parent's management teams, and the Company's and Parent's legal and financial advisors, met to negotiate the terms of a revised draft of the acquisition agreement circulated by Kirkland & Ellis early that morning. In connection with these negotiations, the Company requested that Parent increase the consideration it would pay in a

transaction. During the course of the

8

negotiations, the Company and Parent reached satisfactory terms with respect to the forms of acquisition agreement and tender agreements, and the Parent agreed to increase the consideration it would pay in the tender offer and second step merger to \$62 per share.

On the afternoon of May 12, 2002, the Board met and considered the revised offer the Company had received from Parent, and the relative merits of such offer versus remaining an independent public company. Kirkland & Ellis made a presentation regarding the Board's fiduciary duties in the context of the proposed transaction and then reviewed with the Board the terms of the proposed acquisition agreement and the related transaction documents as negotiated with Parent and Parent's legal counsel. PJSC reviewed with the Board its financial analysis of the consideration payable in the Transaction and rendered to the Board an oral opinion (which opinion was confirmed by delivery of a written opinion dated May 12, 2002) to the effect that, as of the date of the opinion and based upon and subject to certain matters stated in such opinion, the \$62 per share cash consideration to be received in the Transaction by holders of Common Stock was fair, from a financial point of view, to such holders. The Board then received a report of the Compensation Committee regarding the executive retention agreements and plans described above and engaged in a general discussion with respect to the merits of the proposed transaction.

After thorough discussion, the Board approved and authorized the Acquisition Agreement with Parent. The Acquisition Agreement was executed by the Company and Parent on the evening of May 12, 2002 and publicly announced the following day.

REASONS FOR THE BOARD'S RECOMMENDATION.

In approving the Acquisition Agreement and the transactions contemplated thereby, including the Offer and the Merger (the "Transaction"), and recommending that all holders of Common Stock accept the Offer and tender their shares of Common Stock pursuant to the Offer, the Board considered a number of factors, including:

- . the financial condition, results of operations and businesses of the Company, on both a historical and prospective basis;
- . the Company's future prospects and alternatives available to the Company as a stand-alone enterprise;
- . the present and prospective value of the Company as a going-concern;
- . current industry, economic and market conditions and historical market prices;
- . price to earnings multiples and recent trading patterns of the Common Stock;
- . market prices and financial data relative to other companies engaged in the same or similar businesses as the Company and the prices and other terms of recent acquisition transactions in the Company's industry;
- . certain challenges facing the Company, including competition in each part of the Company's business from other industry participants;
- . the relationship of the Offer Price to the historical market prices of the Common Stock, including (i) that the Offer Price represents a 21.5% premium over the closing price of the Common Stock on the trading day immediately preceding the announcement of the Transaction, (ii) that the Offer Price represents a 45.9% premium over the average closing price for the Common Stock of \$42.49 during the 12-month period ended May 10, 2002, and (iii) that the Common Stock had traded in the range of \$28.38 to \$54.69 during the 12-month period ended May 10, 2002;
- . the results of the process that had been conducted by the Board, with the assistance of management and the Company's financial and legal advisors, to evaluate the Company's strategic alternatives, including the fact that over 35 potential strategic and financial buyers were contacted and that

the Company did not receive any proposal that offered value superior to the Offer Price;

- . presentations by, and discussions with, senior management of the Company and representatives of the Company's financial and legal advisors regarding the Transaction;
- . the fact that the Acquisition Agreement provides for a prompt cash tender offer for all outstanding shares of Common Stock to be followed by the Merger at the same cash price per share, thereby enabling the Company's stockholders to obtain the benefits of the Transaction at the earliest possible time;

9

- . the form of consideration to be paid to the Company's stockholders pursuant to the Offer and the Merger, and the certainty of value of cash consideration;
- . that the Offer is conditioned on the holders of at least two-thirds of the issued and outstanding Common Stock on a fully-diluted basis tendering their shares in the Offers, and that each of Mr. Gary C. Comer, certain trusts and charitable foundations established by Mr. Comer and a trust associated with Mr. Anderson would enter into agreements to tender in the Offer an aggregate of approximately 55% of the issued and outstanding Common Stock (approximately 50.1% on a fully diluted basis), subject to certain terms and conditions;
- . the financial presentation of PJSC and the opinion dated May 12, 2002 of PJSC as to the fairness, from a financial point of view and as of such date, of the \$62 per share cash consideration to be received in the Transaction by holders of Common Stock. The full text of PJSC's written opinion, dated May 12, 2002, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by PJSC, is attached hereto as Annex A and is incorporated herein by reference. PJSC'S OPINION IS DIRECTED ONLY TO THE FAIRNESS FROM A FINANCIAL POINT OF VIEW OF THE \$62 PER SHARE CASH CONSIDERATION TO BE RECEIVED IN THE TRANSACTION BY HOLDERS OF COMMON STOCK AND IS NOT INTENDED TO CONSTITUTE, AND DOES NOT CONSTITUTE, A RECOMMENDATION AS TO WHETHER ANY STOCKHOLDER SHOULD TENDER SHARES OF COMMON STOCK PURSUANT TO THE OFFER, VOTE IN FAVOR OF OR CONSENT TO, IF NECESSARY, THE MERGER, OR AS TO ANY OTHER ACTIONS TO BE TAKEN BY SUCH STOCKHOLDER IN CONNECTION WITH THE OFFER OR THE MERGER. HOLDERS OF COMMON STOCK ARE URGED TO READ SUCH OPINION CAREFULLY IN ITS ENTIRETY;
- . that the Offer and the Merger would be taxable to the Company stockholders and the cash paid to them pursuant to the Offer or the Merger could be used to satisfy any tax liability resulting from the Offer or the Merger;
- . that the Acquisition Agreement permits the Board to withdraw or modify its recommendation of the Transaction to the extent that the Board determines in good faith after consultation with its legal counsel that the failure to withdraw or modify such recommendation would be inconsistent with its fiduciary duties under applicable law;
- . that the withdrawal or modification of the Board's recommendation of the Transaction would not alter its approval of the Acquisition Agreement or the Tender Agreements for purposes of Section 203 of the DGCL;
- . that the Acquisition Agreement permits the Company to request clarification from a person or entity that makes an Acquisition Proposal (as defined in the Acquisition Agreement) to ascertain whether such Acquisition Proposal is a Superior Proposal (as defined in the Acquisition Agreement);
- . that the Acquisition Agreement permits the Company to participate in discussions or negotiations with, or furnish information to, any person that delivers an Acquisition Proposal that, in the good faith judgment of the Board, is a Superior Proposal and in the good faith judgment of the Board after consultation with legal counsel, the failure to respond to such Acquisition Proposal would be inconsistent with the Board's fiduciary duties;

- . that the Acquisition Agreement permits the Company to terminate the Acquisition Agreement if the Company enters into an agreement with respect to an Acquisition Proposal under the circumstances contemplated thereby, provided that the Company pay the Parent a \$77.5 million termination fee, plus documented out-of-pocket expenses not to exceed \$4 million;
- . that the Tender Agreements terminate upon termination of the Acquisition Agreement;
- . that neither the commencement nor the consummation of the Offer is subject to the Parent's ability to secure financing commitments;
- . the likelihood of obtaining required regulatory approvals; and
- . the ability of the Company stockholders who object to the Merger to obtain "fair value" for their shares of Common Stock if they exercise and perfect their appraisal rights under Delaware law.

10

The foregoing discussion of information and factors considered and given weight by the Board is not intended to be exhaustive, but is believed to include all of the material factors, both positive and negative, considered by the Board. In evaluating the Transaction, the members of the Board considered their knowledge of the business, financial condition and prospects of the Company, and the views of the Company's management and its financial and legal advisors. In view of the wide variety of factors considered in connection with its evaluation of the Transaction, the Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching its determinations and recommendations. In addition, individual members of the Board may have given different weights to different factors.

The Board recognized that, while the Transaction gives the Company's stockholders the opportunity to realize a significant premium over the price at which the shares of Common Stock were traded prior to the public announcement of the Transaction, adopting the Acquisition Agreement would eliminate the opportunity for the Company's stockholders to participate in the future growth and profits of the Company. The Board also realized that the termination fee and expense reimbursement required by the terms of the Acquisition Agreement to be paid by the Company in certain circumstances would make it more costly for another potential purchaser to acquire the Company. The Board believed that the loss of the opportunity to participate in the growth and profits of the Company following the Offer and the risks associated with the termination fee and expense reimbursement were reflected in the \$62 per share price offered by Parent in the Offer, and that termination fee and expense reimbursement provisions are customary in transactions of this type.

INTENT TO TENDER

To the best of the Company's knowledge, each executive officer, director, affiliate or subsidiary of the Company who owns shares of Common Stock intends to tender all issued and outstanding shares of Common Stock held of record or beneficially owned by such person to Purchaser in the Offer.

ITEM 5. PERSON/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED

The Company has retained PJSC to act as its exclusive financial advisor in connection with the Transaction. Pursuant to the terms of PJSC's engagement, the Company has agreed to pay PJSC \$1,000,000 upon the delivery of PJSC's fairness opinion, which opinion was delivered by PJSC on May 12, 2002. In addition, upon consummation of the Transaction, the Company has agreed to pay PJSC a fee equal to 0.586% of the aggregate consideration to be paid in the Transaction (including amounts paid to all holders of Common Stock or options to acquire Common Stock and the principal amount of the Company's long-term indebtedness), less the \$1,000,000 previously paid in connection with the delivery of PJSC's fairness opinion. The Company also has agreed to reimburse PJSC for reasonable travel and other expenses, including reasonable fees and expenses of its legal counsel, and to indemnify PJSC and related parties against certain liabilities, including liabilities under the federal securities laws, arising out of PJSC's engagement. In addition, PJSC and its affiliates may maintain relationships with the Company, Parent and their respective affiliates. Neither the Company nor any person acting on its behalf has

employed, retained or compensated any other person to make solicitations or recommendations to stockholders on its behalf concerning the Transactions.

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY

Other than the contribution of (i) 116,484 shares of Common Stock by the Gary C. Comer Grantor Annuity Trust to each of (x) the Stephanie Comer Remainder Trust and (y) the Guy Comer Remainder Trust, on April 4, 2002, (ii) 1,000,000 shares of Common Stock by Mr. Comer to the Comer Charitable Fund on May 10, 2002 and (iii) 1,317,032 shares of Common Stock by Mr. Comer to the Comer Science and Education Foundation on May 10, 2002, no transactions in the Common Stock have been effected during the past 60 days by the Company or any of its subsidiaries or, to the best of the Company's knowledge, by any executive officer, director or affiliate of the Company.

11

ITEM 7. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS

Except as set forth in this Statement and the Offer to Purchase, the Company is not undertaking or engaged in any negotiations in response to the Offer that relate to:

- . a tender offer for or other acquisition of the Company's securities by the Company, any subsidiary of the Company or any other person;
- . any extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any subsidiary of the Company;
- . any purchase, sale, or transfer of a material amount of assets of the Company or any subsidiary of the Company; or
- . any material change in the present dividend rate or policy, or indebtedness or capitalization of the Company.

Except as set forth in this Statement or the Offer to Purchase, there are no transactions, resolutions of the Board, agreements in principle, or signed contracts in response to the Offer that relate to one or more of the events referred to in this Item 7.

ITEM 8. ADDITIONAL INFORMATION

SECTION 14(f) INFORMATION STATEMENT

The Information Statement attached as Annex B hereto is being furnished in connection with the possible designation by Parent, pursuant to the Acquisition Agreement, of certain persons to be appointed to the Board other than at a meeting of the Company's stockholders.

ANTI-TAKEOVER STATUTE

As the Company is a Delaware corporation, the provisions of Section 203 of the Delaware General Corporation Law (the "DGCL") by their terms apply to the approval of the Offer and the Merger. The description of these provisions and their applicability to the approval of the Offer and the Merger is contained in Section 16. "Certain Legal Matters; Regulatory Approvals" of the Offer to Purchase, which is filed herewith as Exhibit (a)(1) and incorporated herein by reference. At its meeting held on May 12, 2002, the Board approved the Transaction Agreements and the transactions contemplated thereby, which approval rendered Section 203 of the DGCL inapplicable to the Transaction Agreements and the transactions contemplated thereby, including the Offer and the Merger.

APPRAISAL RIGHTS

For a description of the appraisal rights applicable to the Merger (such rights not being applicable to the Offer), see Section 16. "Certain Legal Matters; Regulatory Approvals" of the Offer to Purchase, which section is filed herewith as Exhibit (a)(1) and incorporated herein by reference.

FINANCIAL FORECASTS

The Company provided to Parent certain non-public business and financial

information in connection with its analysis of the Company. The summary description of this information in Section 7. "Certain Information Concerning the Company" of the Offer to Purchase is filed herewith as Exhibit (a) (1) and incorporated herein by reference.

MERGER PROVISIONS

Under Section 253 of the DGCL, if Purchaser acquires, pursuant to the Offer or otherwise, at least 90% of the outstanding shares of Common Stock, Purchaser will be able to effect the Merger after consummation of the

12

Offer without a vote of the Company's stockholders. However, if Purchaser does not acquire at least 90% of the outstanding shares of Common Stock pursuant to the Offer or otherwise, a vote or the written consent of the Company's stockholders is required under Delaware law, and a significantly longer period of time will be required to effect the Merger.

REGULATORY APPROVALS

Under the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), applicable to the Offer, the purchase of shares of Common Stock in the Offer may be consummated after the expiration or termination of the applicable waiting period following the filing by Purchaser of a Notification and Report Form with respect to the Offer, unless Purchaser receives a request for additional information or documentary material from the Antitrust Division of the United States Department of Justice or the Federal Trade Commission. In addition, the Offer is subject to antitrust approval in certain foreign jurisdictions. The description of this regulatory approval process in Section 16. "Certain Legal Matters; Regulatory Approvals" of the Offer to Purchase is filed herewith as Exhibit (a) (1) and incorporated herein by reference.

ITEM 9. EXHIBITS

The following Exhibits are filed herewith:

Exhibit No. -----	Description -----
(a) (1).	Offer to Purchase (incorporated by reference to Exhibit (a) (1) (A) to the Schedule TO filed by Parent on May 17, 2002).
(a) (2).	Opinion of Peter J. Solomon Company Limited, dated May 12, 2002 (included as Annex A to this Statement).
(a) (3).	Joint press release issued by the Company and Parent on May 13, 2002, Q&A to Company employees and certain other materials issued by the Company on May 13, 2002 (incorporated by reference to the Schedule 14D-9C filed by the Company on May 13, 2002).
(a) (4).	Transcript of conference call held on May 13, 2002 (incorporated by reference to the Schedule 14D-9C filed by the Company on May 14, 2002).
(a) (5).	Press release issued by the Company on May 16, 2002 (incorporated by reference to the Schedule 14D-9C filed by the Company on May 16, 2002).
(a) (6).	Employee news letter issued by the Company on May 16, 2002 (incorporated by reference to the Schedule 14D-9C filed by the Company on May 16, 2002).
(e) (1).	Acquisition Agreement and Agreement and Plan of Merger, dated as of May 12, 2002, among Parent, Purchaser and the Company (incorporated by reference to Exhibit (d) (1) to the Schedule TO filed by Parent on May 17, 2002).
(e) (2).	Form of Tender Agreement, dated as of May 12, 2002, by and among Parent, Purchaser and, as the case may be, Gary C. Comer, certain trusts and foundations established by Mr. Comer and a trust associated with Richard C. Anderson (incorporated by reference to Exhibit (d) (2) to the Schedule TO filed by Parent on May 17, 2002).
(e) (3).	Confidentiality Agreement, dated as of February 26, 2002, by and between Parent and the Company (incorporated by reference to Exhibit (d) (3) to the Schedule TO filed by Parent on May 17, 2002).
(e) (4).	Amended and Restated Agreement, dated as of May 12, 2002, between the Company and David F. Dyer.
(e) (5).	Letter Agreement, dated as of May 13, 2002, between Parent and David F. Dyer (incorporated by reference to Exhibit (d) (4) to the Schedule TO filed by Parent on May 17, 2002).

13

Exhibit

No.	Description
(e) (6)	Form of Executive Agreement between the Company and each of William Bass, Lee Eisenberg and Mindy Meads, dated as of May 12, 2002.
(e) (7)	Form of Executive Agreement between the Company and each of Lisa Fitzgerald, Patricia Simigran, Sid Mashburn, Geoffrey Werner, Eric Kyser, Robert McElroy, Philip Shaecher, Steven McCardell, Donald Hughes, Frank Giannantonio, Kelly Ritchie, Jeffrey Jones and Samuel Taylor, dated as of May 12, 2002.
(e) (8)	Executive Retention Plan--Group A, dated as of May 12, 2002.
(e) (9)	Executive Retention Plan--Group B, dated as of May 12, 2002.
(e) (10)	Lands' End Stock Option Plan (incorporated by reference to Appendix A to the Company's 2002 Proxy Statement).
(e) (11)	Non-Employee Director Stock Option Plan (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended January 26, 2001).
(e) (12)	The Information Statement of the Company, dated May 17, 2002 (included as Annex B to this Statement).

14

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

LANDS' END, INC.

/s/ DONALD R. HUGHES

By: _____
Donald R. Hughes
Senior Vice President and Chief
Financial Officer

Dated: May 17, 2002

15

ANNEX A

[PETER J. SOLOMON COMPANY LIMITED LETTERHEAD]

767 FIFTH AVENUE
NEW YORK, NEW YORK 10153

May 12, 2002

Board of Directors
Lands' End, Inc.
Lands' End Lane
Dodgeville, WI 53595

Ladies and Gentlemen:

We understand that Lands' End, Inc. (the "Company"), Sears, Roebuck & Co. ("Parent") and Inlet Acquisition Corp. ("Purchaser"), a direct, wholly-owned subsidiary of Parent, propose to enter into an Acquisition Agreement and Agreement and Plan of Merger substantially in the form of the draft dated May 12, 2002 (the "Merger Agreement"). The Merger Agreement provides, among other

things and subject to the terms and conditions thereof, for (i) the commencement by Purchaser of a tender offer (the "Tender Offer") for all of the issued and outstanding shares of the common stock, par value \$0.01 per share, of the Company (the "Company Common Stock") for \$62.00 per share (such price, or the highest of any price as may be paid in the Tender Offer, the "Offer Price"), net to the seller in cash, and (ii) the subsequent merger (the "Merger" and, together with the Tender Offer, the "Transaction") of Purchaser with and into the Company, with each then issued and outstanding share of Company Common Stock (other than certain shares specified in the Merger Agreement) being converted into the right to receive the Offer Price.

You have asked us to advise you with respect to the fairness to the holders of Company Common Stock from a financial point of view of the consideration to be received by the holders of Company Common Stock pursuant to the Transaction.

For purposes of the opinion set forth herein, we have:

(i) reviewed certain publicly available financial statements and other information of the Company;

(ii) reviewed certain internal financial statements and projections relating to earnings and cash flow (the "Projections") and other financial and operating data concerning the Company prepared by the management of the Company;

(iii) discussed the past and current operations, financial condition and prospects of the Company with management of the Company;

(iv) reviewed the reported prices and trading activity of the Company Common Stock;

(v) compared the financial performance and condition of the Company and the reported prices and trading activity of Company Common Stock with that of certain other comparable publicly traded companies;

(vi) reviewed publicly available information regarding the financial terms of certain transactions comparable, in whole or in part, to the Transaction;

(vii) performed discounted cash flow analyses based on the Projections;

(viii) participated in certain discussions among representatives of each of the Company and Parent;

A-1

(ix) reviewed the draft Merger Agreement described above and certain related documents; and

(x) performed such other analyses as we have deemed appropriate.

We have also taken into consideration that at the time of the execution of the Merger Agreement, Mr. Gary C. Comer, certain affiliated trusts and Mr. Richard C. Anderson, the holders of approximately 50.1% of the Company Common Stock on a fully diluted basis, will enter into a Tender Agreement with Parent and Purchaser, pursuant to which they will agree to tender their shares in the Tender Offer.

We have assumed and relied upon the accuracy and completeness of the information reviewed by us for the purposes of this opinion, and we have not assumed any responsibility for independent verification of such information. We have further relied on the assurances of management of the Company that they are not aware of any facts that would make any such information inaccurate or misleading. With respect to the Projections and other information provided to us, we have assumed that such Projections and other information were reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of the Company. We have not assumed any responsibility for any independent valuation or appraisal of the assets or liabilities of the Company, nor have we been furnished with any such valuation or appraisal. We have further assumed that the Transaction will be consummated in accordance with the terms of the Merger Agreement without waiver of any of the conditions precedent contained in the Merger Agreement and that the final Merger Agreement will be the same in all material respects as the

draft Merger Agreement described above.

We were not requested to consider, and our opinion does not address, the relative merits of the Transaction as compared to any alternative business strategies that might exist for the Company or the effects of any other transaction in which the Company might engage. Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, May 10, 2002.

We have acted as financial advisor to the Company in connection with this transaction and will receive a fee for our services, a portion of which is payable upon the delivery of this opinion.

This letter is solely for the information of the Board of Directors of the Company and is not on behalf of and is not intended to confer rights or remedies upon any other entity or persons, and may not be used for any other purpose without our prior written consent. Notwithstanding the foregoing, the Company may include this letter in its entirety, and a summary thereof (in a form reasonably acceptable to us), in any proxy or information statement required to be circulated to holders of Company Common Stock relating to the Merger or Tender Offer recommendation on Schedule 14D-9 or other Tender Offer communications from the Company or Parent or Purchaser to the holders of Company Common Stock relating to the Transaction. This letter does not constitute a recommendation to any holder of Company Common Stock as to whether such holder should tender their shares in the Tender Offer or vote in favor of the Merger.

Based upon, and subject to, the foregoing, we are of the opinion that on the date hereof, the consideration to be received by the holders of Company Common Stock pursuant to the Transaction is fair from a financial point of view to the holders of Company Common Stock.

Very truly yours,

/s/ PETER J. SOLOMON COMPANY LIMITED
PETER J. SOLOMON COMPANY LIMITED

A-2

ANNEX B

LANDS' END, INC.
ONE LANDS' END LANE
DODGEVILLE, WISCONSIN 53595

INFORMATION STATEMENT PURSUANT TO
SECTION 14(f) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND RULE 14f-1 THEREUNDER

This Information Statement is being mailed on or about May 17, 2002 as part of the Solicitation / Recommendation Statement on Schedule 14D-9 (the "Statement") of Lands' End, Inc. (the "Company"). You are receiving this Information Statement in connection with the possible election of persons designated by Sears, Roebuck and Co., a New York corporation ("Parent"), to at least two-thirds of the seats on the board of directors of the Company (the "Board" or the "Board of Directors"). On May 12, 2002, the Company entered into an Acquisition Agreement and Agreement and Plan of Merger (the "Acquisition Agreement") with Parent and Inlet Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), pursuant to which Purchaser is required to commence a tender offer to purchase all outstanding shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock"), at a price per share of \$62, net to the seller in cash (the "Offer Price"), upon the terms and conditions set forth in Purchaser's Offer to Purchase, dated May 17, 2002, and in the related Letter of Transmittal (the "Letter of Transmittal" which, together with the Offer to Purchase and any amendments and supplements thereto, collectively constitute the "Offer"). Copies of the Offer to Purchase and the Letter of Transmittal have been mailed to stockholders of the Company and are filed as Exhibit (a)(1)(A) and (a)(1)(B), respectively, to the Tender Offer Statement on Schedule TO (as amended from time to time unsold,

the "Schedule TO") filed by Purchaser and Parent with the United States Securities and Exchange Commission (the "SEC") on May 17, 2002. The Acquisition Agreement provides that, subject to the satisfaction or waiver of certain conditions, following completion of the Offer, and in accordance with Delaware law, Purchaser will be merged with and into the Company (the "Merger"). Following consummation of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will be a wholly-owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), each issued and outstanding share of Common Stock (other than shares of Common Stock that are owned by Parent, Purchaser, any of their respective subsidiaries, the Company or its subsidiaries, and shares held by stockholders of the Company who do not tender their shares of Common Stock in the Offer and who have properly demanded and perfected appraisal rights under Section 262 of Delaware law) will be converted into the right to receive the Offer Price.

The Offer, the Merger, and the Acquisition Agreement are more fully described in the Statement to which this Information Statement forms Annex B, which was filed by the Company with the SEC on May 17, 2002 and which is being mailed to stockholders of the Company along with this Information Statement.

This Information Statement is being mailed to you in accordance with Section 14(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 14f-1 promulgated thereunder. The information set forth herein supplements certain information set forth in the Statement. Information set forth herein related to Parent, Purchaser or the Parent Designees (as defined herein) has been provided by Parent. You are urged to read this Information Statement carefully. You are not, however, required to take any action in connection with the matters set forth herein.

Pursuant to the Acquisition Agreement, Purchaser commenced the Offer on Friday, May 17, 2002. The Offer is scheduled to expire at 12:00 p.m. Midnight, New York City time, on Friday, June 14, 2002, unless extended by Purchaser.

B-1

GENERAL

The Common Stock is the only class of equity securities of the Company outstanding which is entitled to vote at a meeting of the stockholders of the Company. Each share of Common Stock is entitled to one vote. As of May 12, 2002, there were 30,012,942 shares of Common Stock outstanding, of which Parent and Purchaser own no shares.

RIGHTS TO DESIGNATE DIRECTORS AND PARENT'S DESIGNEES

The Board of Directors of the Company

Subject to compliance with Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder, as soon as practicable following the purchase by Purchaser pursuant to the Offer of such number of shares of Common Stock, together with any shares of Common Stock then owned by Parent or any of its subsidiaries, that represents two-thirds of the then outstanding shares of Common Stock (on a fully diluted basis): (i) the size of the Board will be increased to 9; (ii) all current directors will resign, other than 3 of the current directors who are not employees of the Company or stockholders, affiliates, associates or employees of Parent or Purchaser (the "Independent Directors"); and (iii) a number of persons equal to the aggregate vacancies so created will be designated by Parent and will be elected to fill the vacancies so created (the "Parent Designees").

After the election of the Parent Designees to the Board and prior to the Effective Time, the affirmative vote of 8 out of 9 of the Company's directors (or such other number that would constitute a majority of Independent Directors) will be necessary to: (i) amend or terminate the Acquisition Agreement; (ii) exercise or waive any of the Company's rights, remedies or benefits under the Acquisition Agreement; or (iii) take any other action of the Company's Board in connection with or under the Acquisition Agreement, which would adversely affect the rights of the holders of Common Stock.

As of the date of this Information Statement, no determination has been made as to which directors of the Company will serve as Independent Directors.

Parent has informed the Company that it will choose its designees for

directors of the Company from the directors and executive officers of Purchaser and executive officers of Parent listed in Schedule I of the Offer to Purchase, a copy of which is being mailed to stockholders of the Company. The information provided by Parent and Purchaser with respect to such individuals in Schedule I is hereby incorporated by reference. Parent has informed the Company that each of the individuals listed in Schedule I of the Offer to Purchase has consented to act as a director of the Company, if so designated.

Based solely on the information set forth in Schedule I of the Offer to Purchase filed by Parent and Purchaser, none of the executive officers and directors of Purchaser and none of the executive officers of Parent (i) is currently a director of, or holds any position with, the Company, or (ii) has a familial relationship with any directors or executive officers of the Company. The Company has been advised that, to the best knowledge of Parent and Purchaser, except for Shares which may be deemed to be beneficially owned by Parent or Purchaser by virtue of the Tender Agreements among Parent, Purchaser and certain stockholders of the Company, none of Purchaser's directors or executive officers or Parent's executive officers beneficially owns any equity securities (or rights to acquire such equity securities) of the Company and none have been involved in any transactions with the Company or any of its directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Parent has informed the Company that, to the best of its knowledge, none of the executive officers and directors of Purchaser or executive officers of Parent has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or has been party to any judicial or administrative proceeding during the past five years (except for matters that were dismissed without sanction or settlement) that resulted in a

B-2

judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

It is expected that Parent's designees may assume office at any time following the purchase by Purchaser of the Shares pursuant to the Offer, which purchase cannot be earlier than June 14, 2002, and that, upon assuming office, Parent's designees will thereafter constitute at least two-thirds of the Board. As of the date of this Information Statement, no determination has been made as to which of the individuals described in Schedule I of the Offer to Purchase will be designated to the Board of the Company, if any.

CURRENT DIRECTORS AND EXECUTIVE OFFICERS

Directors

The Board of Directors is currently composed of seven directors. The directors are divided into three classes, two of which are composed of two directors each, and one of which is composed of three directors. One class is elected each year for a three year term. The following information concerns the current directors of the Company.

RICHARD C. ANDERSON, AGE 72, has been Vice Chairman of the Company since 1984 and served as Chief Executive Officer of the Company from 1990 through January 1993. In addition, Mr. Anderson served as President and Chief Operating Officer from 1989 until 1992. He has been a director of the Company since 1979. From 1977 to 1984, Mr. Anderson was a senior executive of Needham, Harper & Steers, serving as Executive Vice President in charge of programming and media from 1981 until 1984.

GARY C. COMER, AGE 74, is the founder of the Company and Chairman of the Board. Mr. Comer was President of the Company from 1963 until 1989, and served as Chief Executive Officer from 1963 until 1990. He has been a director of the Company since 1963. Prior to 1963, Mr. Comer was employed for ten years as a copywriter at Young & Rubicam.

DAVID F. DYER, AGE 52, has been President, Chief Executive Officer and a member of the Board since rejoining the Company in October 1998. In 1989, Mr. Dyer entered the employ of the Company as Managing Director of Home Furnishings, became Executive Vice President of Merchandising in 1990, and was named Vice Chairman, Merchandising and Sales in 1993. He was a director of the

Company from 1991 until August 1994. Mr. Dyer was President and Chief Operating Officer of the Home Shopping Network from August 1994 until August 1995, at which time he became an independent catalog/retail consultant, most recently with the Texas Pacific Group and the J. Crew Group. From 1972 to 1989, Mr. Dyer was employed at Burdine's, a specialty retail chain, where he served as Senior Vice President of Marketing and General Merchandising Manager of Women's Apparel, Accessories and Cosmetics. Mr. Dyer is also a director of ADVO, Inc., a direct mail marketing services company.

CHERYL A. FRANCIS, AGE 48, has been a director of the Company since May 2001. Ms. Francis served as Executive Vice President and Chief Financial Officer of R.R. Donnelley & Sons Company from 1995 until spring 2000. Prior to Donnelley, she was Vice President and Treasurer of FMC Corporation, where she served in various senior financial management positions since 1982. Ms. Francis is a current member of the board of directors for Hon Industries Inc.

RICHARD C. MARCUS, AGE 63, has been a director of the Company since January 2001. Mr. Marcus served as Chief Executive Officer of Neiman Marcus from 1979 to 1988. Subsequently, he has been an e-commerce entrepreneur and consultant, including with the InterSolve Group, a company he co-founded in 1991. From 1994 to 1995, he served as Chief Executive Officer of the Plaid Clothing Group. From 1997 to 2001, Mr. Marcus was a Senior Advisor with the New York-based investment banking firm, Peter J. Solomon Company. He currently serves on the board of directors for the Zale Corporation, Michaels Stores, Inc. and fashionmall.com, Inc.

B-3

PAUL D. SHRAGE, AGE 67, has been a director of the Company since January 2001. Mr. Schrage served as Senior Executive Vice President and Chief Marketing Officer of McDonald's Corporation and as a member of that company's board of directors when he retired in 1997. Mr. Schrage joined McDonald's in 1967 as National Marketing Director, was elected Vice President in 1968, Executive Vice President in 1970 and Chief Marketing Officer in 1980. Mr. Schrage also serves on the board of directors of Wolverine World Wide, Inc., the Aid Association for Lutherans, Lutheran Brotherhood, Compact Industries, Inc. and Foodland Supermarkets.

ELIOT WADSWORTH, II, AGE 59, has been a director of the Company since March 2001. Mr. Wadsworth has been the owner and Chief Executive Officer of White Flower Farm, Inc. a mail-order nursery business, since 1975. He was founder of Boston Common Press, L.P., a niche publishing company, has served as its Managing Director for the last 10 years and currently serves on its board of directors. Mr. Wadsworth is also a co-founder and General Partner of Housatonic Partners, a private equity investment partnership in Boston, founded in 1994.

Executive Officers

All executive officers serve at the pleasure of the Board. The following information concerns the current executive officers of the Company.

DAVID F. DYER, see "CURRENT DIRECTORS AND EXECUTIVE OFFICERS--Directors."

JEFFREY A. JONES, AGE 55, is Chief Operating Officer. Mr. Jones joined the company in December 2000. Prior to joining Lands' End, Mr. Jones spent the last seven years with Shopko Stores, Inc., and its subsidiary, Provantage Health Service, Inc., both in Wisconsin. He served as Shopko's Senior Vice President and Chief Financial Officer until 1997. At that time, he was named Chief Operating Officer and later served as Chief Executive Officer of Provantage, which was sold to Merck, Inc. Mr. Jones spent 13 years with Arthur Andersen LLP. His career includes Chief Financial and Chief Operating Officer positions with various companies, including retail.

LEE EISENBERG, AGE 55, is Executive Vice President and Creative Director since joining the company in February 1999. Since May 1995, Mr. Eisenberg was with TIME Magazine as Editor/Creative Development. In this capacity, he was involved in the launch of TIME for Kids. Mr. Eisenberg began his career at Esquire magazine in 1970, and went on to serve as their top editor.

MINDY MEADS, AGE 50, is Executive Vice President of Merchandising and Design, since joining the company in December 1998. Ms. Meads originally joined the company in 1991 as Vice President and Group Merchandising Manager for the women's apparel division and, in 1994, the men's and coed groups were added to

her responsibilities. In January 1995, she was named Senior Vice President, Merchandising and Design. She left the company in 1996 to join Gymboree Corporation in San Francisco as their Senior Vice President and General Merchandise Manager. Before first joining Lands' End, Ms. Meads was Merchandise Manager for The Limited. Before The Limited, she had a 12-year tenure with R. H. Macy & Company of New York where she rose to Senior Vice President, Merchandise.

DONALD R. HUGHES, AGE 41, is Senior Vice President and Chief Financial Officer. Mr. Hughes joined Lands' End in 1987 as Senior Staff Accountant. During his 15-year tenure with the Company, he has served in various positions of increasing responsibility, including Controller, Director of Financial Services, and from 1996 to February 2001, Vice President of Finance. Prior to Lands' End, Mr. Hughes spent two years with Arthur Andersen LLP in Milwaukee, as an auditor in their Small Business Division.

FRANCIS P. SHAECHER, AGE 54, is Senior Vice President of Operations. Mr. Schaecher joined the company in 1982 as Operations Manager. He served as Vice President of Operations from 1983 until 1990, at which time he assumed his present position.

B-4

WILLIAM BASS, AGE 39, is Senior Vice President, E-commerce and International. Mr. Bass joined Lands' End in May 1999 as Vice President, E-commerce, and was promoted to his current position in January 2000. From 1996 until joining the company, Mr. Bass was with Forrester Research in Cambridge, Massachusetts, where he was Group Director, Research, supervising research in consumer e-commerce and new media. Before that, he spent a year as Development Director for Boston.com, The Boston Globe's Internet company, and three years as Strategic Initiatives Manager with Knight-Ridder in Lexington, Kentucky, and Miami, Florida. Prior to his business career, Mr. Bass spent six years in the U.S. Army, where he rose to the rank of Captain.

KELLY A. RITCHIE, AGE 39, is Senior Vice President, Employee Services. Ms. Ritchie has spent her entire career at Lands' End, having joined the company in 1985. For the first 10 years with the company, Ms. Ritchie held various positions in recruitment and other employee relations functions, including Manager of the company's Cross Plains, Wisconsin, phone center. Ms. Ritchie was appointed Vice President, Employee Services, in 1995, and promoted to her current position in January 2000.

FRANK GIANNANTONIO, AGE 56, is Senior Vice President and Chief Information Officer. Mr. Giannantonio joined the company in February 2002. Prior to joining Lands' End, he spent five years with The Limited, Inc. in Columbus, Ohio, most recently as their Vice President, Direct Marketing Systems, and including three years as Chief Information officer of Victoria's Secret Direct, a subsidiary of The Limited, Inc. Mr. Giannantonio's career includes eight years with Time Warner in New York, as Vice President, Information Systems, Book of the Month Club, Inc. and 15 years with Avon Products, Inc. in New York, where he rose to the position of Director, Corporate Management Information Systems.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table shows certain information concerning the number of shares of Common Stock beneficially owned, directly or indirectly, by each director and nominee for director of the Company, the Chief Executive Officer and each of the other most highly compensated executive officers of the Company, and the directors and executive officers as a group. The following table also sets forth information concerning each person known to the Company as of March 29, 2002 to be the "beneficial owner" (as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of more than 5% of the Company's Common Stock. Unless otherwise indicated, the persons named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them. Except as described in the notes below, all information in the table and the accompanying footnotes is given as of March 29, 2002 and has been supplied by each of the persons included in the table.

Beneficial Owners	Amount	Percent of Class
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-----	-----	-----
Gary C. Comer(1).....	15,648,309	52.15%
Address: 20875 Crossroads Circle, Suite 100; Waukesha, WI 53186		
Richard C. Anderson(2).....	1,151,010	3.83%
Cheryl Francis.....	4,000	*
Richard C. Marcus.....	4,000	*
Paul D. Schrage.....	4,000	*
Eliot Wadsworth.....	54,000	*
David F. Dyer(3).....	463,431	*
Jeffrey A. Jones.....	-0-	*
Mindy C. Meads(4).....	112,500	*
Lee Eisenberg(5).....	102,500	*
Francis P. Schaecher(6).....	94,000	*
All directors and executive officers as a group (11 persons)(7)	17,637,750	57.39%

B-5

*Less than 1%.

- (1) See the description of certain contributions by Mr. Comer and related trusts set forth in Item 6. "Interest in Securities of the Subject Company" of the Statement. Share amount shown includes (i) 232,968 shares of the Company's Common Stock held by a trust for the benefit of Mr. Comer and his family as to which he disclaims beneficial ownership except to the extent of his pecuniary interest therein and (ii) 1,942,933 shares of the Company's Common Stock held by trusts for the benefit of Mr. Comer's family as to which he disclaims beneficial ownership.
- (2) Share amount shown includes (i) exercisable options for 25,000 shares of Company Common Stock granted to Mr. Anderson under the DSOP, (ii) 20,084 shares of the Company's Common Stock held by a trust for the benefit of Mr. Anderson and his family as to which he disclaims beneficial ownership except to the extent of his pecuniary interest therein, (iii) 87,916 shares of the Company's Common Stock held by a trust for the benefit of Mr. Anderson's family as to which he disclaims beneficial ownership and (iv) 205,105 shares of the Company's Common Stock held by a trust for the benefit of Mr. Anderson's family as to which he disclaims beneficial ownership.
- (3) Share amount shown includes exercisable options for 450,000 shares of Company Common Stock granted to Mr. Dyer under the Stock Option Plan.
- (4) Share amount shown includes exercisable options for 112,500 shares of Company Common Stock granted to Ms. Meads under the Stock Option Plan.
- (5) Share amount shown includes exercisable options for 101,000 shares of Company Common Stock granted to Mr. Eisenberg under the Stock Option Plan.
- (6) Share amount shown includes exercisable options for 34,000 shares of Company Common Stock granted to Mr. Schaecher under the Stock Option Plan.
- (7) Share amount shown includes exercisable options for 722,500 shares of Company Common Stock granted to certain executive officers under the Stock Option Plan and certain directors under the DSOP.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors, and persons who own more than ten percent of the Company's Common Stock, to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission and the New York Stock Exchange. Officers, directors and greater than ten-percent beneficial owners are required by Securities and Exchange Commission regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the best of the Company's knowledge, based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that no Section 16(a) forms were required for those persons, except as described below, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten-percent beneficial owners were complied with during the fiscal year ended February 1, 2002.

Richard C. Anderson, a member of the Board of Directors, inadvertently failed to file a Form 4 by December 10, 2001, regarding the transfer of shares of Common Stock in November 2001 from one trust for the benefit of Mr. Anderson's family to another trust for the benefit of his family as an annuity payment pursuant to the applicable trust instrument. Upon learning of the

error, Mr. Anderson filed a Form 4 on April 8, 2002.

MEETINGS AND COMPENSATION OF DIRECTORS

The Board of Directors held thirteen formal meetings during the fiscal year ended February 1, 2002. All directors attended at least 75% of the total number of meetings of the Board and committees of which they were members. Directors who are not salaried officers or employees of the Company are eligible to receive compensation as described in the following paragraphs. In addition, the reasonable expenses incurred by each director in connection with his or her duties as a director are reimbursed by the Company. Each director who is a salaried officer or employee of the Company earns no additional compensation for service as a director.

B-6

Several new directors joined the Board early in fiscal 2002. At that time, Mr. Dyer and Mr. Comer, who have served as a special Board committee dealing with non-employee director compensation, made recommendations to the Board after discussions with the independent consulting firm that regularly advises the Compensation Committee. Based on this recommendation, the Board approved an increase in the cash retainer from \$20,000 to \$30,000 per year, without the option of deferral. In addition, the Board amended the Non-Employee Director Stock Option Plan (the "DSOP") to provide that no further stock options would be issued thereunder, although outstanding stock options will continue in accordance with their terms. Accordingly, 277,083 of the stock options previously authorized but unissued under the DSOP will no longer be available for issuance. In light of the foregoing action, upon the recommendation of the committee, the Board adopted a new plan for non-employee directors, known as the Director Stock Grant Plan (the "DSGP"), effective as of the beginning of fiscal 2002. The DSGP provides that each new non-employee director will receive an initial grant of 2,000 shares of the Company's Common Stock sixty days after joining the Board and that each non-employee director will receive an annual grant of 2,000 shares on the date of each Annual Meeting (or, if later than the Annual Meeting, sixty days after joining the Board). All such grants will vest immediately. The Company has reserved 100,000 shares of Common Stock for issuance under the DSGP. During fiscal 2002, Messrs. Marcus and Schrage each received an initial grant of 2,000 shares with a grant value of \$28.31 per share, Mr. Wadsworth received an initial grant of 2,000 shares with a grant value of \$33.95 per share, and Ms. Francis received an initial grant of 2,000 shares with a grant value of \$41.60 per share. In addition, Messrs. Anderson, Marcus, Schrage and Wadsworth each received an annual grant of 2,000 shares with a grant value of \$34.25 per share, and Ms. Francis received an annual grant of 2,000 shares with a grant value of \$41.60 per share. Each of Messrs. Anderson, Schrage, Marcus and Wadsworth and Ms. Francis will receive 2000 shares of the Company's Common Stock on the date of the Annual Meeting to be held on May 22, 2002. Mr. Comer has waived his eligibility to receive the cash retainer and to participate in the DSGP.

BOARD COMPOSITION AND COMMITTEES

The Board has three current standing committees: the Audit Committee, the Compensation Committee and the Nominating Committee.

Audit Committee

The members of the Audit Committee are Cheryl Francis (chair), Richard Marcus and Eliot Wadsworth. The functions of the Audit Committee are described in the Audit Committee Charter, which was included in the 2001 Proxy Statement. These functions include, among other things, evaluating and recommending annually to the Board of Directors the firm to be employed by the Company as its external auditors, consulting with the internal audit department and the external auditors regarding matters such as the plan of audit, the adequacy of internal accounting controls and systems, and the review of financial statements and reports to be included in quarterly and annual reports. However, the Audit Committee is not expected to audit the Company, to define the scope of the audit, to control the Company's accounting practices, or to define the standards to be used in preparation of the Company's financial statements. The Audit Committee held nine formal meetings during fiscal year 2002.

Compensation Committee

The members of the Compensation Committee are Paul Schrage (chair), Cheryl

Francis, and Richard Marcus. The Compensation Committee is responsible for, among other things, monitoring and approving compensation and other employment terms, administering the Stock Option Plan, including the grant of options thereunder, and administering the Company's non-stock based compensation plans.

The Compensation Committee held five formal meetings during fiscal year 2002. Except for the DSGP described above, none of the members of the Compensation Committee is or has been, for a period of at least one year prior to appointment, eligible to receive a benefit under any plans of the Company entitling participants to acquire Common Stock, stock options or stock appreciation rights.

B-7

Nominating Committee

The Nominating Committee consists of all non-employee directors of the Company, currently Ms. Francis and Messrs. Comer, Anderson, Marcus, Schrage and Wadsworth. The Nominating Committee has responsibility for selecting any new Chief Executive Officer for the Company and for selecting prospective directors to fill vacancies on the Board of Directors that occur from time to time due to retirement or resignation. In addition, prior to each annual meeting, those members of the Nominating Committee whose director term will not expire at the annual meeting will determine the slate of directors proposed for election at the annual meeting. Prior to the mailing of the 2002 Proxy Statement, the Nominating Committee nominated Ms. Francis and Messrs. Dyer and Marcus, in accordance with the foregoing nominating procedure, for election to the Board of Directors at the 2002 annual meeting. The Nominating Committee held three formal meetings during fiscal 2002.

The Nominating Committee will consider nominees recommended by shareholders, provided that such recommendations are in writing and are received by the Director of Investor Relations not later than December 23, 2002.

Performance Compensation Committee

The Performance Compensation Committee administered the Stock Option Plan, established the terms of any options granted thereunder and administered the Company's non-stock based compensation plans prior to the reorganization of this Committee into the Compensation Committee in early fiscal 2002. The Performance Compensation Committee held one formal meeting during fiscal year 2002. The members of the Performance Compensation Committee were Richard Marcus (chair) and John N. Latter. Mr. Latter ceased to be a member of this Committee and the Board as of the 2001 Annual Meeting.

Notwithstanding anything to the contrary, the following report of the Audit Committee, the report of the Compensation Committee under the section entitled "EXECUTIVE COMPENSATION" and the stock performance graph under the section entitled "PERFORMANCE GRAPH" shall not be deemed incorporated by reference by any general statement incorporating by reference this Information Statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates such information by reference, and shall not otherwise be deemed filed under such Acts.

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors (the "Audit Committee") is currently comprised of three independent directors and acts under a written Audit Committee Charter adopted by the Board of Directors in fiscal 2001. The Audit Committee Charter, which is subject to change from time to time by the Board of Directors, was included in the 2001 Proxy Statement. Each of the members of the Audit Committee is independent, as defined by the Audit Committee Charter and the listing standards of the New York Stock Exchange.

Management has primary responsibility for the financial statements, the reporting process and assurance for the adequacy of controls. The Company's independent auditors are responsible for expressing an opinion on the conformity of the Company's audited financial statements to generally accepted accounting principles. The Audit Committee is responsible for monitoring and overseeing these processes on behalf of the Board of Directors.

In this context, the Audit Committee reviewed and discussed the Company's

audited financial statements for fiscal 2002 with management and the independent auditors. The independent auditors for fiscal 2002 were Arthur Andersen LLP. The Audit Committee discussed with Arthur Andersen LLP the matters required to be discussed by Statement on Auditing Standards No. 61 (SAS 61). SAS 61 requires independent auditors to

B-8

communicate matters related to the conduct of the audit to audit committees. Arthur Andersen LLP reported to the Audit Committee that, based on its inquiries, to its knowledge, the Company's internal controls are adequate and sufficient.

In addition, the Audit Committee received from Arthur Andersen LLP the written disclosures required by Independence Standards Board Standard No. 1, which requires the written disclosure of all relationships between the Company and its independent auditors that, in the independent auditors' professional judgment, may reasonably be thought to bear on independence and confirmation that, in its professional judgment, it is independent of the company that it is auditing.

During fiscal year 2002, the Company retained Arthur Andersen LLP to provide services as follows:

Financial Information Systems		
Audit Fees	Design and Implementation Fees	All Other Fees
-----	-----	-----
\$135,000	\$0	\$930,000

The category of "all other fees" consists primarily of services provided for tax, forecasting and other miscellaneous projects. The Audit Committee has considered whether Arthur Andersen LLP's provision of services other than audit services was compatible with maintaining auditor independence and has concluded that it was.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2002, for filing with the Securities and Exchange Commission, and the Board of Directors accepted such recommendation. In early fiscal 2003, the Audit Committee considered various matters related to the engagement of Arthur Andersen LLP, as described in the 2002 Proxy Statement. On March 25, 2002, the Board of Directors and the Audit Committee dismissed Arthur Andersen LLP as the Company's independent auditors and engaged Ernst & Young LLP, subject to shareholder ratification, as the Company's independent auditors for fiscal year 2003.

Submitted by the Audit Committee
of the Board of Directors

Cheryl Francis, Chair
Richard Marcus
Eliot Wadsworth

EXECUTIVE COMPENSATION

Compensation Committee Report On Executive Compensation

Overview

Our goal as a Compensation Committee is to provide a compensation framework for recruiting, motivating, rewarding and retaining the Company's employees, including its executive officers. We endeavor to provide leadership by using compensation to tie executives' financial interests to those of the shareholders in order to help achieve the Company's vision and goals. We regularly engage a nationally recognized compensation consulting firm to assist our Committee in developing an overall perspective on base and incentive compensation and benefit practices and to advise on specific issues relating to the Company's compensation practices. Representatives of the consulting firm

meet with us (sometimes with other Board members in attendance) on a regular basis and have other informal discussions with members of our Committee.

B-9

Components of Fiscal Year 2002 Compensation

The principal elements of compensation for the Company's executive officers currently consist of base salary, bonuses under the Annual Incentive Plan, awards under the Stock Option Plan and discretionary bonuses based on individual performance. The Company's Chief Executive Officer and the four other most highly compensated executive officers are referred to in this Information Statement as the "Named Executive Officers." With respect to fiscal 2002, the Company awarded discretionary bonuses of \$50,000 to Ms. Meads and \$25,000 to each of Messrs. Jones, Eisenberg and Schaecher.

Base Salary. In determining and reviewing base salary levels, the Compensation Committee considers the size and responsibility of the individual's position, the individual's overall performance, the base salaries paid by competitors for comparable positions and, in the case of new hires, the amount of the individual's prior compensation and the need to induce the individual to enter the employ of the Company. In making salary decisions with respect to senior executives and overseeing other salary decisions made by management, the Committee exercises its discretion and judgment based on the foregoing factors, without applying a specific formula to determine the weight of each factor considered.

Annual Incentive Plan. The Annual Incentive Plan (bonus) provides for participation by most of the Company's salaried employees (currently approximately 881 individuals). Pursuant to this plan, each participant is granted an annual incentive award at or about the beginning of each fiscal year. Each annual incentive award consists of the right to be eligible to receive a cash bonus, part of which is paid in December or January of the fiscal year to which the grant relates and the balance of which is paid in the month of March following such fiscal year, provided that the participant remains employed by the Company at the end of such fiscal year.

Other than participants employed by international subsidiaries of the Company, each participant's bonus eligibility amount is 10% of base salary, provided that the Compensation Committee has the right to approve higher levels for certain participants on an individual basis. For fiscal 2002 and prior years, participants earned bonuses equal to their bonus eligibility amount multiplied by a factor of 0% to 200%, depending on financial results based on the Company's annual pre-tax margin, with a factor of 100% (that is, no adjustment) being applied if the Company achieves a pre-tax income divided by net merchandise sales of 8%. For fiscal 2002, the bonus eligibility amounts for most of the Company's salaried employees were 10% of base salary. The bonus eligibility amounts for fiscal 2002 were 100% for Mr. Dyer, 80% for Mr. Jones, 70% for Ms. Meads and 60% for the other Named Executive Officers.

Stock Option Plan. The Company's Stock Option Plan was administered by the Performance Compensation Committee until May 2001 and by the Compensation Committee thereafter. A total of 145,000 stock options were awarded to a total of 9 recipients under the Company's Stock Option Plan in fiscal year 2002. None of the options were granted to a Named Executive Officer. The number of options awarded and the number of recipients were lower in fiscal 2002 than in the previous fiscal year due to the timing of committee meetings, with the result that some options that would have been awarded in early fiscal 2002 were in fact awarded in late fiscal 2001. In early fiscal 2003, the Compensation Committee awarded a total of 557,500 stock options to a total of 117 recipients, which the Committee believes reflects a more normalized annual rate at which it expects to award stock options in the future, assuming that the amendment to increase the number of shares eligible for options is approved as described in the 2002 Proxy Statement.

The stock option awards made in early fiscal 2003 utilized approximately all of the shares of Common Stock available for issuance under the Stock Option Plan. As a result, the Compensation Committee recommended to the Board of Directors, and the Board of Directors approved, an increase in the total number of shares of Common Stock that may be issued under the Stock Option Plan.

Chief Executive Officer Compensation

David F. Dyer's base salary for the 53-week fiscal 2002 was \$458,654, which is the level established when Mr. Dyer rejoined the Company as Chief Executive Officer in 1998. At a meeting in March 2002, after the end of

B-10

fiscal 2002, the Compensation Committee determined to make certain changes to Mr. Dyer's compensation package in light of the financial results that had been achieved for fiscal 2002 and the Committee's judgment as to Mr. Dyer's contribution to the Company's success. On this basis, the Committee recommended that the Board of Directors increase Mr. Dyer's annual base salary to \$550,000 for fiscal 2003 and award Mr. Dyer a discretionary bonus of \$100,000 to be paid in fiscal 2003 in recognition of his strong performance, which recommendation was accepted by the Board of Directors at a subsequent meeting. The Committee also increased his bonus eligibility amount to 120%.

The Company entered into an Amended and Restated Agreement with Mr. Dyer, dated as of May 12, 2002, which amends his previous agreement with the Company dated December 11, 1998. A summary of the Amended and Restated Agreement contained in Item 3. "PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS" of the Statement is incorporated herein by reference. Such summary is qualified in its entirety by reference to the Amended and Restated Agreement, which is filed as Exhibit (e) (4) to the Statement and incorporated herein by reference.

Tax Matters

The Compensation Committee and the Board have considered the provisions of Section 162(m) of the Internal Revenue Code, which impose an annual limit of \$1 million on the deductibility of compensation payments to a company's Chief Executive Officer and the four other most highly compensated executive officers for whom proxy statement disclosure is required and who are employed at the end of such company's taxable year. "Performance-based compensation" (as defined in the Code) is excluded from this limit. It is the Company's intention to preserve the deductibility of compensation paid to its employees, including gains realized upon the exercise of non-qualified stock options, to the extent feasible and consistent with the Company's overall compensation philosophy. Notwithstanding the foregoing, the Compensation Committee believes that the Company's compensation philosophy is appropriate and consistent with the long-term interests of the Company, without regard to tax considerations. In the event of changes in the tax law or other circumstances that might affect tax treatment, we would not currently anticipate that fundamental changes would be made in the Company's overall compensation policies and practices.

Submitted by the Compensation
Committee
of the Board of Directors

Paul Schrage, Chair
Richard Marcus
Cheryl Francis

B-11

Summary Compensation Table

Set forth below is certain information concerning the compensation for each of the Named Executive Officers for the fiscal year ended February 1, 2002 (a 53-week fiscal year):

Name and Principal Position	Annual Compensation			Long-Term Compensation Awards			
	Fiscal Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Restricted Stock Awards (\$)	Stock Options (#)	All Other Compensation (\$)
David F. Dyer.....	2002	458,654	401,322	-0-	-0-	-0-	96,161(2)

President and Chief	2001	450,000	112,500	-0-	-0-	-0-	285,185
Executive Officer	2000	450,000	202,500	-0-	-0-	-0-	117,469
Jeffrey A. Jones.....	2002	407,692	310,385	-0-	-0-	-0-	158,079(3)
Chief Operating Officer	2001	53,846	-0-	150,000(4)	-0-	300,000	-0-
Mindy C. Meads.....	2002	394,519	283,044	-0-	-0-	-0-	31,832
Executive Vice President,	2001	361,250	54,187	-0-	-0-	50,000	23,083
Merchandising and Design	2000	350,000	94,500	-0-	-0-	-0-	142,417
Lee Eisenberg.....	2002	387,019	228,185	-0-	-0-	-0-	51,414(5)
Executive Vice President,	2001	361,250	54,187	50,000(6)	-0-	50,000	33,608
Creative Director	2000	329,808	89,048	200,000(7)	-0-	200,000	74,266
Francis P. Schaecher.....	2002	253,461	158,067	-0-	-0-	-0-	21,928(8)
Senior Vice President,	2001	242,500	36,375	-0-	-0-	25,000	16,373
Operations	2000	235,000	63,450	-0-	-0-	-0-	16,304

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- (1) For fiscal year 2002, these amounts represent, except as otherwise noted, the taxable portion of premiums on Company-provided life insurance, the Company's contributions to the Retirement Plan and the Company's contributions to the Deferred Compensation and Excess Benefit Plan, in the following amounts: Mr. Dyer \$1,688, \$15,752, \$20,545, respectively; Mr. Jones, \$2,020, \$8,085, \$13,757, respectively; Ms. Meads, \$1,101, \$15,997, \$14,734, respectively; Mr. Eisenberg \$2,491, \$15,563, \$13,500; Mr. Schaecher, \$1,678, \$14,240, \$4,931, respectively.
- (2) Of the \$96,161 in fiscal year 2002, \$58,176 is for personal use of Company planes and the remainder is described in footnote (1) above.
- (3) Of the \$158,079 in fiscal year 2002, \$12,952 is for personal use of Company planes, \$64,816 is for relocation expenses, \$56,449 is for reimbursement for his income tax liability on the relocation expenses paid on his behalf and the remainder is described in footnote (1) above.
- (4) In fiscal year 2001, Mr. Jones received a signing bonus of \$150,000 from the Company pursuant to the terms of his appointment as Chief Operating Officer effective December 1, 2000.
- (5) Of the \$51,414 in fiscal year 2001, \$19,860 is for personal use of Company planes and the remainder is described in footnote (1) above.
- (6) In fiscal year 2001, Mr. Eisenberg received the final portion of his signing bonus of \$50,000 from the Company. Mr. Eisenberg deferred this portion of his signing bonus as part of his employment agreement.
- (7) In fiscal year 2000, Mr. Eisenberg received a signing bonus of \$200,000 from the Company pursuant to the terms of his appointment as Executive Vice President, Creative Director effective February 1, 1999.
- (8) Of the \$21,928 in fiscal year 2001, \$1,079 is for personal use of Company planes and the remainder is described in footnote (1) above.

Stock Option Grants in Fiscal Year 2002

The Company did not grant options to acquire Common Stock to any Named Executive Officer during the fiscal year ended February 1, 2002.

B-12

Stock Option Exercises and Fiscal Year-End Value Table

Set forth below is certain information relating to options to acquire Common Stock exercised by each Named Executive Officer during the fiscal year ended February 1, 2002, and options to acquire Common Stock held by each Named Executive Officer as of such date.

Name	Shares Acquired on Exercise (#)	Value Realized (\$)(1)	Number of Securities Underlying Unexercised Stock Options at FY-End (#)		Value of Unexercised In-the-Money Stock Options at FY-End (\$)	
			Exercisable/Unexercisable	Exercisable/Unexercisable(2)		
David F. Dyer.....	500,000	10,887,001	450,000/	0	\$13,734,000/	0
Jeffrey A. Jones....	90,000	1,191,182		0/210,000		0/4,853,100
Mindy C. Meads.....	92,500	1,912,695	112,500/	45,000	3,163,850/	1,055,700
Lee Eisenberg.....	76,000	1,063,068	101,000/	45,000	1,907,220/	1,055,700
Francis P. Schaecher	12,000	243,000	34,000/	41,000	556,061/	824,251

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- (1) Upon exercise of an option, an individual does not receive cash equal to the

amount contained in the Value Realized column of this table. Instead, the amounts contained in the Value Realized column reflect the increase in the price of the Company's Common Stock from the option award date to the option exercise date. No cash is realized until the shares received upon exercise of an option are sold.

(2) Calculated based upon the closing price of the Company's Common Stock (\$49.02) on the New York Stock Exchange on February 1, 2002.

EMPLOYMENT AGREEMENTS AND SEVERANCE AGREEMENTS

The discussion set forth in Item 3. "PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS" of the Statement is incorporated herein by reference.

B-13

STOCK PERFORMANCE GRAPH

The following graph presents the cumulative total shareholder return of the Company, the Value Line Retail Index and the Standard & Poor's MidCap 400 Index for a five year period. Cumulative total shareholder return is defined as share price appreciation assuming reinvestment of dividends. The Company's Common Stock is included in both the Value Line Retail Index and the Standard & Poor's MidCap 400 Index. In addition to the Company, 39 retailers (including catalog companies) comprise the Value Line Retail Index. The dollar amounts shown on the following graph assume that \$100 was invested on February 1, 1997 in Company Common Stock, stocks constituting the Value Line Retail Index and stocks constituting the Standard and Poor's MidCap 400 Index with all dividends being reinvested. The January 31st dates shown on the following graph do not correspond exactly with the last day of the Company's fiscal year in calendar years 1998, 1999, 2000, 2001 and 2002.

Comparison of Five-Year Total Return

Among Lands' End, Inc., Value Line Retail Index and S&P MidCap 400 Index
[CHART]

	Land's End, Inc.	Value Line Retail Index	S&P MidCap 400 Index
1/31/1998	139	109	125
1/31/1999	114	137	146
1/31/2000	121	120	169
1/31/2001	105	146	209
1/31/2002	173	205	202

Value of \$100 invested on February 1, 1997 at

	1/31/98	1/31/99	1/31/00	1/31/01	1/31/02
Lands' End, Inc.....	\$139	\$114	\$121	\$105	\$173
Value Line Retail Index	109	137	120	146	205
S&P MidCap 400 Index...	125	146	169	209	202

B-14

Exhibit
No.

Index to Exhibits

- (a) (1) Offer to Purchase (incorporated by reference to Exhibit (a) (1) (A) to the Schedule TO filed by Parent on May 17, 2002).
- (a) (2) Opinion of Peter J. Solomon Company Limited, dated May 12, 2002 (included as Annex A to this Statement).

- (a) (3) Joint press release issued by the Company and Parent on May 13, 2002, Q&A to Company employees and certain other materials issued by the Company on May 13, 2002 (incorporated by reference to the Schedule 14D-9C filed by the Company on May 13, 2002).
- (a) (4) Transcript of conference call held on May 13, 2002 (incorporated by reference to the Schedule 14D-9C filed by the Company on May 14, 2002).
- (a) (5) Press release issued by the Company on May 16, 2002 (incorporated by reference to the Schedule 14D-9C filed by the Company on May 16, 2002).
- (a) (6) Employee news letter issued by the Company on May 16, 2002 (incorporated by reference to the Schedule 14D-9C filed by the Company on May 16, 2002).
- (e) (1) Acquisition Agreement and Agreement and Plan of Merger, dated as of May 12, 2002, among Parent, Purchaser and the Company (incorporated by reference to Exhibit (d) (1) to the Schedule TO filed by Parent on May 17, 2002).
- (e) (2) Form of Tender Agreement, dated as of May 12, 2002, by and among Parent, Purchaser and, as the case may be, Gary C. Comer, certain trusts and foundations established by Mr. Comer and a trust associated with Richard C. Anderson (incorporated by reference to Exhibit (d) (2) to the Schedule TO filed by Parent on May 17, 2002).
- (e) (3) Confidentiality Agreement, dated as of February 26, 2002, by and between Parent and the Company (incorporated by reference to Exhibit (d) (3) to the Schedule TO filed by Parent on May 17, 2002).
- (e) (4) Amended and Restated Agreement, dated as of May 12, 2002, between the Company and David F. Dyer.
- (e) (5) Letter Agreement, dated as of May 13, 2002, between Parent and David F. Dyer (incorporated by reference to Exhibit (d) (4) to the Schedule TO filed by Parent on May 17, 2002).
- (e) (6) Form of Executive Agreement between the Company and each of William Bass, Lee Eisenberg and Mindy Meads, dated as of May 12, 2002.
- (e) (7) Form of Executive Agreement between the Company and each of Lisa Fitzgerald, Patricia Simigran, Sid Mashburn, Geoffrey Werner, Eric Kyser, Robert McElroy, Philip Shaecher, Steven McCardell, Donald Hughes, Frank Giannantonio, Kelly Ritchie, Jeffrey Jones and Samuel Taylor, dated as of May 12, 2002.
- (e) (8) Executive Retention Plan--Group A, dated as of May 12, 2002.
- (e) (9) Executive Retention Plan--Group B, dated as of May 12, 2002.
- (e) (10) Lands' End Stock Option Plan (incorporated by reference to Appendix A to the Company's 2002 Proxy Statement).
- (e) (11) Non-Employee Director Stock Option Plan (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended January 26, 2001).
- (e) (12) The Information Statement of the Company, dated May 17, 2002 (included as Annex B to this Statement).

AMENDED AND RESTATED AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT (this "Agreement") is made as of May 12, 2002 between Lands' End, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and David F. Dyer ("Executive") and amends and restates the Agreement between the Company and Executive dated December 11, 1998 (the "Original Agreement").

1. Employment. The Company agrees to employ Executive and Executive accepts such employment for the period beginning as of the date of the Original Agreement and ending as set forth in Section 1(c) hereof (the "Employment Period").

(a) Position and Duties.

(i) During the Employment Period, Executive shall serve as the President and Chief Executive Officer of the Company and shall have the normal duties, responsibilities and authority of the President and Chief Executive Officer, including, without limitation, control of all aspects of the daily operations of the Company, subject to the power of the Company's Board of Directors (the "Board") to expand or limit such duties, responsibilities and authority and to override actions of the President and Chief Executive Officer. It is the intention of the parties that Executive shall be elected to and serve as a member of the Board during the Employment Period.

For purposes of this Agreement, if a Sale of the Company shall occur in which another corporation ("X Co."), either directly or through a subsidiary, shall become the parent, or the "ultimate" parent of the Company, as the case may be, then any references in this Agreement to "Parent" shall mean X Co., either as the direct owner of the Company or the ultimate owner through such subsidiary. If a Sale of the Company involves an acquisition of the Company by a Parent, it is the intention of the parties that in addition to the positions of President and Chief Executive Officer of the Company, Executive shall be appointed an officer of the Parent.

(ii) Executive shall report to the Board and Executive shall devote his full business time and attention to the business and affairs of the Company and its subsidiaries, provided that after a Sale of the Company, Executive shall report directly to the Chief Executive Officer (the "CEO") of the Parent. Anything herein to the contrary notwithstanding, nothing shall preclude Executive from (A) serving on the boards of directors of a reasonable number of other corporations (as disclosed to and approved by the Board) or the boards of a reasonable number of trade associations and/or charitable organizations, (B) engaging in charitable activities and community affairs, and (C) managing his personal investments and affairs, provided that such activities do not materially interfere with the proper performance of his duties and responsibilities as the Company's President and Chief Executive Officer.

(b) Salary, Bonus and Benefits.

(i) Promptly upon the commencement of the Employment Period, the Company paid Executive a cash signing bonus of \$300,000.

(ii) During the remainder of the Employment Period commencing on the date of this Agreement, the Company will pay Executive a base salary (the "Annual Base Salary") of at least \$600,000 per annum, subject to any increase as determined by the Board from time to time. The Annual Base Salary shall be payable in accordance with the regular payroll practices of the Company but, in any event, no less frequently than monthly.

(iii) During the remainder of the Employment Period commencing on the date of this Agreement, Executive shall be entitled to participate in the Company's Annual Incentive Plan, as in effect from time to time, with a target performance level equal to at least 120% of his Annual Base Salary or such greater percentage as determined by the Compensation Committee of the Board, except in the event of the Sale of the Company then Executive shall be entitled to participate in the Company's or Parent's Annual Incentive Plan, as in effect from time to time, with a target performance level equal to at least 85% of his

Annual Base Salary. In addition, the Board or the Compensation Committee of the Board may award a special or additional bonus to Executive in its sole discretion from time to time. In the event of a Sale of the Company in calendar year 2002, there shall be a pro-ration of the bonus such that Executive shall be paid a bonus based on 120% of Annual Base Salary for the period from February 1, 2002 through the date of the Sale of the Company and another bonus based on 85% of Annual Base Salary for the period from the date of the Sale of the Company through December 31, 2002.

(iv) On October 27, 1998, the Performance Compensation Committee of the Board awarded Executive (A) an option on 400,000 shares of the Company's common stock and (B) subject to the approval by the Company's stockholders of certain amendments to the Company's stock option plan, an option on 600,000 shares of the Company's common stock.

(v) During the Employment Period, Executive shall be entitled to participate in all employee pension and welfare benefit plans and programs made available to the Company's senior level executives or to its employees generally, as such plans or programs may be in effect from time to time, including, without limitation, pension, profit sharing, savings and other retirement plans or programs, medical, dental, hospitalization, short-term and long-term disability and life insurance plans, accidental death and dismemberment protection, travel accident insurance, and any other pension or retirement plans or programs and any other employee welfare benefit plans or programs that may be sponsored by the Company and/or, on a selected basis, plans of the Parent from time to time, including plans that supplement the above-listed types of plans or programs, whether funded or unfunded.

(vi) During the Employment Period, Executive shall participate in all benefits and perquisites available to senior executives of the Company at levels, and on terms and

2

conditions, that are commensurate with his positions and responsibilities at the Company, and shall receive such additional benefits and perquisites as the Board may, in its sole discretion, from time to time provide.

(vii) During the Employment Period, Executive shall have use of the Company's plane in commuting between Florida and Wisconsin and, in the event of a Sale of the Company, use of the Company's or the Parent's plane for such commute.

(viii) During the Employment Period, Executive shall be eligible to participate in any long-term incentive plans of the Company and its affiliates (including the Parent), as in effect from time to time, in which other senior executives of the Company are eligible to participate, with benefits that are no less favorable than those provided to such other executives.

(c) Separation.

(i) Except as hereinafter provided, the Employment Period shall continue until, and shall end upon, the third anniversary of the date of this Agreement; provided that the Employment Period shall be automatically extended for additional one-year periods unless written notice of intent not to renew is delivered by either party to the other party at least 6 months prior to the end of the Employment Period; provided further that upon a Sale of the Company, the Employment Period shall be automatically extended until the second anniversary of the Sale of the Company in the event that such anniversary occurs after the last day of the Employment Period as in effect immediately prior to the Sale of the Company. Notwithstanding the foregoing, the Employment Period shall end early upon Executive's death, Disability or resignation or at such time as the Board determines to terminate Executive's employment (a "Separation"). A Separation, other than a resignation by Executive for Good Reason or a termination by the Company for Cause, death or Disability, shall only be effective upon 30 days notice by Executive or the Company, as applicable. Executive agrees that he will resign from the Board upon the effective date of any Separation. A voluntary resignation by Executive shall not be deemed to be a breach of this Agreement.

(ii) If Executive's employment is terminated by the Company for Cause, by Executive without Good Reason or upon the expiration of the Employment Period other than as a result of a Separation, Executive shall be entitled to (A)

salary at an annual rate equal to his Annual Base Salary through the date of Separation, (B) the balance of any incentive awards and any amounts or benefits provided under Sections 1(b)(i), 1(b)(v), 1(b)(vi) and 9(a) hereof which he would otherwise be entitled to receive as of the date of Separation, but which have not theretofore been paid, (C) payment with respect to unused vacation time in accordance with the Company's policy and (D) all other rights and benefits in which Executive is vested or entitled to under the plans, agreements or policies of the Company or any affiliate (including the Parent) or by law as of the Separation or the expiration of the Employment Period, including, without limitation, Section 1(b)(viii).

3

(iii) If Executive's employment is terminated as a result of Executive's death, his estate or beneficiaries (as the case may be) shall be entitled to the payments and benefits described in Section 1(c)(ii) and Section 1(c)(vi)(B) hereof and, in addition, Executive's family members shall be entitled to participate for one year in the retiree medical plan of the Company or the Parent, as the case may be, as such may be in effect at the time to the extent such family members were participating in the Company's or Parent's employee medical plans as of the date of Executive's death, on terms and conditions no less favorable than those applying to similarly situated individuals in the retiree medical plan and with COBRA benefits commencing thereafter.

(iv) If Executive's employment is terminated as a result of Executive's Disability, he shall be entitled to the payments and benefits described in Section 1(c)(ii) and Section 1(c)(vi) hereof.

(v) If Executive's employment is terminated by the Company without Cause or Executive resigns with Good Reason:

(A) Executive shall be entitled to the payments and benefits described in Sections 1(c)(ii) and 1(c)(vi) hereof; and

(B) The Company shall pay Executive as salary continuation, an amount (the "Severance Payment") equal to two times the sum of (i) Executive's then applicable Annual Base Salary (before any reduction that resulted in a resignation with Good Reason) plus (ii) clause (A) or (B), whichever is applicable: (A) 140% of Executive's target bonus (120% of Annual Base Salary) if Separation occurs prior to the Sale of the Company or, after a Sale of the Company, but during the Company's current fiscal year 2003 or (B) if (A) does not apply, 100% of Executive's Target Bonus (85% of Annual Base Salary) if Separation occurs after the Sale of the Company and during the Parent's fiscal year 2003 or any fiscal year thereafter. This Severance Payment will be paid out over 24 months in accordance with the normal payroll cycle of the Company, but in no case less frequently than monthly (the "Salary Continuation Period").

(vi) In addition to the other benefits set forth in this Section 1(c), if (I) Executive's employment is terminated (x) by the Company without Cause, (y) by Executive with Good Reason or (z) upon Executive's death (but in the event of death only with respect to subclause (B) below) or Disability, (II) there is an expiration of this Agreement by virtue of Section 1(c)(i) or (III) Executive's place of employment is relocated more than 35 miles from its current location (but in the event of such relocation only with respect to subclause B below), then Executive shall be entitled to the following:

(A) The Company shall use its commercially reasonable efforts so that, during the Salary Continuation Period, if applicable, Executive and his spouse may participate, at the same cost and expense as other

4

similarly situated executives of the Company, in the Company's or any affiliate's (including the Parent's) health and medical insurance policies, as such may be in effect from time to time, with benefits comparable to benefits provided to senior level executives of the Company; provided that, if Executive is not at least age 65 at the cessation of the Salary Continuation Period

or is not eligible under this Agreement for a Severance Payment, Executive shall be deemed to have met the minimum age and service requirements for retiree medical coverage in the retiree medical plan as such may be in effect at the time and Executive and his spouse may participate in that plan until the earlier of Executive's 65th birthday or his death, at the same cost and expense as similarly situated individuals in the retiree medical plan; and

- (B) If Executive (or his estate or his beneficiaries) so elects by written notice to the Company within 60 days after Separation or expiration of this Agreement or such relocation, the Company shall, as soon as practicable thereafter, purchase and Executive shall sell, Executive's real property, including the buildings and improvements thereon, located in Dodgeville, Wisconsin (the "House") at a purchase price equal to the greater of (1) \$1.1 million and (2) the fair market value of the House as determined by an appraiser jointly selected by the Company and Executive, subject to customary prorations of real estate taxes, provided that, in the event of the Sale of the Company, the successor Company shall purchase and Executive shall sell the House, if he or his estate or beneficiaries so elect by written notice to the successor Company within 60 days after Separation or expiration of this Agreement or such relocation, at a purchase price equal to the greater of (1) the original price of the House that was paid by Executive plus any additional basis created subsequent to the purchase and (2) the fair market value of the House as determined by an appraiser jointly selected by the Company and Executive, subject to customary prorations of real estate taxes. The Company shall pay all real estate transfer taxes in connection with the contemplated transfer of the House. Executive shall convey to the Company or the Company's designee good and marketable fee simple title to the House by recordable, general warranty deed, with release of homestead rights (or trustee's deed or other appropriate deed if title is in a trust or estate), subject only to general real estate taxes not yet due and payable and such other exceptions which, in the Company's reasonable opinion, do not interfere with the use or marketability of the House. If, prior to the closing, the improvements on the property are destroyed or materially damaged by fire or other casualty, the Company shall have the option of terminating its obligation to purchase the House or of accepting the House as damaged or destroyed, together with

5

the proceeds of any insurance payable as a result of the destruction or damage, which proceeds Executive agrees to assign for payment to the Company. In addition, in the event of a Sale of the Company and a relocation described in the introductory paragraph of this Section 1(c)(vi), the Parent agrees to reimburse Executive for the costs of his relocation in accordance with the Parent's programs or policies.

(vii) Notwithstanding the foregoing, the Board or the CEO of the Parent, as the case may be, may remove Executive as an officer of the Company or the Parent at any time (it being understood that such removal would constitute Good Reason).

(viii) For purposes hereof, "Cause" means:

- (1) Executive is convicted of a felony; or
- (2) in the course of carrying out his duties to the Company, Executive engages in conduct that constitutes willful dishonesty, moral turpitude, knowing violation of law (other than any violation of law committed in good faith by Executive and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and with respect to which he had no reasonable cause to believe his conduct was unlawful at the time the action was taken), willful refusal to carry out reasonable lawful directions from the Board or, if applicable, the CEO of the Parent, gross neglect of duties or willful gross

misconduct; provided, in each case described in this clause (2), that the Board or, if applicable, the CEO of the Parent determines in good faith that such conduct has resulted or is likely to result in material harm to the Company.

There shall be no termination for Cause without Executive's first being given written notice describing in detail the grounds on which the proposed termination is based and a reasonable opportunity to be heard and, if circumstances permit, to cure.

(ix) For purposes hereof, "Good Reason" means the occurrence of any of the following events without the written consent of Executive:

- (1) a material diminution of Executive's duties or the assignment to him of duties that are inconsistent in any substantial respect with the position, authority, or responsibilities associated with the positions of President and Chief Executive Officer; provided that the occurrence of a Sale of the Company in and of itself and any consequences that are a direct result thereof (including without limitation, if applicable, the impact of the cessation of the status of the Company as a public reporting and NYSE listed company or a

6

- (1) change in the reporting relationship such that Executive reports directly to the CEO of the Parent);
- (2) the failure of the Company to accord to Executive the title, authority and responsibilities of President and Chief Executive Officer or the failure of the Company to continue Executive as President and Chief Executive Officer (other than in connection with a termination for Cause), provided that in the event of a Sale of the Company, Executive's titles may be changed without constituting grounds for Good Reason if (1) the change in title(s) does not result in a diminution in Executive's duties, responsibilities or authority and (2) Executive continues to be the sole top executive at the Company;
- (3) the failure of the Company to nominate Executive as a member of the Board upon expiration of his term as a director or the failure of Executive to be elected to a new term as a director upon such expiration (other than as a result of voluntary action by Executive or the Sale of the Company if after such sale, there is no longer a board of directors of the Company);
- (4) a reduction by the Company in Executive's base compensation or his target bonus opportunity or a material reduction in his employee benefits or perquisites;
- (5) the failure of the Company to pay to Executive any portion of Executive's compensation when due;
- (6) the termination of Executive's employment by the Company not in accordance with this Agreement;
- (7) the failure of the Company to obtain the assumption of Executive's employment arrangements by any successor; or
- (8) a material breach by the Company of this Agreement.

Executive shall give written notice to the Board of his intention to terminate for Good Reason, such notice to describe in detail the grounds on which the proposed termination is based. The Company shall have thirty days after the date that such written notice has been given to the Board in which to cure such grounds. For purposes of this Agreement, either party's giving notice of non-renewal as contemplated by the first sentence of Section 1(c)(i) hereof shall not constitute "Good Reason."

(x) For purposes hereof, "Disability" means Executive's inability, due to disease, injury or mental disorder to perform with reasonable continuity his duties and responsibilities under this Agreement (i) for a period of 180 consecutive days, as determined in good faith by the Board, or (ii) for a

period of 90 consecutive days in the event that a medical doctor selected by the Board determines that such Disability would

7

continue for an additional 90 days. If Executive disagrees with such determination by the Board or such medical doctor, Executive shall deliver written notice to the Company of such disagreement within ten days after the receipt by Executive of notice of such determination of Disability. Upon delivery of such notice, the Company and Executive shall jointly select a medical doctor to review such determination and determine whether Executive has a Disability. If the Company and Executive cannot agree jointly on a medical doctor, each party shall select a medical doctor and the two doctors shall select a third medical doctor who shall determine Executive's Disability hereunder.

(d) Sale of the Company. For purposes hereof, a "Sale of the Company" shall be deemed to occur only upon (i) a sale of the business of the Company substantially as an entirety to any person or group, whether by means of an asset sale, a stock sale, a merger or otherwise, or (ii) the beneficial ownership by any person or group other than Gary Comer (the "Controlling Stockholder"), any family member, descendant or affiliate of the Controlling Stockholder and any trust or estate for his or their benefit (collectively, the "Comer Group") of an amount of the Company's common stock that is both (A) more than 35% of the Company's common stock and (B) a greater percentage of the Company's common stock than is at that time beneficially owned by the Comer Group; provided, however that a transfer of stock between or among members of the Comer Group shall not be deemed to constitute a Sale of the Company; provided further that, notwithstanding the foregoing, with respect to any transaction that contemplates the acquisition of 100% of the outstanding common stock of the Company by means of a tender offer followed by a merger, (i) the consummation of such tender offer shall not constitute a "Sale of the Company" hereunder, (ii) the consummation of such merger shall constitute a "Sale of the Company" hereunder, and (iii) any amounts that would become payable by the Company in respect of the consummation of such tender offer shall instead be paid upon the consummation of such merger.

For purposes hereof, a "Change in Control" shall be deemed to occur only upon (i) a sale of the business of the Company substantially as an entirety to any person or group (other than a person or group controlling, controlled by or under common control with the Company immediately prior to such transaction), whether by means of an asset sale, a stock sale, a merger or otherwise, or (ii) a transaction whereby any person, entity or group (other than a person, entity or group controlling, controlled by or under common control with the Company immediately prior to such transaction) becomes the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) of more than 50 percent of the voting power of the voting capital stock of the Company; provided, however that a transfer of stock between or among any person or group controlling, controlled by or under common control with the Company shall not be deemed to constitute a Change in Control; provided further that, notwithstanding the foregoing, with respect to any transaction that contemplates the acquisition of 100% of the outstanding common stock of the Company by means of a tender offer followed by a merger, (i) the consummation of such tender offer shall not constitute a "Change in Control" hereunder, (ii) the consummation of such merger shall constitute a "Change in Control" hereunder, and (iii) any amounts that would become payable by the Company in respect of the consummation of such tender offer shall instead be paid upon the consummation of such merger.

8

In the event that a Sale of the Company shall have occurred, and thereafter a Change in Control occurs during the Employment Period, then such Change in Control shall be deemed to be a Sale of the Company for all purposes under this Agreement as if the words "Change in Control" were substituted for the words "Sale of the Company" throughout this Agreement, other than with respect to Section 1(c) (ix).

(e) No Mitigation; No Offset. In the event of any termination of employment under Section 1(c) hereof, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due Executive under this Agreement on account of any remuneration attributable to any

subsequent employment that he may obtain or, after a Sale of the Company, on account of any claims the Company or the Parent may have against him.

(f) Nature of Payments. Any amounts due under Section 1(c) hereof are in the nature of severance payments considered to be reasonable by the Company and are not in the nature of a penalty.

2. Inventions and Other Intellectual Property. Executive agrees that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, trademarks, slogans, product or other designs, advertising or marketing programs, and all similar or related information which relate to the Company's or any of its subsidiaries' or affiliates' business, research and development being conducted or products or services being sold or under development, at the time Executive's employment terminates, and which are (or were prior to the date of this Agreement) conceived, developed or made by Executive, whether alone or jointly with others, while employed by the Company or any such subsidiary or affiliate or any predecessor thereof ("Work Product") belong to the Company or such subsidiary or affiliate. Executive will promptly disclose such Work Product to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney and other instruments).

3. Limitation. Section 2 of this Agreement regarding the ownership of inventions and other intellectual property does not apply to the extent application thereof is prohibited by any law the benefits of which cannot be waived by Executive. Executive hereby waives the benefits of any such law to the maximum extent permitted by law.

4. Confidential Information. Executive acknowledges that the information, observations and data obtained by him during the course of his employment with the Company concerning the business and affairs of the Company and its affiliates, including information concerning acquisition opportunities in or reasonably related to the Company's business or industry of which Executive becomes aware during his employment with the Company are the property of the Company. Therefore, other than in the course of performing his duties for the Company or any affiliate, Executive agrees that he will not disclose to any unauthorized person or use for his own account any of such information, observations or data without the Board's written consent, unless and to the extent that (x) he is required to do so by law or by a court, governmental agency, legislative body, or other person (including any committee of any such agency, body or other entity) with apparent jurisdiction to order him to divulge, disclose or make accessible such information, (y) it is necessary to enforce his rights under this Agreement or any

9

other agreement with the Company or any affiliate or (z) the aforementioned matters become generally known to and available for use by the public or within the relevant trade or industry other than as a result of Executive's acts or omissions to act. Executive agrees to deliver to the Company at a Separation, or at any other time the Company may request in writing, all memoranda, notes, plans, records, reports and other documents (and copies thereof) relating to the business of the Company and its affiliates (including, without limitation, all acquisition prospects, lists and contact information) which he may then possess or have under his control; provided however, that Executive may retain for his personal use (and not for any use in violation of Section 5 hereof) his personal papers and other materials of a personal nature, including diaries, calendars and Rolodexes, any information he reasonably believes may be necessary for tax purposes, any information showing his compensation or relating to reimbursement of expenses and copies of plans, programs and agreements relating to his employment.

5. Non-Compete, Non-Solicitation.

(a) Executive acknowledges that in the course of his employment with the Company he has become and will become familiar with trade secrets and customer lists of and other confidential information concerning the Company and its subsidiaries and affiliates and predecessors thereof and that his services have been and will be of special, unique and extraordinary value to the Company.

(b) Executive agrees that during the Employment Period and for a period of one year thereafter he shall not in any manner, directly or indirectly, through

any person, firm or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, employee or consultant of or in any other corporation or enterprise or otherwise, engage or be engaged in, or assist any other person, firm, corporation or enterprise in engaging or being engaged in, (1) the direct merchandising of clothing and associated products for men, women and children through selling channels consisting of mailings of catalogs directly to consumer and corporate and non-profit businesses as well as similar offerings through the Internet, (2) the direct merchandising of home textile products for bedrooms and bathrooms through selling channels consisting of mailings of catalogs directly to consumers as well as similar offerings through the Internet, (3) the operation of off-price liquidation outlet stores which have historically liquidated clothing and associated products below cost and are not intended to be a retail channel for profit, or (4) the collection, analysis and exchange of customer data relating to the business activities described in (1), (2) and (3) above, in any case, in any geographic area in which the Company or any of its subsidiaries or affiliates conducted such business at any time prior to the cessation of the Employment Period (whether through merchandising, creative or other catalog retailing activities, manufacturing or production, marketing to or soliciting customers or prospective customers or otherwise) (a "Competitive Activity"). Notwithstanding the foregoing, Executive may serve as an officer, employee or otherwise provide services to an entity that engages in Competitive Activities so long as (i) such entity also engages in activities that are not Competitive Activities, (ii) Executive does not provide, in any manner, whether directly or indirectly, any services in connection with any Competitive Activity, (iii) Executive's duties, responsibilities and authority do not relate to any Competitive Activity, and (iv) Executive has no control, directly or indirectly, over any employee, officer or other person who

10

engages in any manner in any Competitive Activity and no employee, officer or other person who engages in a Competitive Activity reports directly or indirectly to Executive.

(c) Executive further agrees that during the Employment Period and for two years thereafter he shall not in any manner, directly or indirectly, solicit any full time employee of the Company or of any of its subsidiaries to quit or abandon his or her employ with the Company, or any Customer of the Company or of any of its subsidiaries to quit or abandon its relationship with the Company, for any purpose whatsoever. For purposes of this Section 5(c), "Customer" shall mean any customer of the Company or its subsidiaries who purchased at least \$25,000 of goods or services from the Company and its subsidiaries during the two years prior to Executive's termination. Anything herein to the contrary notwithstanding, upon the request of an employee of the Company or its subsidiaries, Executive may provide personal references for such employee for employment with another entity; provided that to the knowledge of Executive, such employee would not be in breach of any written agreement between such employee and the Company as a result of such referral or employment by such other entity.

(d) Nothing in this Section 5 shall prohibit Executive from being: (i) a stockholder in a mutual fund or a diversified investment company or (ii) a passive owner of not more than 2 percent of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

(e) To the extent permitted by law, if, at the time of enforcement of this Section, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

6. Executive Representations. Executive represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he is bound, (ii) Executive is not a party to or bound by any employment agreement, noncompete agreement or confidentiality agreement with any other person or entity other than the Company and (iii) upon the execution and delivery of this Agreement by the parties, this Agreement shall be the valid and binding obligation of Executive, enforceable in

accordance with its terms.

7. Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

11

If to the Company:

Lands' End, Inc.
5 Lands' End Lane
Dodgeville, Wisconsin 53595
Attention: General Counsel

If to Executive:

David F. Dyer
c/o Lands' End
5 Lands' End Lane
Dodgeville, Wisconsin 53595

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

8. Tax Matters. (a) Gross Up Amount. In the event Executive incurs (through withholding or otherwise) any excise tax ("Excise Tax") under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), on "excess parachute payments" made by the Company in connection with the consummation of a change in control transaction, the Company shall pay Executive, prior to the time any such Excise Tax is payable, an additional amount (the "Gross Up Amount") which, after the imposition of all income and excise taxes thereon, is sufficient to put Executive in the same after-tax position as Executive would have been had Executive not been subject to any such Excise Tax; provided however, that if Executive would receive parachute payments (as defined in Section 280G of the Code) in connection with the consummation of a change in control transaction, and the net after-tax benefit of receiving such parachute payments plus the Gross Up Amount would be less than 125% of the net-after-tax benefit that Executive would receive if the amount of such parachute payments were reduced so that no Excise Tax were owing, then no Gross Up Amount shall be paid to Executive and the cash portion of any parachute payments made to Executive shall be reduced so that no Excise Tax shall be owed. For purposes of this Section, the net-after-tax benefit of payments shall be determined by assuming that Executive is subject to the highest federal marginal tax rate, the highest marginal rate of taxation in the state and locality of Executive's primary place of business and by assuming that state and local tax payments are deductible by Executive for federal income tax purposes at the highest marginal rate. In the event the Internal Revenue Service adjusts the computation of the Company under this Section 8, the Company shall reimburse Executive or Executive shall return payment to the Company to the extent necessary to achieve the purpose of this Section 8.

(b) Notification of Claim. Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross Up Amount. Such notification shall be given as soon as practicable but no later than ten (10) business days after Executive is informed in writing of such claim and shall

12

apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

- (i) give the Company any information requested by the Company relating to such claim;
- (ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;
- (iii) cooperate with the Company in good faith in order to effectively contest such claim; and
- (iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including, without limitation, additional interest and penalties incurred by Executive and any costs and expenses of Executive for legal and tax advice in connection with any proceedings relating to such claims) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Executive shall in any event be entitled to select his own legal and tax advisors in connection with any proceeding contemplated hereunder and he shall be reimbursed the costs and expenses thereof as provided in the preceding sentence. Without limiting the foregoing provisions of this Section 8, the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs Executive to pay such claims and sue for a refund, the Company shall advance the amount of such payment to Executive, on an after-tax basis, for any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and provided, further, that if Executive is required to extend the statute of limitations to enable the Company to contest such claim, Executive may limit this extension solely to such contested amount. The Company's control of the contest shall be limited to issues with respect to which a Gross Up Amount would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

13

9. General Provisions.

(a) Expenses. Executive is authorized to incur reasonable expenses in carrying out his duties and responsibilities under this Agreement and the Company shall promptly reimburse him for all legitimate business expenses incurred in connection with carrying out the business of the Company, subject to documentation and in accordance with the Company's reimbursement policies. In addition, the Company agrees (i) to pay, and hold Executive harmless against the liability for payment of (A) one-half of the reasonable legal and other expenses of Executive incurred in connection with the negotiation and execution of this Agreement on and prior to May 8, 2002, and thereafter, 100% of such expenses and (B) the reasonable legal expenses of Executive incurred in connection with litigation concerning the termination of Executive for Cause in which Executive is the prevailing party or which is settled by the parties and (ii) to reimburse Executive for all reasonable attorneys' fees incurred by Executive in enforcing his rights under this Agreement should Executive prevail with respect to any claim.

(b) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be

reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(c) Complete Agreement. This Agreement embodies the complete agreement and understanding among the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way. In the event of any inconsistency between any provision of this Agreement and any provision of any plan, employee handbook, personnel manual, program, policy, arrangement or agreement of the Company or any affiliate (including the Parent), the provisions of this Agreement shall control to the extent more favorable to Executive.

(d) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(e) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs (in the case of Executive) and assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation, or the sale or liquidation of all or substantially all of the assets of the Company, provided in either case that the successor, assignee or transferee is the successor to all or substantially all of the assets of the Company and such successor, assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets or liquidation as described in the preceding sentence, it shall take

14

whatever action it legally can in order to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. No rights or obligations of Executive under this Agreement may be assigned or transferred by Executive other than his rights to compensation and benefits, which may be transferred only by will or operation of law.

(f) Tax Withholding. The Company may withhold from any benefits payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

(g) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Wisconsin, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Wisconsin or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Wisconsin.

(h) Remedies. Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(i) Amendment and Waiver. No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by Executive and an authorized officer of the Company. No waiver by either party of any breach by the other party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by Executive or an authorized officer of the Company, as the case may be.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state

in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(k) Representation. The Company represents and warrants to Executive that (i) the execution, delivery and performance of this Agreement by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which it is bound, (ii) it is fully authorized and empowered (including, without limitation, by any action, if any, required to be taken by the Board or any committee thereof) to enter into this Agreement and (iii) upon the execution and delivery of this Agreement by the parties, this Agreement shall be the valid and binding obligation of the Company enforceable in accordance with its terms, except to the extent

15

that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(l) Survival. The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to the intended preservation of such rights and obligations.

(m) Resolution of Disputes. Any disputes arising under or in connection with this Agreement shall, at the election of either party, be resolved by binding arbitration, to be held on a confidential basis in Madison, Wisconsin, in accordance with rules and procedures of the American Arbitration Association (it being understood that the parties will not disclose to any third party any aspect of such arbitration). Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Costs of the arbitration or litigation, including, without limitation, attorneys' fees of both parties, shall be borne as provided in Section 9(a) hereof.

(n) Contractual Rights and Obligations. This Agreement establishes contractual rights and obligations of Executive and the Company. Nothing herein shall be deemed to require the Company to segregate, earmark or otherwise set aside any funds or other assets, in trust or otherwise, for any payments that may be required hereunder.

(o) Indemnification and Directors' and Officers' Liability Insurance. During the Employment Period and thereafter, the Company and, in the event of a Sale of the Company, the Parent agree that (i) Executive shall be indemnified (and advanced his expenses) to the fullest extent permitted by (a) the certificate of incorporation and/or by-laws of the Company and, if there is a Sale of the Company, of the Parent or (b) if greater, applicable law and (ii) Executive shall be covered by directors' and officers' liability insurance on terms and conditions no less favorable to Executive than provided to other similarly-situated officers of the Company and, in the event of a Sale of the Company, of the Parent.

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

LANDS' END, INC.

/s/ Karl A. Dahlen

By: Karl A. Dahlen
Its: Vice President and
Senior Legal Officer

DAVID F. DYER

/s/ David F. Dyer

David F. Dyer

16

AGREEMENT

This AGREEMENT (this "Agreement") made as of [_____], 2002 by and between [_____], a Delaware corporation (the "Company"), and [_____] ("Executive").

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. The Company shall continue to employ Executive, and Executive accepts continued employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the date hereof and ending upon his or her Separation pursuant to Section 1(c) hereof (the "Employment Period").

(a) Position and Duties.

(i) During the Employment Period, Executive shall occupy the positions and have the title with the Company that are in effect for Executive on the date hereof (the "Current Position") and shall have the normal duties, responsibilities and authority of an executive serving in such position, subject to the power of the Company's Chief Executive Officer and Board of Directors (the "Board") to expand or limit such duties, responsibilities and authority, either generally or in specific instances, and to override actions of Executive.

(ii) Executive shall devote his or her best efforts and his or her full business time and attention to the business and affairs of the Company and its subsidiaries. Anything herein to the contrary notwithstanding, nothing shall preclude Executive from engaging in charitable activities and community affairs and managing his or her personal investments and affairs, provided that such activities do not materially interfere with the proper performance of his or her duties and responsibilities as contemplated by this Agreement. Executive shall perform his or her duties and responsibilities to the best of his or her abilities in a diligent, trustworthy, businesslike and efficient manner and shall exercise the highest degree of loyalty and the highest standards of care in the performance of his or her duties.

(b) Salary, Bonus and Benefits.

(i) During the Employment Period, the Company will pay Executive a base salary (the "Annual Base Salary") of at least the amount specified on the signature page attached hereto, subject to any increase as determined by the Board from time to time; provided however that the Annual Base Salary may be reduced, including below the amount of the Annual Base Salary on the date hereof, if base salaries for all other similarly situated executives are proportionately reduced. The Annual Base Salary shall be payable in accordance with the regular payroll practices of the Company but, in any event, no less frequently than monthly.

(ii) During the Employment Period, Executive shall be entitled to participate in the Company's Annual Incentive Plan, as in effect from time to time, at a level determined by the Compensation Committee of the Board or its successor. The Company hereby confirms that the Compensation Committee of the Board has determined that for fiscal year 2003, Executive's target performance level for purposes of the Company's Annual Incentive Plan shall be equal to the percentage of the Annual Base Salary specified on the signature page attached hereto. In addition, the Board or the Compensation Committee of the Board may award a special or additional bonus to Executive in its sole discretion from time to time.

(iii) The Company shall reimburse Executive for all reasonable expenses incurred by him or her in the course of performing his or her duties under this Agreement which are consistent with its policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

(iv) During the Employment Period, Executive shall be entitled to participate in all employee pension and welfare benefit plans and programs made available to the Company's senior level executives or to its employees generally, as such plans or programs may be in effect from time to time, including, without limitation, pension, profit sharing, savings and other retirement plans or programs, medical, dental, hospitalization, short-term and long-term disability and life insurance plans, accidental death and dismemberment protection, travel accident insurance, and any other pension or retirement plans or programs and any other employee welfare benefit plans or programs that may be sponsored by the Company from time to time, including plans that supplement the above-listed types of plans or programs, whether funded or unfunded.

(v) During the Employment Period, Executive shall participate in all benefits and perquisites available from time to time to senior executives of the Company at levels, and on terms and conditions, that are commensurate with his or her positions and responsibilities at the Company, and shall receive such additional benefits and perquisites as the Board or the Compensation Committee thereof may, in its sole discretion, from time to time provide.

(vi) Executive shall be entitled to receive a payment in the amount specified on the signature page attached hereto (the "Retention Bonus") if Executive remains continuously employed by the Company after a Sale of the Company through the first anniversary of the Sale of the Company; provided that Executive shall be entitled to the Retention Bonus as contemplated hereby in the event that he or she is terminated without Cause, resigns with Good Reason, dies or becomes Disabled after the occurrence of the Sale of the Company and prior to or on such anniversary date. The Company shall pay the Retention Bonus to Executive as soon as practicable following the first anniversary of the Sale of the Company; provided that if Executive is terminated without Cause, resigns with Good Reason, dies or becomes Disabled after a Sale of the Company but prior to such anniversary date, the Retention Bonus shall be paid to Executive as soon as practicable after such termination. For purposes hereof, a "Sale of the Company" shall be deemed to occur only upon (i) a sale of the business of the Company substantially as an

2

entirety to any person or group, whether by means of an asset sale, a stock sale, a merger or otherwise, or (ii) the beneficial ownership by any person or group other than Gary Comer (the "Controlling Stockholder"), any family member, descendant or affiliate of the Controlling Stockholder and any trust or estate for his or their benefit (collectively, the "Comer Group") of an amount of the Company's common stock that is both (A) more than 35% of the Company's common stock and (B) a greater percentage of the Company's common stock than is at that time beneficially owned by the Comer Group; provided, however that a transfer of stock between or among members of the Comer Group shall not be deemed to constitute a "Sale of the Company"; provided further that, notwithstanding the foregoing, with respect to any transaction that contemplates the acquisition of 100% of the outstanding common stock of the Company by means of a tender offer followed by a merger, (i) the consummation of such tender offer shall not constitute a "Sale of the Company" hereunder, (ii) the consummation of such merger shall constitute a "Sale of the Company" hereunder, and (iii) any amounts that would become payable by the Company in respect of the consummation of such tender offer shall instead be paid upon the consummation of such merger.

(vii) During the Employment Period, Executive shall be eligible to participate in any long-term incentive plans of the Company and its affiliates, as in effect from time to time, in which other senior executives of the Company are eligible to participate, on substantially the same basis as such other executives, but taking into account the seniority and rank of Executive.

(c) Separation.

(i) Except as hereinafter provided, the Employment Period shall continue until, and shall end upon, the second anniversary of the date hereof; provided that the Employment Period shall be automatically extended

for additional one-year periods unless written notice of intent not to renew is delivered by either party to the other party at least 6 months prior to the end of the Employment Period; provided further that upon a Sale of the Company, the Employment Period shall be automatically extended until the second anniversary of the Sale of the Company but not beyond. Notwithstanding the foregoing, the Employment Period shall end early upon Executive's death, Disability or resignation or at such time as the Board determines to terminate Executive's employment (a "Separation"). A Separation, other than a resignation by Executive for Good Reason or a termination by the Company for Cause, death or Disability, shall only be effective upon 30 days notice by Executive or the Company, as applicable.

(ii) If Executive's employment is terminated by the Company for Cause, by Executive without Good Reason or upon the expiration of the Employment Period other than as a result of a Separation, Executive shall thereupon cease to have any rights to salary, benefits or incentive awards (including without limitation any incentive award for the fiscal year in which the Separation occurs or otherwise), other than: (A) salary at an annual rate equal to his or her Annual Base Salary through the date of Separation, (B) any bonus earned by Executive under the Company's Annual Incentive Plan with respect to the previous fiscal year, but which has not theretofore been paid, (C) all other rights and

3

benefits in which Executive is vested or entitled to by law as of the Separation and (D) payment with respect to unused vacation time in accordance with the Company's policy.

(iii) If Executive's employment is terminated as a result of Executive's death or Disability, Executive or his or her estate or beneficiaries (as the case may be) shall be entitled to (A) the payments and benefits described in Section 1(c)(ii) hereof and (B) within 30 days after the date of Separation, the payment of a pro rata portion (based on the actual number of days served in the respective fiscal year as compared to the total number of days in such fiscal year) of (A) 140% of the Target Bonus for fiscal year 2003 or (B) 100% of the Target Bonus for any subsequent fiscal year "Target Bonus" shall mean an amount equal to 100% of Executive's target performance level (as established by the Compensation Committee or its successor at the beginning of such fiscal year) under the Company's Annual Incentive Plan for the fiscal year in which the Separation occurs.

(iv) If Executive's employment is terminated by the Company without Cause or Executive resigns with Good Reason, including after the occurrence of a Sale of the Company:

- (A) Executive shall be entitled to the payments and benefits described in Section 1(c)(ii) hereof;
- (B) The Company shall pay, within 30 days after the date of such Separation, Executive a pro rata portion (based on the actual number of days served in the fiscal year of Separation as compared to the total number of days in such fiscal year) of 140% of the Executive's Target Bonus if separation occurs during fiscal year 2003 or 100% of Target if separation occurs in a subsequent fiscal year; and
- (C) The Company shall pay Executive as salary continuation, an amount (the "Severance Payment") equal to the number specified on the signature page attached hereto (the "Multiple") times the sum of (i) Executive's then applicable Annual Base Salary (before any reduction that resulted in a resignation with Good Reason) plus (ii) 140% of the Executive's Target Bonus if separation occurs during fiscal year 2003 or 100% of Target if separation occurs in a subsequent fiscal year. This amount will be paid out over a number of months equal to 12 times the Multiple in accordance with the normal payroll cycle of the Company but in no case less frequently than monthly.

(v) In addition to the benefits set forth in subsection (iv) above, if

Executive's employment is terminated by the Company without Cause or Executive resigns with Good Reason, in each case after the occurrence of a Sale of the Company and during the Employment Period in effect at the time of the Sale of the Company, giving effect to any extension thereof, until the second anniversary of the Sale of the Company as provided in

4

Section 1(c) (i) but not to any subsequent one-year extension thereof as provided in Section 1(c) (i), the Company shall use its commercially reasonable efforts so that, during the period of salary continuation, Executive may participate, at the same cost and expense as other similarly situated executives of the Company, in the Company's health and medical insurance policies, as such may be in effect from time to time, with benefits comparable to benefits provided to senior level executives of the Company.

(vi) Notwithstanding the foregoing, the Board may remove Executive from his or her Current Position at any time (it being understood that such removal would constitute Good Reason).

(vii) For purposes hereof, "Cause" means:

- (A) Executive is convicted of a felony;
- (B) in the course of carrying out his or her duties to the Company or its successor in the event of a Sale of the Company, Executive engages in conduct that constitutes willful dishonesty, moral turpitude, knowing violation of law (other than any violation of law committed in good faith by the Executive and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and with respect to which he or she had reasonable cause to believe his or her conduct was lawful at the time the action was taken), willful refusal to carry out reasonable lawful directions from the Executive's superiors, gross neglect of duties or willful gross misconduct; provided, in each case described in this clause (B), that the CEO of the Company or its successor in the event of a Sale of the Company determines in good faith that such conduct has resulted or is likely to result in material harm to the Company; or
- (C) any other breach by Executive of this Agreement which is material and which is not cured within 30 days after written notice thereof to Executive from the Company.

There shall be no termination for Cause without Executive's first being given written notice describing in detail the grounds on which the proposed termination is based and a reasonable opportunity to be heard and, if circumstances permit, to cure.

(viii) For purposes hereof, "Good Reason" means the occurrence of any of the following events without the written consent of Executive:

- (A) a material diminution of Executive's duties or the assignment to him or her of duties that are inconsistent in any substantial respect with the position, authority or responsibilities associated with the Current Position, other than any such authorities, duties or responsibilities assigned at any time after the date hereof which are by their nature, or which are identified at the time of assignment,

5

as being temporary or short-term; provided that the occurrence of a Sale of the Company in and of itself and any consequences that are a direct result thereof (including without limitation, if applicable, the impact of the

cessation of the status of the Company as a public reporting and NYSE listed company) shall not be deemed to constitute "Good Reason" under this Clause (A);

- (B) the Company's requiring Executive to be based at a location which is 50 or more miles from the Executive's principal office location on the date hereof, unless Executive otherwise consents in writing;
- (C) a reduction by the Company in Executive's base compensation or a material reduction in his or her employee benefits or perquisites, other than any such reduction that is made in connection with proportionate reductions for similarly situated executives; and
- (D) a change in the reporting relationship of Executive, such that Executive no longer reports directly to the Senior Executive responsible for the Company.

Executive shall give written notice to the Board of his or her intention to terminate for Good Reason, such notice to describe in detail the grounds on which the proposed termination is based. The Company shall have 30 days after the date that such written notice has been given to the Board in which to cure such grounds. For purposes of this Agreement, either party's giving notice of non-renewal as contemplated by the first sentence of Section 1(c) (i) hereof shall not constitute "Good Reason."

(ix) For purposes hereof, "Disability" means Executive's inability, due to disease, injury or mental disorder to perform with reasonable continuity his or her duties and responsibilities under this Agreement (i) for a period of 180 consecutive days, as determined in good faith by the Board, or (ii) for a period of 90 consecutive days in the event that a medical doctor selected by the Board determines that such Disability would continue for an additional 90 days. If Executive disagrees with such determination by the Board or such medical doctor, Executive shall deliver written notice to the Company of such disagreement within ten days after the receipt by Executive of notice of such determination of Disability. Upon delivery of such notice, the Company and Executive shall jointly select a medical doctor to review such determination and determine whether Executive has a Disability. If the Company and Executive cannot agree jointly on a medical doctor, each party shall select a medical doctor and the two doctors shall select a third medical doctor who shall determine Executive's Disability hereunder.

(d) No Mitigation; No Offset. In the event of any termination of employment under Section 1(c) hereof, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due the Executive under this Agreement on account of any remuneration attributable to any subsequent employment that he or she may obtain.

6

(e) Nature of Payments. Any amounts due under Section 1(c) hereof are in the nature of severance payments considered to be reasonable by the Company and are not in the nature of a penalty.

2. Inventions and Other Intellectual Property. Executive agrees that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, trademarks, slogans, product or other designs, advertising or marketing programs, and all similar or related information which relate to the Company's or any of its subsidiaries' or affiliates' actual or anticipated business, research and development or existing or future products or services and which are (or were prior to the date of this Agreement) conceived, developed or made by Executive, whether alone or jointly with others, while employed by the Company or any such subsidiary or affiliate or any predecessor thereof ("Work Product") belong to the Company or such subsidiary or affiliate. Executive will promptly disclose such Work Product to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney and other instruments).

3. Limitation. Section 2 of this Agreement regarding the ownership of inventions and other intellectual property does not apply to the extent

application thereof is prohibited by any law the benefits of which cannot be waived by Executive. Executive hereby waives the benefits of any such law to the maximum extent permitted by law.

4. Confidential Information. Executive acknowledges that the information, observations and data obtained by him or her during the course of his or her employment with the Company concerning the business and affairs of the Company and its affiliates, including information concerning acquisition opportunities in or reasonably related to the Company's business or industry of which Executive becomes aware during his or her employment with the Company are the property of the Company. Therefore, Executive agrees that he or she will not disclose to any unauthorized person or use for his or her own account any of such information, observations or data without the Board's written consent, unless and to the extent that (x) he or she is required to do so by law or by a court, governmental agency, legislative body, or other person with jurisdiction to order him to divulge, disclose or make accessible such information, or (y) the aforementioned matters become generally known to and available for use by the public other than as a result of Executive's acts or omissions to act. Executive agrees to deliver to the Company at a Separation, or at any other time the Company may request in writing, all memoranda, notes, plans, records, reports and other documents (and copies thereof) relating to the business of the Company and its affiliates (including, without limitation, all acquisition prospects, lists and contact information) which he or she may then possess or have under his or her control.

5. Non-Compete, Non-Solicitation.

(a) Executive acknowledges that in the course of his or her employment with the Company he or she has become and will become familiar with trade secrets and customer lists of and other confidential information concerning the Company and its subsidiaries and affiliates and predecessors thereof and that his or her services have been and will be of special, unique and extraordinary value to the Company.

7

(b) Executive agrees that during the Employment Period and for a period of six months thereafter he or she shall not in any manner, directly or indirectly, through any person, firm or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor, employee or consultant of or in any other corporation or enterprise or otherwise, engage or be engaged in, or assist any other person, firm, corporation or enterprise in engaging or being engaged in, (1) the direct merchandising of clothing and associated products for men, women and children through selling channels consisting of mailings of catalogs directly to consumer and corporate and non-profit businesses as well as similar offerings through the Internet, (2) the direct merchandising of home textile products for bedrooms and bathrooms through selling channels consisting of mailings of catalogs directly to consumers as well as similar offerings through the Internet, (3) the operation of off-price liquidation outlet stores which have historically liquidated clothing and associated products below cost and are not intended to be a retail channel for profit, or (4) the collection, analysis and exchange of customer data relating to the business activities described in (1), (2) and (3) above, in any case, in any geographic area in which the Company or any of its subsidiaries or affiliates conducted such business at any time prior to the cessation of the Employment Period (whether through merchandising, creative or other catalog retailing activities, manufacturing or production, marketing to or soliciting customers or prospective customers or otherwise) (a "Competitive Activity"). Notwithstanding the foregoing, Executive may serve as an officer, employee or otherwise provide services to an entity that engages in Competitive Activities so long as (i) such entity also engages in activities that are not Competitive Activities, (ii) Executive does not provide, in any manner, whether directly or indirectly, any services in connection with any Competitive Activity, (iii) Executive's duties, responsibilities and authority do not relate to any Competitive Activity, and (iv) Executive has no control, directly or indirectly, over any employee, officer or other person who engages in any manner in any Competitive Activity and no employee, officer or other person who engages in a Competitive Activity reports directly or indirectly to Executive.

(c) Executive further agrees that during the Employment Period and for two years thereafter he or she shall not in any manner, directly or indirectly, solicit any full time employee of the Company or of any of its subsidiaries to

quit or abandon his or her employ with the Company, or any Customer of the Company or of any of its subsidiaries to quit or abandon its relationship, for any purpose whatsoever. For purposes of this Section 5(c), "Customer" shall mean any customer of the Company or its subsidiaries who purchased at least \$25,000 of goods or services from the Company and its subsidiaries during the two years prior to Executive's termination.

(d) Nothing in this Section 5 shall prohibit Executive from being: (i) a stockholder in a mutual fund or a diversified investment company or (ii) a passive owner of not more than 2 percent of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

(e) To the extent permitted by law, if, at the time of enforcement of this Section, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and

8

that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

6. Executive Representations. Executive represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he or she is bound, (ii) Executive is not a party to or bound by any employment agreement, noncompete agreement or confidentiality agreement with any other person or entity other than the Company and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms.

7. Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

Notices to Executive:

As specified on the signature page attached hereto

Notices to the Company:

with a copy (which shall not constitute notice) to:

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

8. Tax Matters. In the event Executive incurs (through withholding or otherwise) any excise tax ("Excise Tax") under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), on "excess parachute payments" made by the Company in

9

connection with the consummation of a change in control transaction, the Company shall pay Executive, prior to the time any such Excise Tax is payable, an additional amount (the "Gross Up Amount") which, after the imposition of all income and excise taxes thereon, is sufficient to put Executive in the same after-tax position as Executive would have been had Executive not been subject to any such Excise Tax; provided however, that if Executive would receive parachute payments (as defined in Section 280G of the Code) in connection with the consummation of a change in control transaction, and the net after-tax benefit of receiving such parachute payments plus the Gross Up Amount would be less than 125% of the net-after-tax benefit that Executive would receive if the amount of such parachute payments were reduced so that no Excise Tax were owing, then no Gross Up Amount shall be paid to the Executive and the cash portion of any parachute payments made to Executive shall be reduced so that no Excise Tax shall be owed. For purposes of this Section, the net-after-tax benefit of payments shall be determined by assuming that Executive is subject to the highest federal marginal tax rate, the highest marginal rate of taxation in the state and locality of Executive's primary place of business and by assuming that state and local tax payments are deductible by Executive for federal income tax purposes at the highest marginal rate. In the event the Internal Revenue Service adjusts the computation of the Company under this Section 8, the Company shall reimburse the Executive or the Executive shall return payment to the Company to the extent necessary to achieve the purpose of this Section 8.

9. General Provisions.

(a) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(b) Complete Agreement. This Agreement embodies the complete agreement and understanding among the parties and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, including without limitation any prior employment agreements or letter agreements between Executive and the Company relating to the subject matter hereof.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs (in the case of Executive) and assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation, or the sale or liquidation of all or substantially all of the assets of the Company, provided in either case that the successor, assignee or transferee is the

10

successor to all or substantially all of the assets of the Company and such successor, assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets or liquidation as described in the preceding sentence, it shall take whatever action it legally can in order to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. No rights or obligations of Executive under this Agreement may be assigned or transferred by Executive other than his or her rights to compensation and benefits, which may be transferred only by will or operation of law.

(e) Tax Withholding. The Company may withhold from any benefits payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

(f) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Wisconsin, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Wisconsin or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Wisconsin.

(g) Interpretation. Nothing in this Agreement shall affect the terms of any option to purchase stock of the Company held by Executive.

(h) Remedies. Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor; provided that the Company shall reimburse Executive for all reasonable attorney's fees incurred by Executive should Executive prevail. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(i) Amendment and Waiver. No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by Executive and an authorized officer of the Company. No waiver by either party of any breach by the other party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by Executive or an authorized officer of the Company, as the case may be.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

11

(k) Representation. The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any agreement between it and any other person, firm or organization.

(l) Survival. The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to the intended preservation of such rights and obligations.

(m) Resolution of Disputes. Any disputes arising under or in connection with this Agreement shall, at the election of either party, be resolved by binding arbitration, to be held on a confidential basis in Madison, Wisconsin, in accordance with rules and procedures of the American Arbitration Association (it being understood that the parties will not disclose to any third party any aspect of such arbitration).

(n) Contractual Rights and Obligations. This Agreement establishes contractual rights and obligations of Executive and the Company. Nothing herein shall be deemed to require the Company to segregate, earmark or otherwise set aside any funds or other assets, in trust or otherwise, for any payments that may be required hereunder.

* * * * *

12

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

[COMPANY]

By: _____

Name:

Its:

[EXECUTIVE]

Address:

Annual Base Salary, per annum:

\$ _____

Target Performance Level:

 %

Retention Bonus:

\$ _____

Multiple:

AGREEMENT

This AGREEMENT (this "Agreement") made as of [_____], 2002 by and between [_____], a Delaware corporation (the "Company"), and [_____] ("Executive").

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. The Company shall continue to employ Executive, and Executive accepts continued employment with the Company, upon the terms and conditions set forth in this Agreement, for the period beginning on the date hereof and ending upon his or her Separation pursuant to Section 1(c) hereof (the "Employment Period").

(a) Position and Duties.

(i) During the Employment Period, Executive shall occupy the positions and have the title with the Company that are in effect for Executive on the date hereof (the "Current Position") and shall have the normal duties, responsibilities and authority of an executive serving in such position, subject to the power of the Company's Chief Executive Officer and Board of Directors (the "Board") to expand or limit such duties, responsibilities and authority, either generally or in specific instances, and to override actions of Executive.

(ii) Executive shall devote his or her best efforts and his or her full business time and attention to the business and affairs of the Company and its subsidiaries. Anything herein to the contrary notwithstanding, nothing shall preclude Executive from engaging in charitable activities and community affairs and managing his or her personal investments and affairs, provided that such activities do not materially interfere with the proper performance of his or her duties and responsibilities as contemplated by this Agreement. Executive shall perform his or her duties and responsibilities to the best of his or her abilities in a diligent, trustworthy, businesslike and efficient manner and shall exercise the highest degree of loyalty and the highest standards of care in the performance of his or her duties.

(b) Salary, Bonus and Benefits.

(i) During the Employment Period, the Company will pay Executive a base salary (the "Annual Base Salary") of at least the amount specified on the signature page attached hereto, subject to any increase as determined by the Board from time to time; provided however that the Annual Base Salary may be reduced, including below the amount of the Annual Base Salary on the date hereof, if base salaries for all other similarly situated executives are proportionately reduced. The Annual Base Salary shall be payable in accordance with the regular payroll practices of the Company but, in any event, no less frequently than monthly.

(ii) During the Employment Period, Executive shall be entitled to participate in the Company's Annual Incentive Plan, as in effect from time to time, at a level determined by the Compensation Committee of the Board or its successor. The Company hereby confirms that the Compensation Committee of the Board has determined that for fiscal year 2003, Executive's target performance level for purposes of the Company's Annual Incentive Plan shall be equal to the percentage of the Annual Base Salary specified on the signature page attached hereto. In addition, the Board or the Compensation Committee of the Board may award a special or additional bonus to Executive in its sole discretion from time to time.

(iii) The Company shall reimburse Executive for all reasonable expenses incurred by him or her in the course of performing his or her duties under this Agreement which are consistent with its policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Company's requirements with respect to reporting and documentation of such expenses.

(iv) During the Employment Period, Executive shall be entitled to participate in all employee pension and welfare benefit plans and programs made available to the Company's senior level executives or to its employees generally, as such plans or programs may be in effect from time to time, including, without limitation, pension, profit sharing, savings and other retirement plans or programs, medical, dental, hospitalization, short-term and long-term disability and life insurance plans, accidental death and dismemberment protection, travel accident insurance, and any other pension or retirement plans or programs and any other employee welfare benefit plans or programs that may be sponsored by the Company from time to time, including plans that supplement the above-listed types of plans or programs, whether funded or unfunded.

(v) During the Employment Period, Executive shall participate in all benefits and perquisites available from time to time to senior executives of the Company at levels, and on terms and conditions, that are commensurate with his or her positions and responsibilities at the Company, and shall receive such additional benefits and perquisites as the Board or the Compensation Committee thereof may, in its sole discretion, from time to time provide.

(vi) Executive shall be entitled to receive a payment in the amount specified on the signature page attached hereto (the "Retention Bonus") if Executive remains continuously employed by the Company after a Sale of the Company through the first anniversary of the Sale of the Company; provided that Executive shall be entitled to the Retention Bonus as contemplated hereby in the event that he or she is terminated without Cause, resigns with Good Reason, dies or becomes Disabled after the occurrence of the Sale of the Company and prior to or on such anniversary date. The Company shall pay the Retention Bonus to Executive as soon as practicable following the first anniversary of the Sale of the Company; provided that if Executive is terminated without Cause, resigns with Good Reason, dies or becomes Disabled after a Sale of the Company but prior to such anniversary date, the Retention Bonus shall be paid to Executive as soon as practicable after such termination. For purposes hereof, a "Sale of the Company" shall be deemed to occur only upon (i) a sale of the business of the Company substantially as

2

an entirety to any person or group, whether by means of an asset sale, a stock sale, a merger or otherwise, or (ii) the beneficial ownership by any person or group other than Gary Comer (the "Controlling Stockholder"), any family member, descendant or affiliate of the Controlling Stockholder and any trust or estate for his or their benefit (collectively, the "Comer Group") of an amount of the Company's common stock that is both (A) more than 35% of the Company's common stock and (B) a greater percentage of the Company's common stock than is at that time beneficially owned by the Comer Group; provided, however that a transfer of stock between or among members of the Comer Group shall not be deemed to constitute a "Sale of the Company"; provided further that, notwithstanding the foregoing, with respect to any transaction that contemplates the acquisition of 100% of the outstanding common stock of the Company by means of a tender offer followed by a merger, (i) the consummation of such tender offer shall not constitute a "Sale of the Company" hereunder, (ii) the consummation of such merger shall constitute a "Sale of the Company" hereunder, and (iii) any amounts that would become payable by the Company in respect of the consummation of such tender offer shall instead be paid upon the consummation of such merger.

(vii) During the Employment Period, Executive shall be eligible to participate in any long-term incentive plans of the Company and its affiliates, as in effect from time to time, in which other senior executives of the Company are eligible to participate, on substantially the same basis as such other executives, but taking into account the seniority and rank of Executive.

(c) Separation.

(i) Except as hereinafter provided, the Employment Period shall continue until, and shall end upon, the second anniversary of the date hereof; provided that the Employment Period shall be automatically extended

for additional one-year periods unless written notice of intent not to renew is delivered by either party to the other party at least 6 months prior to the end of the Employment Period; provided further that upon a Sale of the Company, the Employment Period shall be automatically extended until the second anniversary of the Sale of the Company but not beyond. Notwithstanding the foregoing, the Employment Period shall end early upon Executive's death, Disability or resignation or at such time as the Board determines to terminate Executive's employment (a "Separation"). A Separation, other than a resignation by Executive for Good Reason or a termination by the Company for Cause, death or Disability, shall only be effective upon 30 days notice by Executive or the Company, as applicable.

(ii) If Executive's employment is terminated by the Company for Cause, by Executive without Good Reason or upon the expiration of the Employment Period other than as a result of a Separation, Executive shall thereupon cease to have any rights to salary, benefits or incentive awards (including without limitation any incentive award for the fiscal year in which the Separation occurs or otherwise), other than: (A) salary at an annual rate equal to his or her Annual Base Salary through the date of Separation, (B) any bonus earned by Executive under the Company's Annual Incentive Plan with respect to the previous fiscal year, but which has not theretofore been paid, (C) all other rights and

3

benefits in which Executive is vested or entitled to by law as of the Separation and (D) payment with respect to unused vacation time in accordance with the Company's policy.

(iii) If Executive's employment is terminated as a result of Executive's death or Disability, Executive or his or her estate or beneficiaries (as the case may be) shall be entitled to (A) the payments and benefits described in Section 1(c)(ii) hereof and (B) within 30 days after the date of Separation, the payment of a pro rata portion (based on the actual number of days served in the respective fiscal year as compared to the total number of days in such fiscal year) of (A) 140% of the Target Bonus for fiscal year 2003 or (B) 100% of the Target Bonus for any subsequent fiscal year "Target Bonus" shall mean an amount equal to 100% of Executive's target performance level (as established by the Compensation Committee or its successor at the beginning of such fiscal year) under the Company's Annual Incentive Plan for the fiscal year in which the Separation occurs.

(iv) If Executive's employment is terminated by the Company without Cause or Executive resigns with Good Reason, including after the occurrence of a Sale of the Company:

- (A) Executive shall be entitled to the payments and benefits described in Section 1(c)(ii) hereof;
- (B) The Company shall pay, within 30 days after the date of such Separation, Executive a pro rata portion (based on the actual number of days served in the fiscal year of Separation as compared to the total number of days in such fiscal year) of 140% of the Executive's Target Bonus if separation occurs during fiscal year 2003 or 100% of Target if separation occurs in a subsequent fiscal year; and
- (C) The Company shall pay Executive as salary continuation, an amount (the "Severance Payment") equal to the number specified on the signature page attached hereto (the "Multiple") times the sum of (i) Executive's then applicable Annual Base Salary (before any reduction that resulted in a resignation with Good Reason) plus (ii) 140% of the Executive's Target Bonus if separation occurs during fiscal year 2003 or 100% of Target if separation occurs in a subsequent fiscal year. This amount will be paid out over a number of months equal to 12 times the Multiple in accordance with the normal payroll cycle of the Company but in no case less frequently than monthly.

(v) In addition to the benefits set forth in subsection (iv) above, if Executive's employment is terminated by the Company without Cause or

Executive resigns with Good Reason, in each case after the occurrence of a Sale of the Company and during the Employment Period in effect at the time of the Sale of the Company, giving effect to any extension thereof, until the second anniversary of the Sale of the Company as provided in

4

Section 1(c)(i) but not to any subsequent one-year extension thereof as provided in Section 1(c)(i), the Company shall use its commercially reasonable efforts so that, during the period of salary continuation, Executive may participate, at the same cost and expense as other similarly situated executives of the Company, in the Company's health and medical insurance policies, as such may be in effect from time to time, with benefits comparable to benefits provided to senior level executives of the Company.

(vi) Notwithstanding the foregoing, the Board may remove Executive from his or her Current Position at any time (it being understood that such removal would constitute Good Reason).

(vii) For purposes hereof, "Cause" means:

- (A) Executive is convicted of a felony;
- (B) in the course of carrying out his or her duties to the Company or its successor in the event of a Sale of the Company, Executive engages in conduct that constitutes willful dishonesty, moral turpitude, knowing violation of law (other than any violation of law committed in good faith by the Executive and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and with respect to which he or she had reasonable cause to believe his or her conduct was lawful at the time the action was taken), willful refusal to carry out reasonable lawful directions from the Executive's superiors, gross neglect of duties or willful gross misconduct; provided, in each case described in this clause (B), that the CEO of the Company or its successor in the event of a Sale of the Company determines in good faith that such conduct has resulted or is likely to result in material harm to the Company; or
- (C) any other breach by Executive of this Agreement which is material and which is not cured within 30 days after written notice thereof to Executive from the Company.

There shall be no termination for Cause without Executive's first being given written notice describing in detail the grounds on which the proposed termination is based and a reasonable opportunity to be heard and, if circumstances permit, to cure.

(viii) For purposes hereof, "Good Reason" means the occurrence of any of the following events without the written consent of Executive:

- (A) a material diminution of Executive's duties or the assignment to him or her of duties that are inconsistent in any substantial respect with the position, authority or responsibilities associated with the Current Position, other than any such authorities, duties or responsibilities assigned at any time after the date hereof which are by their nature, or which are identified at the time of assignment,

5

as being temporary or short-term; provided that the occurrence of a Sale of the Company in and of itself and any consequences that are a direct result thereof (including without limitation, if applicable, the impact of the cessation of the status of the Company as a public reporting and NYSE listed company) shall not be deemed to constitute

"Good Reason" under this Clause (A);

- (B) the Company's requiring Executive to be based at a location which is 50 or more miles from the Executive's principal office location on the date hereof, unless Executive otherwise consents in writing; and
- (C) a reduction by the Company in Executive's base compensation or a material reduction in his or her employee benefits or perquisites, other than any such reduction that is made in connection with proportionate reductions for similarly situated executives.

Executive shall give written notice to the Board of his or her intention to terminate for Good Reason, such notice to describe in detail the grounds on which the proposed termination is based. The Company shall have 30 days after the date that such written notice has been given to the Board in which to cure such grounds. For purposes of this Agreement, either party's giving notice of non-renewal as contemplated by the first sentence of Section 1(c) (i) hereof shall not constitute "Good Reason."

(ix) For purposes hereof, "Disability" means Executive's inability, due to disease, injury or mental disorder to perform with reasonable continuity his or her duties and responsibilities under this Agreement (i) for a period of 180 consecutive days, as determined in good faith by the Board, or (ii) for a period of 90 consecutive days in the event that a medical doctor selected by the Board determines that such Disability would continue for an additional 90 days. If Executive disagrees with such determination by the Board or such medical doctor, Executive shall deliver written notice to the Company of such disagreement within ten days after the receipt by Executive of notice of such determination of Disability. Upon delivery of such notice, the Company and Executive shall jointly select a medical doctor to review such determination and determine whether Executive has a Disability. If the Company and Executive cannot agree jointly on a medical doctor, each party shall select a medical doctor and the two doctors shall select a third medical doctor who shall determine Executive's Disability hereunder.

(d) No Mitigation; No Offset. In the event of any termination of employment under Section 1(c) hereof, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due the Executive under this Agreement on account of any remuneration attributable to any subsequent employment that he or she may obtain.

(e) Nature of Payments. Any amounts due under Section 1(c) hereof are in the nature of severance payments considered to be reasonable by the Company and are not in the nature of a penalty.

6

2. Inventions and Other Intellectual Property. Executive agrees that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, trademarks, slogans, product or other designs, advertising or marketing programs, and all similar or related information which relate to the Company's or any of its subsidiaries' or affiliates' actual or anticipated business, research and development or existing or future products or services and which are (or were prior to the date of this Agreement) conceived, developed or made by Executive, whether alone or jointly with others, while employed by the Company or any such subsidiary or affiliate or any predecessor thereof ("Work Product") belong to the Company or such subsidiary or affiliate. Executive will promptly disclose such Work Product to the Board and perform all actions reasonably requested by the Board (whether during or after the Employment Period) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorney and other instruments).

3. Limitation. Section 2 of this Agreement regarding the ownership of inventions and other intellectual property does not apply to the extent application thereof is prohibited by any law the benefits of which cannot be waived by Executive. Executive hereby waives the benefits of any such law to the maximum extent permitted by law.

4. Confidential Information. Executive acknowledges that the information, observations and data obtained by him or her during the course of

his or her employment with the Company concerning the business and affairs of the Company and its affiliates, including information concerning acquisition opportunities in or reasonably related to the Company's business or industry of which Executive becomes aware during his or her employment with the Company are the property of the Company. Therefore, Executive agrees that he or she will not disclose to any unauthorized person or use for his or her own account any of such information, observations or data without the Board's written consent, unless and to the extent that (x) he or she is required to do so by law or by a court, governmental agency, legislative body, or other person with jurisdiction to order him to divulge, disclose or make accessible such information, or (y) the aforementioned matters become generally known to and available for use by the public other than as a result of Executive's acts or omissions to act. Executive agrees to deliver to the Company at a Separation, or at any other time the Company may request in writing, all memoranda, notes, plans, records, reports and other documents (and copies thereof) relating to the business of the Company and its affiliates (including, without limitation, all acquisition prospects, lists and contact information) which he or she may then possess or have under his or her control.

5. Non-Compete, Non-Solicitation.

(a) Executive acknowledges that in the course of his or her employment with the Company he or she has become and will become familiar with trade secrets and customer lists of and other confidential information concerning the Company and its subsidiaries and affiliates and predecessors thereof and that his or her services have been and will be of special, unique and extraordinary value to the Company.

(b) Executive agrees that during the Employment Period and for a period of six months thereafter he or she shall not in any manner, directly or indirectly, through any person, firm or corporation, alone or as a member of a partnership or as an officer, director,

7

stockholder, investor, employee or consultant of or in any other corporation or enterprise or otherwise, engage or be engaged in, or assist any other person, firm, corporation or enterprise in engaging or being engaged in, (1) the direct merchandising of clothing and associated products for men, women and children through selling channels consisting of mailings of catalogs directly to consumer and corporate and non-profit businesses as well as similar offerings through the Internet, (2) the direct merchandising of home textile products for bedrooms and bathrooms through selling channels consisting of mailings of catalogs directly to consumers as well as similar offerings through the Internet, (3) the operation of off-price liquidation outlet stores which have historically liquidated clothing and associated products below cost and are not intended to be a retail channel for profit, or (4) the collection, analysis and exchange of customer data relating to the business activities described in (1), (2) and (3) above, in any case, in any geographic area in which the Company or any of its subsidiaries or affiliates conducted such business at any time prior to the cessation of the Employment Period (whether through merchandising, creative or other catalog retailing activities, manufacturing or production, marketing to or soliciting customers or prospective customers or otherwise) (a "Competitive Activity"). Notwithstanding the foregoing, Executive may serve as an officer, employee or otherwise provide services to an entity that engages in Competitive Activities so long as (i) such entity also engages in activities that are not Competitive Activities, (ii) Executive does not provide, in any manner, whether directly or indirectly, any services in connection with any Competitive Activity, (iii) Executive's duties, responsibilities and authority do not relate to any Competitive Activity, and (iv) Executive has no control, directly or indirectly, over any employee, officer or other person who engages in any manner in any Competitive Activity and no employee, officer or other person who engages in a Competitive Activity reports directly or indirectly to Executive.

(c) Executive further agrees that during the Employment Period and for two years thereafter he or she shall not in any manner, directly or indirectly, solicit any full time employee of the Company or of any of its subsidiaries to quit or abandon his or her employ with the Company, or any Customer of the Company or of any of its subsidiaries to quit or abandon its relationship, for any purpose whatsoever. For purposes of this Section 5(c), "Customer" shall mean any customer of the Company or its subsidiaries who purchased at least \$25,000 of goods or services from the Company and its subsidiaries during the two years prior to Executive's termination.

(d) Nothing in this Section 5 shall prohibit Executive from being: (i) a stockholder in a mutual fund or a diversified investment company or (ii) a passive owner of not more than 2 percent of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

(e) To the extent permitted by law, if, at the time of enforcement of this Section, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

6. Executive Representations. Executive represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he or she is bound, (ii) Executive is not a party to or bound by any employment agreement, noncompete agreement or confidentiality agreement with any other person or entity other than the Company and (iii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms.

7. Notices. Any notice provided for in this Agreement must be in writing and must be either personally delivered, mailed by first class mail (postage prepaid and return receipt requested) or sent by reputable overnight courier service (charges prepaid) to the recipient at the address below indicated:

Notices to Executive:

As specified on the signature page attached hereto

Notices to the Company:

with a copy (which shall not constitute notice) to:

or such other address or to the attention of such other person as the recipient party shall have specified by prior written notice to the sending party. Any notice under this Agreement will be deemed to have been given when so delivered or sent or, if mailed, five days after deposit in the U.S. mail.

8. Tax Matters. In the event Executive incurs (through withholding or otherwise) any excise tax ("Excise Tax") under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), on "excess parachute payments" made by the Company in connection with the consummation of a change in control

transaction, the Company shall pay Executive, prior to the time any such Excise Tax is payable, an additional amount (the "Gross Up Amount") which, after the imposition of all income and excise taxes thereon, is sufficient to

9

put Executive in the same after-tax position as Executive would have been had Executive not been subject to any such Excise Tax; provided however, that if Executive would receive parachute payments (as defined in Section 280G of the Code) in connection with the consummation of a change in control transaction, and the net after-tax benefit of receiving such parachute payments plus the Gross Up Amount would be less than 125% of the net-after-tax benefit that Executive would receive if the amount of such parachute payments were reduced so that no Excise Tax were owing, then no Gross Up Amount shall be paid to the Executive and the cash portion of any parachute payments made to Executive shall be reduced so that no Excise Tax shall be owed. For purposes of this Section, the net-after-tax benefit of payments shall be determined by assuming that Executive is subject to the highest federal marginal tax rate, the highest marginal rate of taxation in the state and locality of Executive's primary place of business and by assuming that state and local tax payments are deductible by Executive for federal income tax purposes at the highest marginal rate. In the event the Internal Revenue Service adjusts the computation of the Company under this Section 8, the Company shall reimburse the Executive or the Executive shall return payment to the Company to the extent necessary to achieve the purpose of this Section 8.

9. General Provisions.

(a) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(b) Complete Agreement. This Agreement embodies the complete agreement and understanding among the parties and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way, including without limitation any prior employment agreements or letter agreements between Executive and the Company relating to the subject matter hereof.

(c) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, heirs (in the case of Executive) and assigns. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation, or the sale or liquidation of all or substantially all of the assets of the Company, provided in either case that the successor, assignee or transferee is the successor to all or substantially all of the assets of the Company and such successor, assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the

10

event of a sale of assets or liquidation as described in the preceding sentence, it shall take whatever action it legally can in order to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. No rights or obligations of Executive under this Agreement may be assigned or transferred by Executive other than his or her rights to compensation and benefits, which may be transferred only by will or operation of law.

(e) Tax Withholding. The Company may withhold from any benefits payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

(f) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto will be governed by and construed in accordance with the internal laws of the State of Wisconsin, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Wisconsin or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Wisconsin.

(g) Interpretation. Nothing in this Agreement shall affect the terms of any option to purchase stock of the Company held by Executive.

(h) Remedies. Each of the parties to this Agreement will be entitled to enforce its rights under this Agreement specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor; provided that the Company shall reimburse Executive for all reasonable attorney's fees incurred by Executive should Executive prevail. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

(i) Amendment and Waiver. No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by Executive and an authorized officer of the Company. No waiver by either party of any breach by the other party of any condition or provision contained in this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by Executive or an authorized officer of the Company, as the case may be.

(j) Business Days. If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or holiday in the state in which the Company's chief executive office is located, the time period shall be automatically extended to the business day immediately following such Saturday, Sunday or holiday.

(k) Representation. The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its

11

obligations under this Agreement will not violate any agreement between it and any other person, firm or organization.

(l) Survival. The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment to the extent necessary to the intended preservation of such rights and obligations.

(m) Resolution of Disputes. Any disputes arising under or in connection with this Agreement shall, at the election of either party, be resolved by binding arbitration, to be held on a confidential basis in Madison, Wisconsin, in accordance with rules and procedures of the American Arbitration Association (it being understood that the parties will not disclose to any third party any aspect of such arbitration).

(n) Contractual Rights and Obligations. This Agreement establishes contractual rights and obligations of Executive and the Company. Nothing herein shall be deemed to require the Company to segregate, earmark or otherwise set aside any funds or other assets, in trust or otherwise, for any payments that may be required hereunder.

* * * * *

12

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

[COMPANY]

By: _____

Name:

Its:

[EXECUTIVE]

Address:

Annual Base Salary, per annum:

\$ _____

Target Performance Level:

%

Retention Bonus:

\$ _____

Multiple:

LANDS' END, INC.

EXECUTIVE RETENTION PLAN - GROUP A

1. Identification of the Plan.

1.1. Title. The Plan described herein shall be known as the "Executive Retention Plan - Group A" of Lands' End, Inc. (the "Company") and is referred to herein as the "Plan." The Plan is hereby established as of May 12, 2002 (the "Effective Date").

1.2. Purpose. The Board of Directors of the Company (the "Board") believes it is in the best interest of the Company to provide incentives to its executives in order to retain them prior to and following a change in control. The Plan will provide additional means for the Company to retain qualified individuals as full-time employees by providing retention and severance benefits as provided herein, which will furnish such executives with an additional incentive to continue to work for and contribute to the growth and success of the Company prior to and following a change in control.

2. Administration of the Plan.

2.1. Committee's Membership and Powers. The Plan will be administered by a committee (the "Committee") of the Board or its successor consisting of two or more members of the Board, as the Board may designate from time to time; provided that unless otherwise designated by the Board, the Committee shall be the Compensation Committee of the Board. All questions of interpretation of the Plan shall be determined by the Committee, and such determination shall be final and binding upon all persons having an interest in the Plan. Notwithstanding any other provision herein to the contrary, the Committee shall have no authority, discretion or power to select the executives who will participate in the Plan, to determine the amount of benefits under the Plan or the time at which executives are granted participation in the Plan, or to alter any other terms or conditions specified in the Plan, except in the sense of administering the Plan subject to the provisions of the Plan.

2.2. Indemnification. Service on the Committee shall constitute service as a Director so that members of the Committee shall be entitled to indemnification and reimbursement as Directors to the full extent provided for at any time by law, the Company's Certificate of Incorporation, the Company's By-Laws and in any insurance policy or other agreement intended for the benefit of the Directors.

3. Plan Participants. The executives of the Company designated by the Board shall be entitled to participate in the Plan and are referred to herein as "participants" or collectively as "Eligible Executives."

4. Terms and Conditions of Retention and Severance Benefits.

4.1. Retention Bonus.

(a) If any Eligible Executive is employed by the Company upon the occurrence of a Sale of the Company and remains continuously employed by the

Company after such Sale of the Company through the first anniversary of such Sale of the Company, then such Eligible Executive shall be entitled to receive a payment in the amount (the "Retention Bonus") equal to the product of (i) such Eligible Executive's annual base salary in effect on the Effective Date multiplied by (ii) 0.5; provided that each such Eligible Executive shall be entitled to the Retention Bonus as contemplated hereby in the event that he or she is terminated without Cause, resigns with Good Reason, dies or becomes Disabled (as defined in the Company's long-term disability plan) after the occurrence of the Sale of the Company and prior to or on such anniversary date. The Company shall pay the Retention Bonus to each Eligible Executive who is entitled to such Retention Bonus as soon as practicable following the first anniversary of the Sale of the Company; provided that if an Eligible Executive is terminated without Cause, resigns with Good Reason, dies or becomes Disabled after a Sale of the Company but

prior to such anniversary date, the Retention Bonus shall be paid to such Eligible Executive as soon as practicable after such event.

(b) For purposes hereof, a "Sale of the Company" shall be deemed to occur only upon (i) a sale of the business of the Company substantially as an entirety to any person or group, whether by means of an asset sale, a stock sale, a merger or otherwise, or (ii) the beneficial ownership by any person or group other than Gary Comer (the "Controlling Stockholder"), any family member, descendant or affiliate of the Controlling Stockholder and any trust or estate for his or their benefit (collectively, the "Comer Group") of an amount of the Company's common stock that is both (A) more than 35% of the Company's common stock and (B) a greater percentage of the Company's common stock than is at that time beneficially owned by the Comer Group; provided, however that a transfer of stock between or among members of the Comer Group shall not be deemed to constitute a "Sale of the Company"; provided further that, notwithstanding the foregoing, with respect to any transaction that contemplates the acquisition of 100% of the outstanding common stock of the Company by means of a tender offer followed by a merger, (i) the consummation of such tender offer shall not constitute a "Sale of the Company" hereunder, (ii) the consummation of such merger shall constitute a "Sale of the Company" hereunder, and (iii) any amounts that would become payable by the Company in respect of the consummation of such tender offer shall instead be paid upon the consummation of such merger.

4.2. Severance Payments.

(a) If any Eligible Executive's employment is terminated by the Company without Cause or if any Eligible Executive resigns with Good Reason, in each case after the occurrence of a Sale of the Company and prior to the second anniversary of the Sale of the Company, then such Eligible Executive shall thereupon cease to have any rights to salary, benefits or incentive awards (including without limitation any incentive award for the fiscal year in which the termination occurs or otherwise), except that: (x) the Company shall use its commercially reasonable efforts so that, during the period of salary continuation, such Eligible Executive may participate, at the same cost and expense as other similarly situated executives of the Company, in the Company's health and medical insurance policies, as such may be in effect from time to time, with benefits comparable

2

to benefits provided to similarly situated executives of the Company, and (y) such Eligible Executive shall be entitled to receive:

- (i) salary at an annual rate equal to his or her annual base salary in effect on the Effective Date or such higher rate as in effect at any time thereafter (such Eligible Executive's "Annual Base Salary") through the date of termination;
- (ii) any bonus earned by such Eligible Executive under the Company's Annual Incentive Plan with respect to the previous fiscal year, but which has not theretofore been paid;
- (iii) a pro rata portion (based on the actual number of days served in the fiscal year of termination as compared to the total number of days in such fiscal year) of (A) 140% of the Executive's Target Bonus if separation occurs in fiscal year 2003, or (B) 100% of Target if separation occurs in a subsequent fiscal year, within 30 days after the date of such termination;
- (iv) salary continuation equal to Executive's Annual Base Salary plus (A) 140% of the Executive's Target Bonus if separation occurs in fiscal year 2003, or (B) 100% of Target if separation occurs in a subsequent fiscal year. This amount will be paid out over a 12-month period in accordance with the normal payroll cycle of the Company but in no case less frequently than monthly;
- (v) all other rights and benefits in which such Eligible Executive is vested or entitled to by law as of the termination; and
- (vi) payment with respect to unused vacation time in accordance with

the Company's policy.

(b) For purposes of this Plan, "Cause" means: (i) Eligible Executive is convicted of a felony; (ii) in the course of carrying out his or her duties to the Company or its successor in the event of a Sale of the Company, Eligible Executive engages in conduct that constitutes willful dishonesty, moral turpitude, knowing violation of law (other than any violation of law committed in good faith by the Eligible Executive and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and with respect to which he or she had reasonable cause to believe his or her conduct was lawful at the time the action was taken), willful refusal to carry out reasonable lawful directions from the Executive's superiors, gross neglect of duties or willful gross misconduct; provided, in each case described in this clause (ii), that the CEO of the Company or its successor in the event of a Sale of the Company determines in good faith that such conduct has resulted or is likely to result in material harm to the Company; or (iii) any other breach by Eligible Executive of this Agreement which is material and which is not cured within 30 days after written notice thereof to Eligible Executive from the Company. There shall be no termination for Cause without Eligible Executive's first being given written notice describing in detail the grounds on which the

3

proposed termination is based and a reasonable opportunity to be heard and, if circumstances permit, to cure.

(c) For purposes of this Plan, "Good Reason" means the occurrence of any of the following events without the written consent of the applicable Eligible Executive: (i) a material diminution of such Eligible Executive's duties or the assignment to him or her of duties that are inconsistent in any substantial respect with the position, authority or responsibilities associated with such Eligible Executive's position with the Company as of the Effective Date (the "Current Position"), other than any such authorities, duties or responsibilities assigned at any time after the Effective Date which are by their nature, or which are identified at the time of assignment, as being temporary or short-term; provided that the occurrence of a Sale of the Company in and of itself and the impact thereof on such Eligible Executive or a change in reporting relationship or title as a result of the Sale of the Company (including without limitation, if applicable, the impact of the cessation of the status of the Company as a public reporting and NYSE listed company) shall not be deemed to constitute "Good Reason" under this clause (i); (ii) the Company's requiring such Eligible Executive to be based at a location which is 50 or more miles from such Eligible Executive's principal office location on the date hereof; and (iii) a reduction by the Company in such Eligible Executive's base compensation or a material reduction in his or her employee benefits or perquisites, other than any such reduction that is made in connection with proportionate reductions for similarly situated executives. An Eligible Executive shall give written notice to the Board of his or her intention to terminate for Good Reason, such notice to describe in detail the grounds on which the proposed termination is based. The Company shall have 30 days after the date that such written notice has been given to the Board in which to cure such grounds.

(d) For purposes of this Plan, "Target Bonus" shall mean an amount equal to 100% of an Eligible Executive's target performance level (as established by the Compensation Committee or its successor at the beginning of such fiscal year) under the Company's Annual Incentive Plan for the fiscal year in which a termination of employment occurs.

5. Tax Matters. In the event an Eligible Executive incurs (through withholding or otherwise) any excise tax ("Excise Tax") under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), on "excess parachute payments" made by the Company in connection with the consummation of a change in control transaction, then the Company shall pay such Eligible Executive, prior to the time any such Excise Tax is payable, an additional amount (the "Gross Up Amount") which, after the imposition of all income and excise taxes thereon, is sufficient to put such Eligible Executive in the same after-tax position as such Eligible Executive would have been had such Eligible Executive not been subject to any such Excise Tax; provided however, that if such Eligible Executive would receive parachute payments (as defined in Section 280G of the Code) in

connection with the consummation of a change in control transaction, and the net after-tax benefit of receiving such parachute payments plus the Gross Up Amount would be less than 125% of the net-after-tax benefit that such Eligible Executive would receive if the amount of such parachute payments were reduced so that no Excise Tax were owing, then no Gross Up Amount shall be paid to such Eligible Executive and

4

the cash portion of any parachute payments made to such Eligible Executive shall be reduced so that no Excise Tax shall be owed.

For purposes of this Section 5, the net-after-tax benefit of payments shall be determined by assuming that each Eligible Executive is subject to the highest federal marginal tax rate, the highest marginal rate of taxation in the state and locality of such Eligible Executive's primary place of business and by assuming that state and local tax payments are deductible by such Eligible Executive for federal income tax purposes at the highest marginal rate. In the event the Internal Revenue Service adjusts the computation of the Company under Section 5, the Company shall reimburse such Eligible Executive or such Eligible Executive shall return payment to the Company to the extent necessary to achieve the purpose of Section 5.

6. General Provisions.

6.1. Withholding of Taxes. The Company shall be entitled, if the Chief Financial Officer (or any other financial officer designated by the Committee) considers it necessary or desirable, to withhold (or secure payment from the participant in lieu of withholding) the amount of any withholding or other payment required of the Company under the tax withholding provisions of the Internal Revenue Code of 1986, as amended (the "Code"), any State income tax act or any other applicable law with respect to any benefits provided under this Plan.

6.2. Contract Rights; No Rights to Employment Conferred. This Plan shall be deemed to provide to each participant a contract right to the benefits hereunder, as though the Company had entered into an agreement with such participant on the terms and conditions contained herein. However, nothing in this Plan shall interfere with or limit in any way the right of the Company to terminate the employment of a participant at any time, with or without Cause, nor confer upon a participant any right to continue in the employ of the Company for any period of time or to continue his or her present or any other rate of compensation.

6.3. No Strict Construction. No rule of strict construction shall be applied against the Company, the Committee or any other person in the interpretation of the terms of the Plan or any rule or procedure established by the Committee.

6.4. Successors. This Plan is binding on and will inure to the benefit of any successor to the Company, whether by way of merger, consolidation, purchase or otherwise.

6.5. Severability. If any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the invalid provisions had never been set forth herein.

6.6. Amendment. The Board or its successors may amend the Plan at any time and from time to time, in its sole discretion, but no amendment shall impair a participant's rights with respect to any benefits under the Plan.

6.7. Legal Fees. The Company shall be entitled to enforce its rights under this Plan specifically, to recover damages and costs (including attorney's fees) caused by any breach

5

of any provision of this Agreement and to exercise all other rights existing in its favor; provided that the Company shall reimburse any Eligible Executive for all reasonable attorney's fees incurred by such Eligible Executive

in enforcing his or her rights hereunder after a Sale of the Company should such Eligible Executive prevail.

LANDS' END, INC.

EXECUTIVE RETENTION PLAN - GROUP B

1. Identification of the Plan.

1.1. Title. The Plan described herein shall be known as the "Executive Retention Plan - Group B" of Lands' End, Inc. (the "Company") and is referred to herein as the "Plan." The Plan is hereby established as of May 12, 2002 (the "Effective Date").

1.2. Purpose. The Board of Directors of the Company (the "Board") believes it is in the best interest of the Company to provide incentives to its executives in order to retain them prior to and following a change in control. The Plan will provide additional means for the Company to retain qualified individuals as full-time employees by providing retention and severance benefits as provided herein, which will furnish such executives with an additional incentive to continue to work for and contribute to the growth and success of the Company prior to and following a change in control.

2. Administration of the Plan.

2.1. Committee's Membership and Powers. The Plan will be administered by a committee (the "Committee") of the Board or its successors consisting of two or more members of the Board, as the Board may designate from time to time; provided that unless otherwise designated by the Board, the Committee shall be the Compensation Committee of the Board. All questions of interpretation of the Plan shall be determined by the Committee, and such determination shall be final and binding upon all persons having an interest in the Plan. Notwithstanding any other provision herein to the contrary, the Committee shall have no authority, discretion or power to select the executives who will participate in the Plan, to determine the amount of benefits under the Plan or the time at which executives are granted participation in the Plan, or to alter any other terms or conditions specified in the Plan, except in the sense of administering the Plan subject to the provisions of the Plan.

2.2. Indemnification. Service on the Committee shall constitute service as a Director so that members of the Committee shall be entitled to indemnification and reimbursement as Directors to the full extent provided for at any time by law, the Company's Certificate of Incorporation, the Company's By-Laws and in any insurance policy or other agreement intended for the benefit of the Directors.

3. Plan Participants. The executives of the Company designated by the Board shall be entitled to participate in the Plan and are referred to herein as "participants" or collectively as "Eligible Executives."

4. Terms and Conditions of Retention and Severance Benefits.

4.1. Retention Bonus.

(a) If any Eligible Executive is employed by the Company upon the occurrence of a Sale of the Company and remains continuously employed by the

Company after such Sale of the Company through the first anniversary of such Sale of the Company, then such Eligible Executive shall be entitled to receive a payment in the amount (the "Retention Bonus") equal to the product of (i) such Eligible Executive's annual base salary in effect on the Effective Date multiplied by (ii) 0.25; provided that each such Eligible Executive shall be entitled to the Retention Bonus as contemplated hereby in the event that he or she is terminated without Cause, resigns with Good Reason, dies or becomes Disabled (as defined in the Company's long-term disability plan) after the occurrence of the Sale of the Company and prior to or on such anniversary date. The Company shall pay the Retention Bonus to each Eligible Executive who is entitled to such Retention Bonus as soon as practicable following the first anniversary of the Sale of the Company; provided that if an Eligible Executive is

terminated without Cause, resigns with Good Reason, dies or becomes Disabled after a Sale of the Company but prior to such anniversary date, the Retention Bonus shall be paid to such Eligible Executive as soon as practicable after such event.

(b) For purposes hereof, a "Sale of the Company" shall be deemed to occur only upon (i) a sale of the business of the Company substantially as an entirety to any person or group, whether by means of an asset sale, a stock sale, a merger or otherwise, or (ii) the beneficial ownership by any person or group other than Gary Comer (the "Controlling Stockholder"), any family member, descendant or affiliate of the Controlling Stockholder and any trust or estate for his or their benefit (collectively, the "Comer Group") of an amount of the Company's common stock that is both (A) more than 35% of the Company's common stock and (B) a greater percentage of the Company's common stock than is at that time beneficially owned by the Comer Group; provided, however that a transfer of stock between or among members of the Comer Group shall not be deemed to constitute a "Sale of the Company"; provided further that, notwithstanding the foregoing, with respect to any transaction that contemplates the acquisition of 100% of the outstanding common stock of the Company by means of a tender offer followed by a merger, (i) the consummation of such tender offer shall not constitute a "Sale of the Company" hereunder, (ii) the consummation of such merger shall constitute a "Sale of the Company" hereunder, and (iii) any amounts that would become payable by the Company in respect of the consummation of such tender offer shall instead be paid upon the consummation of such merger.

4.2. Severance Payments

(a) If any Eligible Executive's employment is terminated by the Company without Cause or if any Eligible Executive resigns with Good Reason, in each case after the occurrence of a Sale of the Company and prior to the second anniversary of the Sale of the Company, then such Eligible Executive shall thereupon cease to have any rights to salary, benefits or incentive awards (including without limitation any incentive award for the fiscal year in which the termination occurs or otherwise), except that: (x) the Company shall use its commercially reasonable efforts so that, during the period of salary continuation, such Eligible Executive may participate, at the same cost and expense as other similarly situated executives of the Company, in the Company's health and medical insurance policies, as such may be in effect from time to time, with benefits comparable

2

to benefits provided to similarly situated executives of the Company, and (y) such Eligible Executive shall be entitled to receive:

- (i) salary at an annual rate equal to his or her annual base salary in effect on the Effective Date or such higher rate as in effect at any time thereafter (such Eligible Executive's "Annual Base Salary") through the date of termination;
- (ii) any bonus earned by such Eligible Executive under the Company's Annual Incentive Plan with respect to the previous fiscal year, but which has not theretofore been paid;
- (iii) a pro rata portion (based on the actual number of days served in the fiscal year of termination as compared to the total number of days in such fiscal year) of (A) 140% of the Executive's Target Bonus if separation occurs in fiscal year 2003, or (B) 100% of Target if separation occurs in a subsequent fiscal year, within 30 days after the date of such termination;
- (iv) salary continuation equal to one-half of the sum of (A) such Eligible Executive's Annual Base Salary plus (B) (x) 140% of the Executive's Target Bonus if separation occurs during fiscal year 2003, or (y) 100% of Target if separation occurs in a subsequent fiscal year. This amount will be paid out over a 6-month period in accordance with the normal payroll cycle of the Company but in no case less frequently than monthly.;
- (v) all other rights and benefits in which such Eligible Executive

is vested or entitled to by law as of the termination; and

- (vi) payment with respect to unused vacation time in accordance with the Company's policy.

(b) For purposes of this Plan, "Cause" means: (i) Eligible Executive is convicted of a felony; (ii) in the course of carrying out his or her duties to the Company or its successor in the event of a Sale of the Company, Eligible Executive engages in conduct that constitutes willful dishonesty, moral turpitude, knowing violation of law (other than any violation of law committed in good faith by the Eligible Executive and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and with respect to which he or she had reasonable cause to believe his or her conduct was lawful at the time the action was taken), willful refusal to carry out reasonable lawful directions from the Executive's superiors, gross neglect of duties or willful gross misconduct; provided, in each case described in this clause (ii), that the CEO of the Company or its successor in the event of a Sale of the Company determines in good faith that such conduct has resulted or is likely to result in material harm to the Company; or (iii) any other breach by Eligible Executive of this Agreement which is material and which is not cured within 30 days after written notice thereof to Eligible Executive from the Company. There shall be no termination for Cause without Eligible Executive's first being given written notice describing in detail the grounds on which the

3

proposed termination is based and a reasonable opportunity to be heard and, if circumstances permit, to cure.

(c) For purposes of this Plan, "Good Reason" means the occurrence of any of the following events without the written consent of the applicable Eligible Executive: (i) a material diminution of such Eligible Executive's duties or the assignment to him or her of duties that are inconsistent in any substantial respect with the position, authority or responsibilities associated with such Eligible Executive's position with the Company as of the Effective Date (the "Current Position"), other than any such authorities, duties or responsibilities assigned at any time after the Effective Date which are by their nature, or which are identified at the time of assignment, as being temporary or short-term; provided that the occurrence of a Sale of the Company in and of itself and the impact thereof on such Eligible Executive or a change in reporting relationship or title as a result of the Sale of the Company (including without limitation, if applicable, the impact of the cessation of the status of the Company as a public reporting and NYSE listed company) shall not be deemed to constitute "Good Reason" under this clause (i); (ii) the Company's requiring such Eligible Executive to be based at a location which is 50 or more miles from such Eligible Executive's principal office location on the date hereof; (iii) a reduction by the Company in such Eligible Executive's base compensation or a material reduction in his or her employee benefits or perquisites, other than any such reduction that is made in connection with proportionate reductions for similarly situated executives. An Eligible Executive shall give written notice to the Board of his or her intention to terminate for Good Reason, such notice to describe in detail the grounds on which the proposed termination is based. The Company shall have 30 days after the date that such written notice has been given to the Board in which to cure such grounds.

(d) For purposes of this Plan, "Target Bonus" shall mean an amount equal to 100% of an Eligible Executive's target performance level (as established by the Compensation Committee or its successor at the beginning of such fiscal year) under the Company's Annual Incentive Plan for the fiscal year in which a termination of employment occurs.

5. Tax Matters. In the event an Eligible Executive incurs (through withholding or otherwise) any excise tax ("Excise Tax") under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), on "excess parachute payments" made by the Company in connection with the consummation of a change in control transaction, then the cash portion of any parachute payments made to Eligible Executive shall be reduced so that no Excise Tax shall be owed.

6. General Provisions.

6.1. Withholding of Taxes. The Company shall be entitled, if the Chief Financial Officer (or any other financial officer designated by the Committee) considers it necessary or desirable, to withhold (or secure payment from the participant in lieu of withholding) the amount of any withholding or other payment required of the Company under the tax withholding provisions of the Internal Revenue Code of 1986, as amended (the "Code"),

4

any State income tax act or any other applicable law with respect to any benefits provided under this Plan.

6.2. Contract Rights; No Rights to Employment Conferred. This Plan shall be deemed to provide to each participant a contract right to the benefits hereunder, as though the Company had entered into an agreement with such participant on the terms and conditions contained herein. However, nothing in this Plan shall interfere with or limit in any way the right of the Company to terminate the employment of a participant at any time, with or without Cause, nor confer upon a participant any right to continue in the employ of the Company for any period of time or to continue his or her present or any other rate of compensation.

6.3. No Strict Construction. No rule of strict construction shall be applied against the Company, the Committee or any other person in the interpretation of the terms of the Plan or any rule or procedure established by the Committee.

6.4. Successors. This Plan is binding on and will inure to the benefit of any successor to the Company, whether by way of merger, consolidation, purchase or otherwise.

6.5. Severability. If any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the invalid provisions had never been set forth herein.

6.6. Amendment. The Board or its successors may amend the Plan at any time and from time to time, in its sole discretion, but no amendment shall impair a participant's rights with respect to any benefits under the Plan.

6.7. Legal Fees. The Company shall be entitled to enforce its rights under this Plan specifically, to recover damages and costs (including attorney's fees) caused by any breach of any provision of this Agreement and to exercise all other rights existing in its favor; provided that the Company shall reimburse any Eligible Executive for all reasonable attorney's fees incurred by such Eligible Executive in enforcing his or her rights hereunder after a Sale of the Company should such Eligible Executive prevail.

5