

Ascena Retail Group, Inc.
Form PRE 14A
October 17, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(RULE 14a-101)
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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

Check the appropriate box:

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

Ascena Retail Group, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

- (1) Title of each class of securities to which transaction applies:
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- (4) Date Filed:

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933 MacArthur Boulevard

Mahwah, New Jersey 07430

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Meeting Date: Friday, December 14, 2018

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

Location: dressbarn's Corporate Headquarters

Stage Street Café

933 MacArthur Boulevard

Mahwah, New Jersey 07430

The Annual Meeting will be held for the following purposes:

- (1) to consider the election of three directors to serve on the board of directors for three-year terms and until their successors are duly elected and qualified (Proposal One);
- (2) to approve amendment Number Two to the Ascena Retail Group, Inc. 2016 Omnibus Incentive Plan, as amended (Proposal Two);
- (3) to consider the approval, by non-binding advisory vote, of the compensation paid to our named executive officers during fiscal 2018 (commonly known as a "say-on-pay" proposal) (Proposal Three);
- (4) to approve the amendment and restatement of the Company's Second Amended and Restated Certificate of Incorporation, as amended (Proposal Four);
- (5) to ratify the appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm for the fiscal year ending August 3, 2019 (Proposal Five); and
- (6) to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The board of directors has fixed the close of business on October 17, 2018 as the record date for the determination of the stockholders entitled to vote at the Annual Meeting or any adjournments or postponements thereof. Only stockholders of record at the close of business on the record date will be entitled to notice of, and to vote at, the

Annual Meeting.

In order to conserve natural resources and reduce the cost of printing and distributing the proxy materials, while providing our stockholders with access to the proxy materials in a fast and efficient manner, we are pleased to be able to take advantage of the Securities and Exchange Commission rule allowing companies to use a Notice and Access model to provide their stockholders with access to proxy materials via the Internet. On or about November 1, 2018, we will begin mailing a Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability) to our stockholders informing them that our notice of annual meeting and proxy statement, Annual Report on Form 10-K and voting instructions are available on the Internet at <https://proxyvote.com>. As more fully described in the Notice of Internet Availability, all stockholders may choose to access our materials at <https://proxyvote.com> or may request to receive paper copies of the proxy materials.

BY ORDER OF THE BOARD OF
DIRECTORS

By: /s/ David Jaffe
David Jaffe
Chairman of the Board and
Chief Executive Officer
Dated: November 1, 2018

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

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Ascena Retail Group, Inc.

2018 Proxy Statement

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PROXY STATEMENT

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

GENERAL

The enclosed proxy is solicited by the board of directors (the Board) of Ascena for use at our 2018 Annual Meeting of Stockholders (the Annual Meeting) to be held at 3:00 p.m. local time, on Friday, December 14, 2018 at dressbarn s Corporate Headquarters, Stage Street Café, 933 MacArthur Boulevard, Mahwah, New Jersey 07430, and any and all adjournments or postponements thereof. This proxy statement and form of proxy, along with our Annual Report on Form 10-K for the fiscal year ended August 4, 2018, are being made available to our stockholders on or about November 1, 2018. The proxy statement and proxy card are being made available to you because our records indicate that you owned shares of our common stock on October 17, 2018, the record date for the Annual Meeting.

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

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON DECEMBER 14, 2018

The Securities and Exchange Commission (the SEC) adopted rules that allow us to change the way we make our proxy statement and other Annual Meeting materials available to you. On or about November 1, 2018, we will begin mailing a notice, called the Notice of Internet Availability of Proxy Materials (the Notice of Internet Availability), to our stockholders advising them that our proxy statement, Annual Report on Form 10-K and voting instructions can be accessed via the Internet at <https://proxyvote.com>. You may then access these materials and vote your shares over the Internet or you may request that a printed copy of the proxy materials be sent to you. You will not receive a printed copy of the proxy materials unless you request one in the manner set forth in the Notice of Internet Availability. This allows us to conserve natural resources and reduces the cost of printing and distributing the proxy materials, while providing our stockholders with access to the proxy materials in a fast and efficient manner via the Internet. Copies of this proxy statement and our Annual Report on Form 10-K for the fiscal year ended August 4, 2018 are also available online at <https://proxyvote.com>.

[Ascena Retail Group, Inc.](#)

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

When and where will the Annual Meeting take place?

The Annual Meeting will be held on Friday, December 14, 2018, at 3:00 p.m., at dressbarn's Corporate Headquarters, Stage Street Café, 933 MacArthur Boulevard, Mahwah, New Jersey 07430.

What is the purpose of the Annual Meeting?

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

- (1) election of three directors to serve on the Board for three-year terms and until their successors are duly elected and qualified (Proposal One);
- (2) to approve amendment Number Two to the Ascena Retail Group, Inc. 2016 Omnibus Incentive Plan, as amended (Proposal Two);
- (3) to consider the approval, by non-binding advisory vote, of the compensation paid to our named executive officers during fiscal 2018 (commonly known as a say-on-pay proposal) (Proposal Three);
- (4) to approve the amendment and restatement of the Company's Second Amended and Restated Certificate of Incorporation, as amended (Proposal Four);
- (5) ratification of the appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm for the fiscal year ending August 3, 2019 (Proposal Five); and
- (6) to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

What are the Board's voting recommendations?

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF THE THREE NOMINATED DIRECTORS, FOR THE APPROVAL OF AMENDMENT NUMBER TWO TO THE ASCENA RETAIL GROUP, INC. 2016 OMNIBUS INCENTIVE PLAN, AS AMENDED, FOR THE SAY-ON-PAY PROPOSAL, FOR THE APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE COMPANY'S SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED, AND FOR THE RATIFICATION OF THE

APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

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

Could other matters be decided at the Annual Meeting?

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

Who is entitled to attend the Annual Meeting?

All stockholders who owned our common stock at the close of business on October 17, 2018 (the Record Date), or their duly appointed proxies, may attend the Annual Meeting or any adjournments or postponements thereof. Registration begins at 2:45 p.m. on the date of the Annual Meeting. If you attend, please note that you may be asked to present valid photo identification, such as a driver's license or passport. Please note that if you hold your shares in street name (that is, through a broker, bank or other nominee), you must obtain a signed and properly executed proxy from your broker, bank or other nominee to vote your shares held in street name at the Annual Meeting, and such proxy, together with a broker statement evidencing your ownership, must be presented at the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

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

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

How many votes do I have?

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

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

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

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

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

The proposal to approve amendment Number Two of the Ascena Retail Group, Inc. 2016 Omnibus Incentive Plan, as amended, will be approved if the votes cast in favor of the proposal at the Annual Meeting exceed the votes cast in opposition to the proposal;

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

The proposal to approve the amendment and restatement of the Company's Second Amended and Restated Certificate of Incorporation, as amended, will be approved if the holders of at least 80% of the outstanding shares of common stock entitled to vote at the Annual Meeting vote in favor of the proposal; and

The proposal to ratify the appointment of the Independent Registered Public Accounting Firm will be approved if the votes cast in favor of the proposal at the Annual Meeting exceed the votes cast in opposition to the proposal.

A note about broker non-votes: Under NYSE rules, brokers are not permitted to vote uninstructed shares for non-routine matters, which include director elections and executive compensation matters. As a result, if your shares are held by a brokerage firm for you as beneficial owner and you do not instruct your broker how to vote your shares on Proposal One (election of directors), Proposal Two (approval of amendment Number Two to the Ascena Retail Group, Inc. 2016 Omnibus Incentive Plan, as amended), Proposal Three (the say-on-pay proposal) or Proposal Four (approval of the amendment and restatement of the Company's Second Amended and Restated Certificate of Incorporation, as amended), your brokerage firm cannot vote them for you. Please make sure that you provide instructions to your broker regarding Proposals One, Two, Three and Four. The ratification of the appointment of independent accountants is a routine item under NYSE rules. As a result, brokers who do not receive instructions as to how to vote on Proposal Five may vote on that matter in their discretion.

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

Abstentions and broker non-votes will be considered as present for quorum purposes, but will have no impact on the vote on Proposal One, Two, Three or Five. Abstentions and broker non-votes will have the same effect as a vote AGAINST Proposal Four.

How many votes may be cast by all stockholders?

A total of 197,372,906 votes may be cast at the Annual Meeting, consisting of one vote for each share of our common stock outstanding on the Record Date.

How do I vote?

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

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

Because many stockholders cannot attend the Annual Meeting in person, it is necessary that a large number of stockholders be represented by proxy. By following the procedures for voting via the Internet or by telephone, or by requesting a printed copy of the proxy materials and signing and returning the proxy card enclosed therein, you will enable Ms. Buggeln and/or Mr. Rubin, each of whom is named on the proxy card as a proxy holder, to vote your shares at the Annual Meeting in the manner indicated. If you sign and return your proxy card, but do not specify how you want your shares to be voted, they will be voted, in accordance with the Board's recommendation, FOR the three director nominees named in Proposal One, in favor of Proposals Two, Three, Four and Five, and with respect to any other matter that may be presented at the Annual Meeting, in the discretion of the proxy holders named in your proxy card.

Voting via the Internet

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

Voting by Telephone

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

Voting by Mail

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

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

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

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

If you hold shares in your name, attend the Annual Meeting and vote in person.

If you wish to revoke rather than change your vote, written revocation must be received by our Corporate Secretary prior to the Annual Meeting.

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

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

How can I attend the Annual Meeting?

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

What happens if the Annual Meeting is postponed or adjourned?

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

Will your independent registered public accounting firm participate in the Annual Meeting?

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

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QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING

Are members of the Board required to attend the Annual Meeting?

Directors are encouraged, but not required, to attend the Annual Meeting. All of the Company's then current directors attended the 2017 Annual Meeting of Stockholders.

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

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

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

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

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

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

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

Can I view these proxy materials electronically?

Yes. You may access the proxy statement and our annual report at <https://proxyvote.com>. In addition to the fiscal 2018 proxy statement and Annual Report on Form 10-K, you can view all of our other filings with the SEC on our website at the [investors](#) page at www.ascenaretail.com, accessible through the [Investor Relations Menu](#).

[How can I receive copies of the Company's year-end SEC filings?](#)

We will furnish without charge to any stockholder who requests, in writing, a copy of our Annual Report on Form 10-K, including financial statements and related schedules, for the fiscal year ended August 4, 2018, as filed with the SEC. Any such request should be directed to Ascena Retail Group, Inc., 933 MacArthur Boulevard, Mahwah, New Jersey 07430, Attention: Investor Relations or via email at asc-ascenainvestorrelations@ascenaretail.com.

[How do stockholders submit proposals for the Company's 2019 Annual Meeting of Stockholders?](#)

Proposals of stockholders intended to be presented at the 2019 Annual Meeting of Stockholders and desired to be included in our proxy statement for that meeting must be received by our Corporate Secretary and General Counsel, c/o Ascena Retail Group, Inc., 933 MacArthur Boulevard, Mahwah, New Jersey 07430 by no later than July 4, 2019 in order to be included in such proxy statement. Any such proposal must also meet the other requirements of the rules of the SEC relating to stockholder proposals. Generally, if written notice of any stockholder proposal intended to be presented at the 2019 Annual Meeting of Stockholders, and not included in our proxy statement for that meeting, is not delivered to the Corporate Secretary and General Counsel at the above address between July 4, 2019 and August 3, 2019, or if such notice does not contain the information required by Section 7 of Article II of our by-laws, the chair of the meeting may declare that such stockholder proposal be disregarded.

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

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

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PROPOSAL ONE ELECTION OF DIRECTORS

Our Second Amended and Restated Certificate of Incorporation, as amended, provides for a classified Board divided into three classes, each with a staggered three-year term of office and each class of directors as nearly equal in number as possible. At the Annual Meeting, three directors are to be elected for three-year terms. On the recommendation of the Leadership and Corporate Governance Committee, the Board has nominated Steven L. Kirshenbaum, Carrie W. Teffner and Linda Yaccarino, current directors whose terms of office expire at the Annual Meeting, for election for three-year terms expiring at the 2021 Annual Meeting of Stockholders. Each nominee has indicated that he/she will serve if elected. We do not anticipate that any Board nominee will be unable or unwilling to stand for election, but should any such nominee be unavailable for election for any reason, your proxy, to the extent permitted by applicable law, may be voted with discretionary authority in connection with the nomination by the Board and the election of any substitute nominee. On July 12, 2018, Mr. Randy L. Pearce notified the Company of his intention to retire from the Board with an effective date on or about October 4, 2018. On October 4, 2018, the Board appointed Carrie W. Teffner to fill the vacancy created by Mr. Pearce's retirement, as a member of the class of directors whose terms of office expire at the Annual Meeting.

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

BOARD COMPOSITION (as of November 1, 2018)

Gender Diversity:

Through its unique portfolio of fashion brands, at Ascena we provide *all* women and girls with fashion and inspiration for living confidently every day. We are honored that more than half of our Board is comprised of women, and by the recent appointment of Kate Buggeln as our Lead Independent Director. According to the U.S. Board Study (Board Diversity Review) published by Institutional Shareholder Services (ISS) in April 2018, the number of women in leadership positions—board chairs, lead directors, or committee chairs—remains very low.

Board Refreshment:

The Leadership and Corporate Governance Committee and the Board also believe that it is important for the Board to be refreshed by adding new directors with fresh perspectives from time to time. In that regard, since 2015 we have added nine new directors, resulting in an average director tenure of less than five years, with an average director age of 56.

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PROPOSAL ONE ELECTION OF DIRECTORS

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

Information about Director Nominees:

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

Name of Director Nominee and Age	Director Since
Steven L. Kirshenbaum, 66	2015
Carrie W. Teffner, 52	2018
Linda Yaccarino, 55	2016

STEVEN L. KIRSHENBAUM

Age: 66

Background:

Director Since: 2015

STEVEN L. KIRSHENBAUM is a senior partner in the Corporate Department of Proskauer Rose LLP, an international law firm with headquarters in New York City. Mr. Kirshenbaum has served as a member of Proskauer's Executive Committee, a Chair

of the firm's Corporate Department and managing partner of Proskauer's Paris Office. He has in-depth experience in general corporate, transactional, governance and securities practice areas, representing domestic and foreign companies.

Qualifications:

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

CARRIE W. TEFFNER

Age: 52

Background:

Director Since: 2018

Committees:

Audit (chair)

Compensation

CARRIE W. TEFFNER currently serves as Executive Vice President Finance and Strategic Projects of Crocs, Inc. ("Crocs"), and served as Executive Vice President and Chief Financial Officer of Crocs from December 2015 to August 2018. Prior to joining Crocs, Ms. Teffner served as Executive Vice President and Chief Financial Officer of PetSmart, Inc. from 2013 to 2015 until it was sold to BC Partners, where she was responsible for finance and information technology. Ms. Teffner also served as Executive Vice President and Chief Financial Officer of Weber Stephen Products LLC from 2011 to 2013. From 2009 to 2011, Ms. Teffner served as Senior Vice President and Chief Financial Officer of The Timberland Company until it was sold to VF Corporation. Ms. Teffner spent the first 21 years of her career with Sara Lee Corporation where she held various domestic and international positions including divisional and segment Chief Financial Officer. Ms. Teffner also serves as a director and member of the Audit Committee for GameStop Corp. since August 2018, and as a director of the nonprofit community revitalization organization, Rebuilding Together, since 2013. Ms. Teffner served as a director and the Audit Committee Chair for Banfield, The Pet Hospital, from 2014 to 2015. Ms. Teffner served as a director of Crocs for six months during 2015 prior to her appointment as its Executive Vice President and Chief Financial Officer.

Qualifications:

The Board selected Ms. Teffner to serve as a director based on her extensive strategic, financial and operational expertise and background in financial reporting and internal controls for large, publicly held product and retail companies.

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PROPOSAL ONE ELECTION OF DIRECTORS

LINDA YACCARINO

Age: 55

Background:

Director Since: 2016

Committees:

Leadership and Corporate Governance

Compensation

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

Qualifications:

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

Directors with Terms Expiring in 2019

Name of Director and Age	Director Since
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Katie J. Bayne, 52

2015

Kay Krill, 63

2015

Marc Lasry, 59

2017

Stacey Rauch, 60

2017

KATIE J. BAYNE

Age: 52

Background:

Director Since: 2015

Committees:

Leadership and Corporate

Governance

KATIE J. BAYNE is the founder and President of Bayne Advisors, an advisory firm launched in March 2018 that helps brands and businesses find their strategic identities, drive sustained consumer engagement and innovate for transformative results. Ms. Bayne began her career with The Coca-Cola Company in 1989 in brand management and held roles of increasing responsibility, which focused on consumer strategy, retail marketing and consumer marketing in the U.S. and Australia. From 2010 to 2018, she was President and General Manager, Sparkling Beverages, Coca-Cola North America, President, North America Brands, and Senior Vice President for The Coca-Cola Company. In this most recent role, Ms. Bayne was responsible for global marketing, portfolio strategy and innovation for the flagship brand, Coca-Cola, and the company's other sparkling brands around the world. Ms. Bayne previously served on the board of directors of ANN INC. (ANN) until its acquisition by the Company in August 2015.

Qualifications:

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

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PROPOSAL ONE ELECTION OF DIRECTORS

KAY KRILL

Age: 63

Background:

Director Since: 2015

KAY KRILL served as Chief Executive Officer of ANN, which was acquired by the Company in August 2015, from 2005 through October 31, 2015, and as President of ANN from 2004 through October 31, 2015. Ms. Krill also served as a member of the Board of Directors of ANN from 2004 until the date that it was acquired by the Company. From 2001 to 2004, Ms. Krill served as President of ANN's LOFT Division. From 1998 to 2001, Ms. Krill was Executive Vice President, Merchandise and Design of ANN's LOFT Division. From 1996 to 1998, Ms. Krill served as Senior Vice President, General Merchandise Manager of ANN's LOFT Division and, from 1994 to 1996, she was Vice President of Merchandising for Ann Taylor. Prior to joining ANN, Ms. Krill held various management positions at several retailers including The Talbots, Inc. and Hartmarx Corporation.

Qualifications:

The Board selected Ms. Krill to serve as a director based on her experience as the chief executive officer and board member of a publicly held specialty retailer, and her extensive experience in the apparel industry.

MARC LASRY

Age: 59

Background:

Director Since: 2017

MARC LASRY re-joined our Board in June 2017, having previously served as a member of the Board from February 2004 until October 2006. Since 1995, Mr. Lasry

has served as Chairman, Chief Executive Officer and Co-Founder of Avenue Capital Group, a global investment firm that focuses on private and public debt, equity and real estate markets in the U.S., Europe and Asia. Prior to founding Avenue Capital Group, Mr. Lasry co-founded Amroc Investments, LLC in association with the Robert M. Bass Group and managed capital for Amroc Investments, L.P. (predecessor to Amroc Investments, LLC), a distressed debt investment firm. Prior to that, Mr. Lasry was Co-Director of the Bankruptcy and Corporate Reorganization Department at Cowen & Company. Mr. Lasry also served as Director of the Private Debt Department at Smith Vasilou Management Company. Mr. Lasry clerked for the Honorable Edward Ryan, former Chief Bankruptcy Judge of the Southern District of New York. Mr. Lasry is currently a member of the Council on Foreign Relations, and also serves on the board of directors of Boulevard Acquisition Corp. II and AgroFresh Solutions, Inc. He has served on the boards of advisors or directors of both for-profit and not-for-profit public and private companies, including the Mount Sinai School of Medicine, 92nd Street Y, the Clinton Global Initiative and the Global Endowment Management.

Qualifications:

The Board selected Mr. Lasry to serve as a director based on his extensive capital allocation and investment experience with public and private companies.

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PROPOSAL ONE ELECTION OF DIRECTORS

STACEY RAUCH

Age: 60

Background:

Director Since: 2017

Committees:

Audit

STACEY RAUCH has served as the non-executive Chairman of the board of directors of Fiesta Restaurant Group, Inc. since February 2017, as a director of Fiesta Restaurant Group since 2012, Chair of Fiesta Restaurant Group's Corporate Governance & Nominating Committee, and as a member of its Compensation Committee. Ms. Rauch is a Director (Senior Partner) Emeritus of McKinsey & Company, from which she retired in September 2010. Ms. Rauch was a leader in McKinsey's Retail and Consumer Goods Practices, served as the head of the North American Retail and Apparel Practice, and acted as the Global Retail Practice Convener. A 24-year veteran of McKinsey, Ms. Rauch led engagements for a wide range of retailers, apparel wholesalers and consumer goods manufacturers in the U.S. and internationally. Ms. Rauch was a co-founder of McKinsey's New Jersey office, and was the first woman at McKinsey appointed as an industry practice leader. Prior to joining McKinsey, Ms. Rauch spent five years in product management for the General Foods Corporation. Ms. Rauch is also a non-executive director of Land Securities Group, PLC, the UK's largest commercial property company, where she sits on its Audit, Nomination and Remuneration Committees. Previously, Ms. Rauch served on the board of directors of CEB, Inc., a leading member-based advisory company, ANN (which was acquired by the Company in August 2015), and Tops Holding Corporation, the parent company of Tops Markets LLC, a U.S. grocery retailer.

Qualifications:

The Board selected Ms. Rauch to serve as a director based on her extensive background in business strategy, marketing, merchandising, omnichannel management and operations in the retail industry.

Directors with Terms Expiring in 2020

Name of Director Nominee and Age	Director Since
David Jaffe, 59	2001
Kate Buggeln, 57	2004
Carl Rubin, 59	2015
John L. Welborn, Jr., 41	2018

DAVID JAFFE

Age: 59

Background:

Director Since: 2001

DAVID JAFFE serves as a director (since 2001), as our CEO (since 2002) and as Chairman of the Board (since 2016). Previously, he had been President from 2002 to 2017, and Vice Chairman and Chief Administrative Officer from 2000 to 2002. Mr. Jaffe joined our Company in 1992 as Vice President, Business Development and became Senior Vice President in 1995, Executive Vice President in 1996 and Vice Chairman in 2000. David is the son of Elliot S. and Roslyn S. Jaffe. Elliot S. Jaffe is a co-founder and Chairman Emeritus. Roslyn S. Jaffe is a co-founder and Director Emeritus for Life. David Jaffe is the brother of Elise Jaffe, a non-executive officer and a more than 5% stockholder, and Richard Jaffe, a significant holder of the Company's stock. Mr. Jaffe is also a member of the Board of Directors of The National Retail Federation.

Qualifications:

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

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PROPOSAL ONE ELECTION OF DIRECTORS

KATE BUGGELN

Age: 57

Background:

Director Since: 2004

Committees:

Leadership and Corporate
Governance (chair)

Audit

KATE BUGGELN is a former Senior Advisor with Irving Place Capital, L.P. Currently, Ms. Buggeln serves as a member of the Board for publicly traded Five Below, Inc. She also is on the Board of Noble Biomaterials, Scoop Holdings (parent company of cabi) and the nonprofit, Bpeace. Previously, Ms. Buggeln was Senior Vice President of Strategy and Business Development for Coach, Inc., where she created and led strategies to enter new markets and new categories. Ms. Buggeln also spent many years as a retail consultant at LakeWest Group Ltd. and Coopers & Lybrand LLP, where she advised retail companies on business strategy, operations, e-commerce and supply chain. Previously, Ms. Buggeln served as a Director at Vitamin Shoppe, Stuart Weitzman and Timberland Company. On September 28, 2018, Ms. Buggeln was appointed to serve as the Company's Lead Independent Director.

Qualifications:

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

CARL CHUCK RUBIN

Age: 59

Background:

Director Since: 2015

Committees:

Compensation (Chair)

Audit

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

Qualifications:

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

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PROPOSAL ONE ELECTION OF DIRECTORS

JOHN L. WELBORN, JR.

Age: 41

Background:

Director Since: 2018

JOHN L. WELBORN, JR. serves as a Managing Director of Stadium Capital Management, LLC (Stadium), an investment advisory firm that focuses on smaller capitalized publicly traded companies in the U.S., Canada and Western Europe. In his role at Stadium, Mr. Welborn has led or supported Stadium's due diligence across many different industries, including financial services, retail, software and business services. Mr. Welborn joined Stadium in 2000 as an Associate. Prior to joining Stadium, from 1998 to 2000, Mr. Welborn was a Financial Analyst at The Beacon Group, LLC, an investment and advisory firm that is now part of J.P. Morgan Chase & Co. At Beacon, Mr. Welborn was a member of the Mergers & Acquisitions Group, focusing on financial services and consumer product companies and the Liquid Investments Committee. From 2012 to 2014, Mr. Welborn served as a director and member of the governance committee of Intermountain Community Bancorp and as a director of Panhandle State Bank, Inc.

Qualifications:

The Board selected Mr. Welborn to serve as a director based on his strong background in capital markets and investment experience.

Compensation and Stock Incentive Committee Interlocks and Insider Participation

During fiscal 2018, Carl Rubin, Randy L. Pearce, Marc Lasry and Linda Yaccarino served as members of our Compensation and Stock Incentive Committee (referred to as our Compensation Committee). No member of the Compensation Committee was an officer or employee of the Company during fiscal 2018 or was formerly an officer or employee of the Company. No executive officer of the Company served during fiscal 2018 as a director or member of a compensation committee of any entity at which any of its executive officers served on the Board or the Compensation Committee of the Company. Late in calendar 2017, Mr. Lasry stepped-down as a member of the

Compensation Committee, but continues to serve as a member of the Board. Additionally, as noted above, on July 12, 2018, Mr. Randy L. Pearce notified the Company of his intention to retire from the Board with an effective date on or about October 4, 2018. On October 4, 2018, the Board appointed Carrie W. Teffner to fill the vacancy created by Mr. Pearce's retirement, as a member of the class of directors whose terms of office expire at the Annual Meeting.

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QUESTIONS AND ANSWERS ABOUT OUR BOARD AND CORPORATE GOVERNANCE MATTERS

What is the makeup of the Board and how often are members elected?

Our Board currently has eleven members, divided into three classes, each with a staggered three-year term of office. Three directors, Steven L. Kirshenbaum, Carrie W. Teffner and Linda Yaccarino, whose terms are expiring as of the date of the Annual Meeting, shall stand for election this year.

How often did the Board meet in fiscal 2018?

The Board met four times during fiscal 2018 and otherwise accomplished its business through the work of the committees described below. During fiscal 2018, each incumbent director attended at least 75% of the meetings of the Board and of the standing committees of which he or she was a member during his or her tenure.

Do the non-management directors meet in regularly scheduled executive sessions?

Yes. The non-management members of our Board meet in regularly scheduled executive sessions without any members of management present.

Does the Company have any formal policies or requirements concerning Board Leadership?

We do not have a formal policy regarding the separation of our Chairman of the Board (Chairman) and Chief Executive Officer (CEO) positions. Following Elliot S. Jaffe's retirement as Non-Executive Chairman, member of the Board and as an officer of the Company, on December 8, 2016 the Board appointed David Jaffe, our Chief Executive Officer, as Chairman. We believe this leadership structure benefits our Company, as a combined Chairman/CEO role helps provide strong, unified leadership for our management team and Board.

The Company also believes that strong, independent Board leadership is a critical aspect of effective corporate governance. In March 2015, the Board appointed Mr. Pearce to serve as the Company's Lead Independent Director. In light of Mr. Pearce's retirement as a member of the Board, on September 28, 2018 Ms. Buggeln was appointed to serve as the Company's Lead Independent Director. As specified in our Corporate Governance Guidelines, the responsibilities of the Lead Independent Director are as follows:

consult with the Chairman as to an appropriate schedule of Board meetings;

consult with the Chairman regarding and approve the information, agenda and schedules of the meetings of the Board;

call meetings of the independent directors, as appropriate;

serve as chairman of the executive sessions of the independent directors;

serve as liaison between the independent directors and the Chairman and between the independent directors and senior management;

ensure that independent directors have adequate opportunities to meet and discuss issues in sessions of the independent directors without management present;

chair the meetings of the Board when the Chairman is not present;

recommend to the Board the retention of advisors and consultants who report directly to the Board; and

respond to questions and comments from major stockholders that are directed to the Lead Independent Director or to the independent directors as a group, with such consultation with the Chairman and other directors, as may be appropriate.

We believe that a single leader serving as Chairman and Chief Executive Officer, together with a Lead Independent Director, is the best governance model for our Company and our stockholders at this time.

[How does the Board determine which directors are independent?](#)

Our Board determines whether an individual director satisfies all of the independence standards of the SEC and the Nasdaq Global Select Market, as such standards may be amended from time to time, and also that the director has no material relationship with us (either directly or as a partner, stockholder or officer of any entity) that would be inconsistent with a finding of independence.

Table of Contents**QUESTIONS AND ANSWERS ABOUT OUR BOARD AND CORPORATE GOVERNANCE MATTERS****Which directors have been designated as independent?**

The Board affirmatively determined that Katie J. Bayne, Kate Buggeln, Marc Lasry, Randy L. Pearce, Carl Rubin, Stacey Rauch, Carrie W. Teffner, John L. Welborn, Jr. and Linda Yaccarino are independent, as defined under Rule 5605(a)(2) of The Nasdaq Stock Market.

What are the standing committees of the Board?

Our Board has three standing committees: the Audit Committee, the Leadership and Corporate Governance Committee and the Compensation Committee.

Who are the current members of the standing committees?

	Audit Committee	Compensation and Stock Incentive Committee	Leadership and Corporate Governance Committee
Katie J. Bayne			
Kate Buggeln			
David Jaffe			
Steven L. Kirshenbaum			

Kay Krill

Marc Lasry

Stacey Rauch

Carl Rubin

Carrie W. Teffner

Linda Yaccarino

Chairperson	Member	Lead Independent Director	Financial Expert
Are all of the members of the standing committees independent?			

Yes. The Board has determined that the members of each of the standing committees are independent pursuant to applicable SEC and Nasdaq Stock Market rules.

[Do all of the standing committees operate under a written charter?](#)

Yes. The charters of each of the standing committees are posted on the investors page of the Company's website at www.ascenaretail.com, accessible through the Investor Relations Menu.

[What are the functions of the standing committees?](#)

Audit Committee

It is the responsibility of the Audit Committee to assist the Board in its oversight of our financial accounting and reporting practices. The duties of the Audit Committee include: (i) monitoring our financial reporting process and system of internal controls; (ii) selecting our independent registered public accounting firm; (iii) monitoring the independence and performance of our independent registered public accounting firm and internal auditing function; and (iv) providing an avenue of communication among the independent registered public accounting firm, management, the internal auditing functions and the Board. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its

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QUESTIONS AND ANSWERS ABOUT OUR BOARD AND CORPORATE GOVERNANCE MATTERS

responsibilities, and it has direct access to our independent registered public accounting firm as well as our internal auditors. The Audit Committee has the ability to retain, at our expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties. The Audit Committee also prepared the Audit Committee Report for inclusion in the proxy statement. See Audit Committee Report. The Board has determined that all members of the Audit Committee are independent, as required by the Securities Exchange Act of 1934, as amended (the Exchange Act), and the listing standards of The Nasdaq Stock Market and meet the financial sophistication requirement within the meanings of The Nasdaq Stock Market rules, and has also determined that Ms. Teffner qualifies as an audit committee financial expert, as defined in Item 407(d)(5) of Regulation S-K.

Leadership and Corporate Governance Committee

The function of the Leadership and Corporate Governance Committee is to assist the Board by (i) identifying qualified individuals to become Board members, and recommending for selection by the Board the director nominees to stand for election at the next annual meeting of the Company's stockholders, (ii) recommending the composition of the Board and its committees, (iii) reviewing and recommending changes to the Board, as may be required, with respect to the Company's Corporate Governance Guidelines and the corporate governance policies and practices of the Company, (iv) leading the Board in its annual review of the Board's performance, (v) reviewing the succession planning recommendations for certain of the Company's senior officers, and (vi) advising the Board regarding diversity and inclusion matters.

The responsibilities and duties of the Leadership and Corporate Governance Committee also include advising the Board with respect to the charters, structure and operations of the various committees of the Board and qualifications for membership thereon, including any independence standards for committee membership. The Leadership and Corporate Governance Committee also makes recommendations to the Board regarding which directors should serve on the various committees of the Board.

The Leadership and Corporate Governance Committee utilizes a variety of methods for identifying and evaluating director candidates. Candidates may come to the attention of the Leadership and Corporate Governance Committee through current directors, members of management, stockholders or other persons. From time to time, the Leadership and Corporate Governance Committee may also engage a search firm to assist in identifying potential Board candidates, although no such firm was used to identify any of the director nominees proposed for election at the Annual Meeting. Once the Leadership and Corporate Governance Committee has identified a prospective nominee, the Leadership and Corporate Governance Committee evaluates the prospective nominee against the standards and qualifications set out in the Leadership and Corporate Governance Committee's charter and the Company's Corporate Governance Guidelines, including the individual's potential contributions in providing advice and guidance to the Board and management. The Leadership and Corporate Governance Committee seeks to identify nominees who possess a wide range of experience, skills, areas of expertise, knowledge and business judgment. The Leadership and Corporate Governance Committee evaluates all candidates for director, regardless of the person or firm recommending such candidate. In considering director nominees to stand for election or to fill any vacancy, the Leadership and Corporate Governance Committee and the Board take into account, in addition to such other factors as

they deem relevant, such factors as the desirability of selecting directors who are accomplished in their respective fields, with superior credentials and reputation, are believed to have (i) relevant expertise and experience upon the basis of which such person could offer advice and guidance to management and (ii) sufficient time available to devote to the affairs of the Company, are believed to be able to work with the other members of the Board, are believed to be able to represent the long-term interests of the Company's stockholders as a whole, and are selected with a view to the Board being diverse and representing a range of backgrounds and experience. The Leadership and Corporate Governance Committee and the Board also consider all applicable legal and regulatory requirements, as well as any requirements under the Company's Second Amended and Restated Certificate of Incorporation, as amended, and by-laws that govern the composition of the Board as from time to time in effect.

The Board, with the advice and recommendation of the Leadership and Corporate Governance Committee, determines the total number of directors and selects nominees with a view to maintaining a Board that is strong in its collective knowledge and has a diversity of not only skills and experience, but also diversity in gender, culture and geography. The Board and Leadership and Corporate Governance Committee assess the effectiveness of the Company's diversity policies by reviewing the nominees for director to determine if such nominees satisfy the Company's then-current needs.

The Board, the Leadership and Corporate Governance Committee and the Company are committed to diversity and inclusion and recognize the benefits diversity and inclusion can contribute to achieving the Company's goals. Accordingly, the Leadership and Corporate Governance Committee is responsible for advising the Board regarding diversity and inclusion matters in an effort to promote, foster and nurture a diverse and inclusive workforce, culture and provision of services at the Company.

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QUESTIONS AND ANSWERS ABOUT OUR BOARD AND CORPORATE GOVERNANCE MATTERS

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines, a copy of which is posted on the investors page of the Company's website at www.ascenaretail.com, accessible through the Investor Relations Menu. The Leadership and Corporate Governance Committee assists the Board in carrying out the Corporate Governance Guidelines, monitors the compliance by the Board and its committees with the Corporate Governance Guidelines, and, from time to time as it deems appropriate, reviews and reassesses the adequacy of the Corporate Governance Guidelines and recommends any proposed revisions to the Corporate Governance Guidelines to the Board for approval. The Corporate Governance Guidelines address topics such as (i) Board size, (ii) Board meetings and agendas, (iii) committees, (iv) Board leadership structure, (v) lead independent director, (vi) executive sessions of independent directors, (vii) director qualifications and attributes, (viii) director

independence, (ix) director selection, (x) majority approval vote in uncontested director elections, (xi) director orientation, (xii) director access to officers and employees, (xiii) director responsibilities, (xiv) changes in directors principal occupation, position or responsibility, (xv) outside directorships, (xvi) stockholder communications with the Board, (xvii) consideration of director candidates nominated by stockholders, (xviii) director compensation, (xix) restrictions on hedging and pledging transactions, (xx) annual evaluation of the Company's chief executive officer and succession planning, and (xxi) annual evaluation of the Board.

Compensation Committee

The function of the Compensation Committee is to assist the Board by: (i) evaluating and determining all matters relating to the compensation (including base salary, incentive compensation and equity-based awards) of our Chairman and CEO, our other executive officers (including the named executive officers) and certain other key executives and employees; (ii) administering and functioning as the committee that is authorized to grant stock options, restricted stock and/or restricted stock units (RSUs) and other equity-based and incentive awards to executive officers and such other key executives and employees as the Compensation Committee shall determine under our stock and cash incentive plans, including the Company's 2016 Omnibus Incentive Plan (the Omnibus Incentive Plan) and as the committee authorized to grant awards under other incentive plans applicable to the executive officers of the Company as in effect from time to time; and (iii) reviewing and reporting to the Board on such other matters as may be appropriately delegated by the Board for the Compensation Committee's consideration.

The Compensation Committee has sole authority to retain and obtain the advice of compensation consultants, outside legal counsel and other advisers, each referred to herein as an Adviser, to assist it with the execution of its duties and responsibilities. The Compensation Committee has the authority to set the compensation and other terms and conditions and oversee the work of the Advisers, to receive appropriate funding from the Company for the payment of compensation to the Advisers and to terminate the services of an Adviser. In selecting Advisers, the Committee will take into account factors it considers appropriate or as may be required by law, regulation or under the Nasdaq listing standards.

In fiscal 2018, following an extensive search process, the Compensation Committee selected and engaged Semler Brossy Consulting Group, LLC (SBCG) as the Compensation Committee's independent compensation consultant. In selecting SBCG, the Compensation Committee considered the independence standards prescribed by the SEC and Nasdaq, and concluded that SBCG was independent and that its work would not raise any conflict of interest. Previously, and through three quarters of fiscal 2018, the Compensation Committee retained Radford Consulting, a separate business unit of Aon Consulting and a separate division of Aon Hewitt Corporation (Radford), as its independent compensation consultant. However, this engagement was discontinued when the Compensation Committee retained SBCG.

Between 2010 and the third quarter of fiscal 2018, Radford met regularly with the Compensation Committee and provided it with advice regarding the design and implementation of our executive compensation program. Radford's support during fiscal 2018 included a number of topics, including pay levels and design as well as our ongoing alignment with our compensation philosophy. Management did not specifically recommend Radford, and Radford and its affiliates did not provide any services other than executive compensation consulting services to the Company. The Compensation Committee determined that Radford did not have any conflict of interest in its dealings with the Compensation Committee (or the Company). The Compensation Committee made this determination, in part, by reviewing and considering the factors set out by the applicable SEC rules and Nasdaq listing standards addressing compensation advisor conflicts of interest.

In providing its services to the Compensation Committee, with the Compensation Committee's knowledge, Radford contacted the Company's management from time to time to obtain data and other information from the Company and worked together with management and its advisor in the development of proposals and alternatives for the Compensation Committee to review and consider.

The Compensation Committee expects to regularly evaluate the nature and scope of the services provided by SBCG. In order to ensure that SBCG is independent, SBCG is only engaged by, takes direction from, and reports to the Compensation Committee and, accordingly, only the Compensation Committee has the right to terminate or replace SBCG at any time.

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QUESTIONS AND ANSWERS ABOUT OUR BOARD AND CORPORATE GOVERNANCE MATTERS

In fiscal 2018, following an extensive search, management retained Willis Towers Watson (WTW) to replace Korn Ferry Hay Group, Inc. (Hay Group) as their compensation consultant. Hay Group and its affiliates did not provide services other than compensation consulting services to the Company. Hay Group participated in Compensation Committee meetings during the first three quarters of fiscal 2018 and provided retail executive compensation knowledge and expertise and participated in discussions regarding executive compensation, the peer group selection process and executive compensation trends, among other activities. Management expects WTW to provide services similar to those provided by Hay Group. The Compensation Committee has determined that neither WTW nor Hay Group have any conflict of interest in their dealings with management, the Compensation Committee or the Company. This determination was made, in part, by reviewing and considering the factors set out by the applicable SEC rules and Nasdaq listing standards addressing compensation advisor conflicts of interest. In connection with the retention of WTW, the engagement of the Hay Group was discontinued.

How many times did each standing committee meet in fiscal 2018?

During fiscal 2018, the Audit Committee met eight times, the Compensation Committee met seven times and the Leadership and Corporate Governance Committee met five times.

What is the Board's role in the risk oversight process?

It is management's responsibility to manage risk and bring to the Board's attention risks that are material to the Company. The Board exercises its oversight of the Company's risks through regular reports to the Board from David Jaffe, in his role as Chairman and CEO, and other members of senior management on areas of material risk, actions and strategies to mitigate those risks and the effectiveness of those actions and strategies. The Board also administers its risk oversight function through its Audit and Compensation Committees.

The Audit Committee discusses with management the Company's policies with respect to risk assessment and risk management, including the Company's major financial risk exposures and the steps management has taken to monitor and control those risks. Members of senior management with responsibility for oversight of particular risks report to the Audit Committee periodically throughout the year. The Company's chief internal audit executive annually prepares a comprehensive risk assessment report which identifies the material business risks (including strategic, operational, financial reporting and compliance risks) for the Company as a whole, as well as for each business unit, and identifies the controls that address and mitigate those risks. The chief internal audit executive reviews that report with the Audit Committee each year. The Audit Committee reports to the full Board annually, or more frequently as required, on its review of the Company's risk management.

The Compensation Committee establishes our executive compensation programs in a balanced and diversified manner while also creating significant, yet appropriate, incentives for strong performance based on our business and strategic plan. In most cases, each component of our performance-based compensation program is subject to a limit on the cash paid or the number of shares delivered. We believe that our compensation programs reflect a balance of short-term, long-term, guaranteed and performance-based compensation in order not to encourage excessive risk-taking. A

significant portion of our compensation program includes performance-based compensation with multi-year performance targets and vesting. We believe that this helps to ensure that our NEOs and other employees focus on the health of our business and the success of broad performance metrics that will deliver stockholder value over time and discourages excess risk-taking by our NEOs and other employees. The Compensation Committee also evaluates on a regular basis our overall mix of equity-based incentive awards relative to cash-based incentive awards to align our executives' incentives with stockholder interests and long-term value.

[How does the Board evaluate director candidates recommended by stockholders?](#)

The Leadership and Corporate Governance Committee does not evaluate stockholder nominees differently than any other nominee. Pursuant to policies set forth in our Leadership and Corporate Governance Committee Charter and Corporate Governance Guidelines, our Leadership and Corporate Governance Committee will consider stockholder nominations for directors if we receive timely written notice, in proper form, of the intent to make a nomination at a meeting of stockholders. To be timely for the 2019 Annual Meeting, the notice must be received within the time frame discussed above under the heading *How do stockholders submit proposals for the Company's 2019 Annual Meeting of Stockholders?* To be in proper form, the notice must, among other things, include each nominee's written consent to be named as a nominee and to serve as a director if elected, the number of shares held of record and beneficially owned by the nominee, and any other information relating to the nominee that is required to be disclosed in solicitations of proxies for the election of directors, or is otherwise required pursuant to Regulation 14A under the Exchange Act.

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QUESTIONS AND ANSWERS ABOUT OUR BOARD AND CORPORATE GOVERNANCE MATTERS

How are directors compensated?

General Philosophy

For fiscal 2018, total compensation for our non-employee Board members was within a competitive range of the peer group median. The peer group is identified under "Peer Group" in the Compensation Discussion and Analysis. Directors are provided an annual cash retainer, committee fees, and an annual equity retainer.

The Board, in consultation with the Company's compensation consultant, analyzes the Company's Board compensation in comparison to its peer group, and determines on an annual basis whether to adjust Board compensation. No changes were made to the structure or design of the Company's Board compensation for fiscal 2018.

David Jaffe, our Chairman and CEO, does not receive any additional cash or equity compensation for his service as a director. Compensation paid to Mr. Jaffe for his service as an executive officer during fiscal 2018 is reflected in the Summary Compensation Table in the Compensation and Discussion Analysis.

Cash Compensation

For fiscal 2018, we paid our non-employee Board members as follows:

	Fee
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An annual fee	\$ 80,000
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Annual fees to each committee member (excluding committee chairs) are as follows:

Audit Committee	\$ 15,000
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Compensation Committee	\$ 12,500
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Leadership and Corporate Governance Committee	\$ 10,000
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Annual fees to the committee chairs and lead independent director are as follows:

Audit Committee Chair	\$ 25,000
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Compensation Committee Chair	\$ 20,000
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Leadership and Corporate Governance Committee Chair	\$ 15,000
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Lead Independent Director	\$ 30,000
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Equity Compensation

The Company generally makes equity grants of RSUs on an annual cycle in September, which vest on the one-year anniversary of the grant date. We generally provide an annual equity retainer of \$130,000 for service on our Board; however, in fiscal 2018, the value of RSU awards to directors were reduced by 30% to align with actions taken for certain of our NEOs who also received a 30% reduction to their LTI awards (as described in the Compensation Discussion and Analysis below). The following RSU grants were made to our non-employee directors in fiscal 2018:

Director	Number of Restricted Stock Units Granted ¹
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Katie Bayne	36,922
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Kate Buggeln	36,922
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Steven Kirshenbaum	36,922
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Katherine Krill	36,922
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Marc Lasry	36,922
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Randy Pearce	36,922
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Stacey Rauch	36,922
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Carl Rubin	36,922
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John L. Welborn, Jr.

Linda Yaccarino	36,922
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- (1) All of these RSUs vest one year from the grant date. Mr. Welborn did not receive an RSU grant in respect of his service as a non-employee director in fiscal 2018 because he was appointed to the Board after the date the Company made annual RSU grants to its non-employee directors. Ms. Teffner was appointed to the Board effective October 4, 2018. Mr. Welborn and Ms. Teffner will be eligible to receive the standard non-employee director RSU grant in respect of their service in fiscal 2019 and Mr. Welborn will receive a pro-rated portion of the reduced fiscal 2018 RSU award.

Table of Contents**FISCAL 2018 DIRECTOR COMPENSATION TABLE**

The following table provides each element of non-employee director compensation for fiscal 2018.

Name	Fees Earned or Paid in Cash (\$)	RSU Awards (\$) ⁽¹⁾	All Other Compensation (\$)	Total (\$)
Katie Bayne	90,000	91,000		181,000
Kate Buggeln	110,000	91,000		201,000
Steven Kirshenbaum	80,000	91,000		171,000
Kay Krill	80,000	91,000		171,000
Marc Lasry	85,000	91,000		176,000
Randy L. Pearce(2)	147,500	91,000		238,500

Stacey Rauch	91,250	91,000	182,250
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Carl Rubin	111,250	91,000	206,000
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Carrie W. Teffner(3)

John L. Welborn, Jr.(4)	3,736		3,736
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Linda Yaccarino	75,426	91,000	193,500
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(1) Reflects the aggregate grant date fair value of RSU awards calculated in accordance with ASC Topic 718. Assumptions used in the valuation of equity based awards are discussed in "Stock-Based Compensation" in Note 17 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended August 4, 2018.

(2) Mr. Pearce retired as a member of the Board on October 4, 2018.

(3) Ms. Teffner joined the Board effective October 4, 2018.

(4) Mr. Welborn joined the Board effective May 15, 2018.

As of August 4, 2018, the aggregate number of RSUs and stock options held by each non-employee director was:

Name	Number of RSUs	Number of Options
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Katie Bayne	41,229
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Kate Buggeln	40,274	70,002
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Steven Kirshenbaum	36,992
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Kay Krill	41,229
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Marc Lasry	36,992
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Randy L. Pearce	40,274	70,000
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Stacey Rauch	36,992
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Carl Rubin	36,992
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Carrie W. Teffner	0
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John L. Welborn	0
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Linda Yaccarino	36,992
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Are directors and executive officers required to own a minimum amount of the Company shares of common stock?

Our Board believes it is important that our non-employee directors and executive officers have, and are recognized both internally and externally as having, long-term financial interests that are aligned with those of our stockholders. In fiscal 2012, pursuant to the recommendation of the Compensation Committee, the Board adopted stock ownership guidelines for our CEO and non-employee directors (the Ownership

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FISCAL 2018 DIRECTOR COMPENSATION TABLE

Guidelines). In June 2016, the Ownership Guidelines were amended and restated to, among other things, expand the group of persons subject to the Ownership Guidelines to include all members of our leadership team, including each of the Company's executive officers and presidents of each of the Company's brands. The Ownership Guidelines with respect to our CEO became effective in September 2011, with respect to our non-employee directors, became effective on December 7, 2011, and with respect to all such other members of Company leadership, became effective on June 2, 2016. See Executive Compensation Compensation Discussion and Analysis Stock Ownership Guidelines for Executive Officers below for a discussion of the Ownership Guidelines as amended and restated, with regard to our CEO and all such other members of Company leadership.

Under the Ownership Guidelines, non-employee directors are required to hold (determined annually as of the last day of the prior fiscal year) three times their annual cash retainer (currently \$80,000 per annum, for a total of \$240,000).

The Ownership Guidelines authorize a transition period for non-employee directors to achieve the three-time ownership level of five years from the later of December 7, 2011 and the date the director commences service on our Board. As of August 4, 2018, Ms. Bayne, Ms. Buggeln, Mr. Kirshenbaum and Ms. Krill satisfied the Ownership Guidelines. The remaining non-employee directors are still within the transition period to satisfy the Ownership Guidelines.

Ownership includes: (i) shares of our stock acquired on the open market or purchased through the exercise of stock options or settlement of any other type of equity award (such as restricted stock, RSUs, deferred stock or a deferred stock unit); (ii) vested equity awards (other than stock options or stock appreciation awards); (iii) vested shares of our stock allocated under any tax-qualified plan (although non-employee directors may not participate in the 401(k) plans, if a director previously was an employee and participated in the plan, such shares would count as owned); and (iv) unvested RSUs (but excluding unvested performance-based equity awards). Shares held individually or jointly or by a family member (as defined in the securities laws which would include certain trusts, family partnerships and foundations) would count as owned by the non-employee director. Stock option awards do not count towards the stock ownership requirement. The Ownership Guidelines, as amended and restated, are posted on the investors page of the Company's website at www.ascenaretail.com, accessible through the Investor Relations Menu.

Does the Company maintain Indemnification Agreements with the members of the Board and Executive Officers?

Yes, the Company has entered into indemnification agreements (collectively, the Indemnification Agreements) with each of the members of the Board. Ascena also entered into Indemnification Agreements with Brian Lynch, President and Chief Operating Officer, Gary Muto, President and Chief Executive Officer, ascena Brands, Robb Giammatteo, Executive Vice President and Chief Financial Officer, and John Pershing, Executive Vice President, Chief Human Resources Officer. The Indemnification Agreements supplement the Company's Second Amended and Restated Certificate of Incorporation, as amended, the Company's by-laws and Delaware law in providing certain indemnification rights to these individuals. The Indemnification Agreements provide, among other things, that we will indemnify these individuals to the fullest extent permitted by Delaware law and to any greater extent that Delaware law may in the future permit, including the advancement of attorneys' fees and other expenses incurred by such

individuals in connection with any threatened, pending or completed action, suit or other proceeding, whether of a civil, criminal, administrative, regulatory, legislative or investigative nature, relating to any occurrence or event before or after the date of the Indemnification Agreements, by reason of the fact that such individuals are or were our directors or officers, subject to certain exclusions and procedures set forth in the Indemnification Agreements.

[Do you have a written Code of Ethics?](#)

Yes, our Code of Ethics for Senior Financial Officers is posted on the investors page of the Company's website at www.ascenaretail.com, accessible through the Investor Relations Menu. This code of ethics complies with the requirements of the Sarbanes-Oxley Act of 2002 pertaining to codes of ethics for chief executives and senior financial and accounting officers. If we amend or waive a provision of our Code of Ethics for Senior Financial Officers that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, we will post such information at this location on our website. A copy of the code of ethics will be provided to any stockholder upon request.

[Do you have a Whistleblower Policy?](#)

Yes, as required by the Sarbanes-Oxley Act of 2002, we have established a confidential hotline for employees to call with any information regarding concerns about accounting or auditing matters. All calls are referred to the Chair of the Audit Committee. Our Whistleblower Policy is posted on the investors page of the Company's website at www.ascenaretail.com, accessible through the Investor Relations Menu.

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FISCAL 2018 DIRECTOR COMPENSATION TABLE

How can I communicate with members of the Board?

You may contact any member of the Board by writing to our Board at:

Ascena's Board of Directors

c/o Chair of the Audit Committee

Ascena Retail Group, Inc.

933 MacArthur Boulevard

Mahwah, New Jersey 07430

To the extent reasonably practical under the circumstances, all such communications are treated confidentially and you can remain anonymous when communicating your concerns.

When does your fiscal year end?

Historically, our fiscal years have ended on the last Saturday in July. However, in June 2018, the Board approved a change in the Company's fiscal 2018 year end to August 4, 2018, and for each year thereafter, to the Saturday closest to July 31. References in this proxy statement to a fiscal year are to the calendar year in which the fiscal year ends. For example, the fiscal year ended August 4, 2018 is referred to as fiscal 2018 and the fiscal year ended August 3, 2019 is referred to as fiscal 2019.

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This Compensation Discussion and Analysis describes the compensation philosophy, objectives, policies and practices with respect to our named executive officers (the NEOs). The NEOs for fiscal 2018 are comprised of our principal executive officer, principal financial officer and three other most highly compensated officers for fiscal year 2018 as follows:

David Jaffe,

Chairman and

Chief Executive Officer (CEO)

Robb Giammatteo,

EVP and

Chief Financial Officer (CFO)

Brian Lynch,

President and

Chief Operating Officer (COO)

Gary Muto,

President and

Chief Executive Officer ascena Brands

John Pershing,

EVP and

Chief Human Resources Officer (CHRO)

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY

Fiscal 2018 Company Performance and Transformation Initiatives

On August 1, 2017 and effective for fiscal 2018, the Company announced changes to its leadership structure which included the expansion of the role of Brian Lynch as the Company's President and COO, and the promotion of Gary Muto to a newly created role of President and Chief Executive Officer of ascena Brands. In connection with these changes, David Jaffe continued in his role as the Company's Chairman and CEO, though he no longer serves as President. The current leadership structure is intended to build upon the successes of the "Change for Growth" program in the past two fiscal years by positioning our leadership team to develop and execute strategic and operational initiatives in a changing business environment.

Fiscal 2018 represented another challenging year for the retail industry. We, along with many of our peers, were impacted by declining store traffic and an increasingly promotional selling environment. Key operating results in fiscal 2018 included:

Net sales decreased by 1.1%; and

Operating income improved to \$39.7 million compared to an operating loss of \$1.3 billion for fiscal 2017 which was primarily attributed to the impairment of goodwill and other intangible assets.

Despite these challenges facing the Company and our industry, we have made great strides implementing our "Change for Growth" program over the last two fiscal years. The Change for Growth program is a substantial transformation initiative with the objective of supporting sustainable long-term growth and increasing stockholder value. In connection with the Change for Growth program, we have:

Implemented a number of initiatives to reduce our overhead costs, by transitioning certain functions to an independent third-party managed-service provider;

Continued a review of our store fleet with the goal of reducing the number of underperforming stores (through either rent reductions or store closures), in an effort to increase the overall profitability of the remaining store footprint and convert sales from these stores into direct channel sales or to nearby store locations;

Begun to develop new capabilities such as markdown optimization, size pack optimization and localized inventory planning; and

Enhanced our capability to analyze transaction data to support strategic decisions.

From these activities, we realized approximately \$135 million in cost savings during fiscal 2018 and expect to realize a total of approximately \$300 million in cost savings through fiscal 2020.

Also in fiscal 2018, we invested \$186 million in capital expenditures, which included spending for non-routine capital investments such as our omnichannel platform and initiatives identified as part of the Change for Growth program to improve operational efficiencies and enhance our customer-facing capabilities, as well as routine spending in connection with our digital initiatives, digital infrastructure improvement, and our retail store network. Together, these investments will allow our brands to (i) provide customers a seamless experience in-store and online, (ii) integrate our marketing efforts to increase in-store and online traffic, (iii) improve product availability and fulfillment efficiency, and (iv) enhance our capability to analyze transaction data to support strategic decisions.

Lastly, during fiscal 2018, we completed the expansion of our Riverside, California distribution facility to now include direct channel, as well as brick-and-mortar distribution.

We believe that ongoing challenges in the retail industry underscore the importance for the Company to continue to execute against these strategic growth initiatives, and our executive team is committed to the ongoing success of our business transformation.

Key Fiscal 2018 Executive Compensation Outcomes

We believe the executive compensation-related decisions made for fiscal 2018, and the associated outcomes of our programs highlight our ongoing focus on aligning our executives' interests and pay opportunities with those of our stockholders. In fiscal 2018:

For the second year in a row, our CEO, CFO, and CHRO did not receive increases to their base salaries. Increases were provided to our President and COO in recognition of the increased scope of his role and responsibilities;

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

Our NEOs did not receive a seasonal cash incentive payout during the fall 2018 season. We had a stronger spring 2018 season, in which operating performance was achieved between threshold and target goals previously established by the Compensation Committee. As a result, our NEOs received a 51.6% payout for the spring 2018 season;

The Compensation Committee reduced the target value of long-term incentive awards to Messrs. Jaffe, Giammatteo, and Pershing by 30% in fiscal 2018 to better align pay opportunities with recent Company performance and to conserve shares. As such, three of our NEOs, including our CEO, were granted only 70% of their typical long-term incentive award target (Messrs. Lynch and Muto did not receive reduced LTI awards in fiscal 2018 given their recent promotions as described above). This resulted in a fiscal 2018 target pay opportunity for our CEO that is positioned below the 25th percentile of our peer group;

Long-term incentive opportunities in fiscal 2018 were granted in the form of:

Performance-based LTIP which vests after 3 years based on our Net Income and relative Total Stockholder Return performance (60% of steady-state target weighting; 86% of actual awards for fiscal 2018) and encourages growth to fund our business and increase stockholder returns; and

Time-vesting stock options which vest over a 2-year period (20% of steady-state weighting; 14% of actual annual awards to all NEOs in fiscal 2018) and encourages a long-term focus on value creation given their 7-year exercise term;

In conjunction with the 30% reduction in long-term incentive opportunities for certain NEOs in fiscal 2018, time-based restricted stock units were not granted to any of our NEOs during the annual grant cycle to further the link between long-term pay opportunities and stockholder value creation (time-based restricted stock units otherwise represent 20% of the steady-state weighting); and

The first measurement period of the Transformation Bonus, which was granted to our NEOs (other than our CEO) in March 2017 in connection with our Change for Growth program, was triggered at the end of fiscal 2018. The delivered cost savings performance would have resulted in fiscal 2018 payouts equal to 1.56x each participant's salary (as in effect in March 2017). However, the final earned payout multiples were reduced by half to 0.78x since the Company did not achieve its threshold annual Operating Income level under the seasonal incentive compensation (IC) plan for fiscal 2018 (per the terms of the Transformation Bonus program).

COMPENSATION PROGRAM OBJECTIVES AND PHILOSOPHY

We design our executive compensation program to attract and retain highly skilled, performance-oriented executives. In doing so, we structure incentives to motivate strong financial performance and align with stockholder interests. The following core principles guide the achievement of our stated objectives:

PRINCIPLE	IMPACT
Provide market-competitive opportunities to attract and retain key talent	Offer total compensation opportunities that are competitive with those offered by similarly-situated companies with which we compete for executive talent. In practice, this results in salary compensation for senior management positions being positioned within a competitive range of the compensation peer group median
Encourage and reward performance at the individual, brand and corporate levels	<p>Balances all aspects of an executive's responsibilities: base salary for day-to-day responsibilities; seasonal cash incentive bonuses for shorter-term returns linked to semi-annual financial performance; and long-term incentive awards to align executives' focus with stockholder value creation and the future performance of the Company</p> <p>Results in compensation delivered in three primary forms: base salary, a seasonal cash incentive bonus, and long-term incentives, which ensures that a significant portion of the total compensation opportunities for our executives are at risk based on Company and individual performance</p>
Align executives' interests with those of stockholders	<p>Explicitly ties a portion of long-term incentives to the performance of our stock price over a period of several years</p> <p>Encourages retention and a longer-term performance focus through vehicles that carry multi-year performance periods and service-based vesting requirements</p>

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

With respect to the total direct compensation paid to our NEOs, the Compensation Committee, with the recommendations and advice of its independent compensation consultant, utilizes and reviews data from peer companies and survey data provided by Hay Group, Mercer and Equilar for the purposes of analyzing the pay positioning of key roles within the organization. Industry-based compensation studies and data inform our general understanding of current compensation practices and serve as one input into our compensation decision-making process. Additional points of reference for the Compensation Committee include: a role's scope of responsibilities, the criticality of an individual to the organization, and an individual's potential to influence and drive future business results.

KEY FEATURES OF THE EXECUTIVE COMPENSATION PROGRAM

The Compensation Committee reviews on an ongoing basis our executive compensation and benefits programs to evaluate whether these programs support the Company's compensation philosophy and objectives and serve the interests of our stockholders. The Company's practices include the following, each of which the Compensation Committee believes reinforces our executive compensation philosophy and objectives:

What We Do:

Linkage Between Performance Measures and Long-Term Growth Our executive compensation program is designed to attract and retain talent with an emphasis on pay-for-performance and creating long-term value through sustainable net income growth (resulting in increased stockholder returns).

Performance-Based Long-Term Incentive Awards Performance-based long-term incentive (LTIP) awards represent 60% of the Company's long-term incentive mix for the NEOs on a steady-state basis (and represented 86% of the long-term incentive mix for certain NEOs in fiscal 2018). For the three-year period beginning in fiscal 2018, LTIP award payouts are tied to net income (50%) and total stockholder return (TSR) relative to a select index of retailers (50%).

Market Comparison of Executive Compensation Against a Relevant Peer Group The Compensation Committee annually reviews competitive market data provided by its independent compensation consultant and Company management.

DoubleTrigger Vesting in the Event of a Change in Control In the event of a change in control, cash severance benefits are predominantly payable or vest upon a double trigger for our executive officers (i.e., upon an involuntary termination that occurs within 2 years following a change in control), and there are no walk rights following a change in control (i.e., the ability for executives to receive change in control-related payments without the loss of their job or substantial diminution of job duties).

IndependentCompensation Consultant The Compensation Committee retains its own compensation consultant to review and advise on the Company's executive compensation program and practices.

MaximumPayout Caps for Executive Officer Incentive Compensation Programs Payouts under our short-term and long-term incentive compensation vehicles are capped at 200% of target.

ShareOwnership Guidelines Our Chief Executive Officer is required to hold 6x his base salary, and our other executive officers and brand presidents are required to hold 1x their base salaries, each to be achieved within five years of the adoption of the guidelines or, if later, promotion or hire.

Hedging/PledgingPolicy None of our executive officers or non-employee directors are permitted to engage in hedging or pledging transactions with respect to our stock.

What We Don't Do:

No Guaranteed Salary Increases or Guaranteed Bonuses

No Change in Control or Perquisite Tax Gross-Ups

No Employment Agreements (our CEO's agreement terminated in August 2017)

No Significant Executive Perquisites

No Excessive Severance Benefits

No Service-Based Defined Benefit Pension Plan or Other Similar Benefits

No repricing of underwater stock options without stockholder approval

No executive officer is entitled to termination bonus in excess of market standard

Table of Contents**EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS****KEY ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM**

Our executive compensation program is designed to attract and retain quality leaders with an emphasis on pay-for-performance and creating sustainable long-term stockholder returns. Our compensation program includes significant performance-based elements which creates a meaningful incentive for outstanding performance and serves as an effective retention tool. Our annual executive compensation program generally consists of the following elements:

Element	Purpose
Base salary	Provide a fixed component of pay that is aligned with our compensation philosophy and intended to attract and retain executives with the necessary skills and experience to execute on our strategic priorities.
Seasonal cash incentive bonuses	Provide a bonus opportunity linked to our seasonal Operating Income performance to drive executives' focus on our ongoing financial success.
Stock options and restricted stock units	Create an ownership culture among employees, provide an incentive to contribute to the continued growth and development of our business and align the interests of executives with stockholders over a long-term period.
LTIP (Long-Term Incentive Plan)	Focus our executives on the long-term goals and strategic initiatives of the organization and align the interests of executives with stockholders over a long-term period.

FISCAL 2018 PAY MIX & PERFORMANCE FOCUS

The following features of our compensation program for executive officers underscore our performance-based compensation philosophy:

100% of seasonal IC under our fiscal 2018 Annual Cash Incentive Plan was tied to performance against pre-established, seasonal operating income goals.

86% of the actual fiscal 2018 long-term incentive grants to our NEOs were in the form of a three-year performance award (LTIP) with payout contingent on achieving pre-established net income and relative TSR goals.

Nonqualified stock option awards comprised 14% of the fiscal 2018 LTI grants to our NEOs. NEOs only realize value from options to the extent that our share price increases above the exercise price.

Approximately 86% of our CEO's total target compensation was tied to the achievement of corporate performance objectives and share price performance.

We did not grant time-based restricted stock units to our NEOs as part of our ongoing pay program in fiscal 2018. We allocate compensation between short-term and long-term components and between cash and equity in order to maximize executive performance and retention. Long-term compensation and equity awards comprise an increasingly larger proportion of total compensation for our executives as position level increases based on our belief that these elements of compensation more closely align management's interests with our financial performance and with our stockholders' interests.

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

For fiscal year 2018, the targeted mix of base salary, annual cash incentive bonuses, and long-term incentives for our Chairman and CEO and other NEOs as a group (on average) was:

OPPORTUNITY FOR STOCKHOLDER FEEDBACK

Each year the compensation of our NEOs, as disclosed in our annual proxy statement, is submitted to our stockholders for a non-binding advisory vote (commonly known as a “say-on-pay” proposal). In response to a significant decline in stockholder support for our say-on-pay vote at our 2015 annual meeting, we initiated significant stockholder outreach in order to obtain input from our stockholders regarding the Company’s executive compensation program. Following this robust engagement process, we made several significant changes to our compensation programs (including directly measuring relative total stockholder return in our long-term incentive plan) that have resulted in two consecutive say-on-pay results with above 90% support.

Fiscal 2016 Changes We Made in Response to Stockholder Feedback

Expanded Disclosure of Performance Metrics in Proxy Statement

Included TSR metric in our LTIP Awards

Adopted a Clawback Policy for Section 16 Officers

Expanded Stock Ownership Guidelines to Cover all Company Leadership

We value a strong dialogue with our stockholders and discuss pay-related topics from time-to-time in order to solicit stockholder feedback during the program design process. Stockholders are invited to express their views or concerns directly to the Compensation Committee or the Board in the manner described above under *How can I communicate with members of the Board* .

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

FREQUENCY OF SAY-ON-PAY VOTE

Consistent with the preference expressed by our stockholders at the 2017 Annual Meeting of Stockholders in our frequency of say-on-pay vote, we currently hold our say-on-pay vote on an annual basis.

DETERMINATION OF COMPENSATION

When reviewing and evaluating our executive compensation for fiscal year 2018, we relied on the significant prior experience of our Compensation Committee in establishing compensation programs and levels across many companies in multiple industries, the input of our Chairman and CEO (except with regard to his own compensation) and the Compensation Committee independent consultant. The following is an overview of the roles of the various participants in our executive compensation process:

PARTICIPANTS	ROLE IN THE EXECUTIVE COMPENSATION PROCESS
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Compensation
Committee

Our Compensation Committee reviews and approves salaries and other compensation of all senior executives of the Company (including the NEOs).

Our Compensation Committee also administers the Omnibus Incentive Plan, and establishes and reviews the achievement of performance goals and other matters relating to the Company's annual, semi-annual and long-term bonus and incentive plans for senior executives (including the NEOs).

Executive Officers

Mr. David Jaffe, our Chairman and CEO, annually reviews the performance of each NEO with the Compensation Committee and makes recommendations with respect to each key element of executive compensation for each NEO (excluding himself), as well as other senior executives at the Company.

The CFO and CHRO also prepare and submit information during the course of the year for the consideration of the Compensation Committee, including information relevant to

annual, semi-annual and long-term performance measures, proposed financial targets, proposed recommendations for salary increases and proposed equity award allocations.

**Bonus Review
Committee**

The Company and brand financial goals under the Omnibus Incentive Plan (which was amended in December 2015 to incorporate the Amended and Restated Executive 162(m) Bonus Plan) are developed by the applicable Bonus Review Committee, which then presents the goals to the Compensation Committee for review and approval.

For fiscal 2018, our Chairman and CEO, our CFO, and our CHRO, served as the Bonus Review Committee.

**Compensation
Consultants**

In fiscal 2018, following an extensive search process, the Compensation Committee selected and engaged SBCG as the Compensation Committee's independent compensation consultant. Previously, and through three quarters of fiscal 2018, the Compensation Committee retained Radford.

PEER GROUP

Each year, the Compensation Committee reviews and confirms the appropriateness of our compensation peer group in light of any changes to the Company's size, business director, or strategic vision. The peer group generally serves as the primary reference in reviewing competitive pay practices and compensation levels for our NEOs. The peer group reflects our status as a multi-brand retailer and includes companies with annual revenues generally between one-half and two times the Company's.

The Company uses the proxy peer group for:

Executive compensation market reviews, particularly for our CEO and CFO;

Director compensation benchmarking; and

Incentive design review and consideration of governance factors relative to the market.

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

The following companies served as our peer group for fiscal 2018:

2018 Peer Group

Abercrombie & Fitch

JC Penney

American Eagle Outfitters

L Brands

Bed Bath & Beyond

Ross Stores

Burlington Coat Factory

Signet Jewelers

Dick's Sporting Goods

Tailored Brands

Foot Locker

Urban Outfitters

Gap

Williams-Sonoma

This peer group is consistent with the group used in fiscal 2017. Following a review of the group in late fiscal 2018, the Committee determined that no changes would be made to this group for fiscal 2019.

ESTABLISHING THE COMPENSATION FOR THE CEO

The Compensation Committee sets the compensation of our CEO based on the objectives, philosophy and methodology described throughout this document. Each year, the Compensation Committee makes a determination on CEO compensation in consideration of:

Overall Company performance during the year;

Mr. Jaffe's performance during the year and ongoing contributions to the Company's success; and

Competitive pay levels within the Company's peer group.

The Compensation Committee reviews Mr. Jaffe's compensation opportunity annually within the context of Company and individual performance, market pay trends, internal pay equity, and the Company's compensation philosophy. As in prior years, the Compensation Committee placed significant emphasis on at-risk compensation elements in fiscal 2018. Additionally, Mr. Jaffe's target and realized compensation during the year was reflective of the challenges the Company faced and is aligned with our strong pay-for-performance focus. Key elements of his fiscal 2018 compensation include:

Base salary was maintained at \$1,000,000; Mr. Jaffe's base salary has not increased since fiscal 2013 and is positioned near the 25th percentile of our peer group;

Mr. Jaffe's target seasonal bonus opportunities did not change in fiscal 2018. Additionally, OI achievement below threshold for the fall season and between threshold and target for the spring season resulted in a below target payout equivalent to approximately 26% of his annual target for fiscal 2018. Further, he did not realize any value from the vesting of performance-based long-term incentives after the Compensation Committee applied discretion to reduce the payout of the FY18 LTIP; and

As with two of our other NEOs, Mr. Jaffe's long-term incentive opportunity was reduced by 30%. As a result, 86% of Mr. Jaffe's fiscal 2018 long-term incentive opportunity was a multi-year, performance-based award tied to net income and total stockholder return goals, and his target pay opportunity was positioned below the 25th percentile of our peers.

Table of Contents**EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS**

Below is Mr. Jaffe's target compensation opportunity over the last three years, including the adjusted target equity value for fiscal 2018.

BASE SALARY

The base salaries of our NEOs are an important element of their total compensation packages, and are intended to reflect their respective positions, duties and responsibilities. Each year, the Compensation Committee reviews NEO salaries and approves merit-based increases, if appropriate, based on a number of factors including:

The market competitiveness of salaries;

The individual performance and potential of each NEO; and

The overall performance of the organization.

The table below shows the annual base salary rates of our NEOs at the end of fiscal years 2017 and 2018. Mr. Lynch received a base salary increase in fiscal 2018 in recognition of the increased scope of his roles and responsibilities.

Named Executive Officer	Title	2017 Base	2018 Base	% Increase
David Jaffe	CEO	1,000,000	1,000,000	0.0%
Robb Giammatteo	CFO	500,000	500,000	0.0%

Brian Lynch	President & COO	950,500	1,000,000	5.2%
Gary Muto ⁽¹⁾	President & CEO-ascena Brands	NA	1,000,000	NA
John Pershing	CHRO	551,250	551,250	0.0%

⁽¹⁾ Mr. Muto was not an NEO in fiscal 2017.

ANNUAL CASH INCENTIVE PROGRAM

The Compensation Committee believes that a substantial percentage of each executive officer's annual compensation should be tied directly to the financial performance of the Company. Our annual cash incentive program is a critical element of our compensation package, because it is

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

entirely at-risk and any earned payouts are solely dependent on Company performance. We structure the Company's incentive bonus plans to encourage the achievement of seasonal performance that exceeds goals established by the Compensation Committee. The incentive bonus plans help to focus our NEOs on key financial objectives and business drivers, which we believe will support our financial performance, improve our overall operations and increase in stockholder value. Each of our NEOs participated in the program in fiscal 2018.

We establish the target amount of an NEO's incentive bonus as a percentage of base salary for the performance period based on the NEO's position and level within the organization. The seasonal bonus payable is equal to their seasonal target bonus modified based on the assessment of performance (adjusted to reflect extraordinary and other special items, including exclusion of the financial effects of any unbudgeted disposal of a business or acquisition, start-up, new joint venture or disposition of an asset) relative to the pre-determined targeted levels.

Key mechanics of the program include:

Operating Income serves as the sole metric in the plan because the Compensation Committee believes it is the core driver and leading indicator of stockholder value creation. Additionally, the plan's seasonal structure allows for mid-year development of performance targets and provides an incentive for our NEOs to focus on meeting goals in the second half of the fiscal year in circumstances when business performance and macro-economic conditions change relative to our budgeted plan.

The Compensation Committee sets the applicable performance goals for our semi-annual cash incentive bonus program at the beginning of the fall and spring seasons after considering historical operating trends (particularly prior year results), the external market environment, and the Company's financial plans approved by our Board. Despite the significant headwinds in our business, target Operating Income goals for each 2018 season were set above actual 2017 performance. The Compensation Committee believes that the 2018 goals were sufficiently rigorous and motivational.

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As shown in the tables below, threshold level of performance would have resulted in a payout equal to 50% of the seasonal incentive targets for each season. Additionally, in both seasons, a maximum level of performance would yield an incentive payout equal to 200% of their target annual incentives, with interpolation between the threshold and target levels and target and maximum levels.

Named Executive Officer	Annual Target Opportunity (as a % of Base Salary)	Annual Maximum Opportunity (as a % of Base Salary)	Portion Allocated to Fall Season 50% of Target)	Portion Allocated to Spring Season (50% of Target)
David Jaffe	150%	300%	75%	75%
Robb Giammatteo	75%	150%	38%	38%
Brian Lynch	125%	250%	63%	63%
Gary Muto	125%	250%	63%	63%
John Pershing	75%	150%	38%	38%

Fiscal 2018 Fall Performance

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Due to a year of rapidly changing customer expectations and an increasingly dynamic and competitive environment, we did not achieve threshold Operating Income (OI) performance levels, and as such no NEO received a payout under the fall seasonal plan.

	Threshold		Maximum OI	Actual	% of Target Achieved	Payout (% Target)
	OI	Target OI				
	Performance	Performance	Performance			
	(50% Payout) (\$000)	(100% Payout) (\$000)	(200% Payout) (\$000)	OI Achieved (\$000)		
Fiscal 2018- Fall Bonus:						

Corporate Performance (all NEOs)	65,000	91,600	109,900	57,341	62.6%	0.00%
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Fiscal 2018 Spring Performance

The Compensation Committee approved spring seasonal targets that set the threshold payout at 50% of target (versus 25% of target in the spring 2017 plan).

Our spring 2018 performance resulted in a payout just above threshold:

	Threshold		Maximum OI	Actual	% of Target Achieved	Payout (% Target)
	OI	Target OI				
	Performance	Performance	Performance	OI		
	(50% Payout) (\$000)	(100% Payout) (\$000)	(200% Payout) (\$000)	Achieved (\$000)	Target Achieved	
Fiscal 2018 Spring Bonus:						

Corporate Performance (all NEOs)	74,395	99,029	173,202	75,204	75.94%	51.64%
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As a result of the spring 2018 OI achievement, the NEOs received the following annual incentive payments for fiscal 2018 performance.

Fiscal 2018	Bonus Payments:	Fall	Spring	Total
		Operating Income Earned Payment (\$)	OI Earned Payment (\$)	Fiscal 2018 Seasonal Bonus Payments
David Jaffe		\$ 0	\$ 387,300	\$ 387,300
Robb Giammatteo		\$ 0	\$ 96,825	\$ 96,825
Brian Lynch		\$ 0	\$ 322,750	\$ 322,750
Gary Muto		\$ 0	\$ 322,750	\$ 322,750
John Pershing		\$ 0	\$ 106,750	\$ 106,750

Table of Contents**EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS****LONG-TERM INCENTIVE COMPENSATION**

We endeavor to align executive compensation with the achievement of operational and financial results and increases in stockholder value. As discussed above, our long-term incentive compensation directly links payout opportunities with stock and financial performance. This design is intended to ensure that, in combination with the bonus opportunity described above, a majority of each NEO's total compensation is at risk based on Company financial or stock performance. However, as described in greater detail below under Risk Mitigation, these incentives are designed in a manner that the Compensation Committee believes does not encourage excessive risk taking.

Award Determination for Messrs. Jaffe, Giammatteo, and Pershing

Our steady-state long-term incentive program contains three primary vehicles, which are each described in greater detail below. However, as described above, we reduced long-term incentive awards to certain of our NEOs (other than Messrs. Lynch and Muto given their promotions) by 30% in fiscal 2018 by: (i) halving the target value of options and (ii) eliminating restricted stock units. The resulting long-term incentive mix was formulated to: explicitly link all long-term pay opportunities with our stock price and financial performance; and, conserve shares during a period in which our share price was depressed.

Reward Vehicle	Key Program Components
Performance-Based Long-Term Incentive Plan	Cash-settled performance-based units with a three-year performance cycle
	Payout value contingent on the attainment of predetermined performance goals that, for awards granted in fiscal 2017, consisted of Net Income and relative TSR, a metric added in response to stockholder feedback
<i>86% of fiscal 2018 LTI awards</i>	

Nonqualified Stock Options	Time-vested stock options, generally vesting 50% per year
<i>14% of fiscal 2018 LTI awards</i>	Exercise price is equal to the fair market value of our common stock on the grant date (defined as the average of the high and low Company stock price on the date of grant)
	Value realized at exercise depends on stock price appreciation
	7-year term (for options granted on or after December 11, 2012)

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

Award Determination for Messrs. Lynch and Muto

In recognition of their promotions effective August 1, 2017, the Committee determined that the fiscal 2018 long-term incentive awards granted to Messrs. Lynch and Muto in fiscal 2018 would not be reduced. However, to align with the mix of awards delivered to other NEOs, the awards to Messrs. Lynch and Muto were delivered 86% in the form of performance-based awards tied to net income and total shareholder return goals and 14% in the form of stock options.

Further, in recognition of their criticality to the organization to reinvigorate top-line growth, enhance the Company's culture of performance and accountability, and focus on the creation of sustainable stockholder value, as well as the increased scope of their roles, the Compensation Committee elected to make one-time, promotional grants of 1,000,000 RSUs to each of Messrs. Lynch and Muto on September 27, 2017 (the same day as our annual equity grants). These promotional grants feature 3-year, back-loaded vesting (vesting 50% on June 30, 2019 and June 30, 2020) intended to retain Messrs. Lynch and Muto and to ensure they continue to lead the Company through its ongoing transformational phase.

EQUITY AWARDS UNDER THE COMPANY'S OMNIBUS INCENTIVE PLAN

NEOs generally receive annual grants of equity awards under our Omnibus Incentive Plan as set forth below. In fiscal 2018, stock options comprised 14% of the total long-term incentive grant value, with the remaining 86% made in performance-based LTIP. No restricted stock units were granted to our NEOs during our steady-state fiscal 2018 award cycle.

The Compensation Committee generally determines the value of each grant in accordance with pre-established grant guidelines (which are primarily based on level of responsibility with the Company or respective brand). Our Chairman and CEO may exercise discretion in his recommendations to the Compensation Committee for grants of long term incentives for all executives (excluding himself) based on individual performance. All grants are made by the Compensation Committee.

The Compensation Committee has a practice of not granting any stock options until at least one business day after the Company has issued its quarterly and/or annual earnings release, as well as the public release of any other pending material non-public information.

If an employee ceases to be an employee of the Company for any reason (other than for Cause, as defined under the Omnibus Incentive Plan) and the employee has achieved the Total Years Test (as described in further detail below) as of his or her last day of employment, then all of such employee's unvested stock options will continue to vest and remain exercisable after the date of termination through the one year anniversary of the vesting date of the last unvested option under the applicable stock option award, but not longer than the original term of each option.

In addition, all of an employee's unvested restricted stock will become fully vested upon achievement of the Total Years Test. Any shares of restricted stock granted to the employee who has achieved the Total Years Test will be fully

vested upon grant, and the employee's RSUs will become fully vested upon the employee's death, disability, termination (other than for Cause) or upon a change in control of the Company on or after achievement of the Total Years Test.

The Total Years Test means 75 years, based on the sum of (i) the total number of years of employment with the Company or an affiliate, plus (ii) the employee's age, which must be at least age 60. The Company believes that the Total Years Test encourages retention as our executive officers approach retirement age, while also incentivizing our executive officers to drive stockholder value. As of the end of fiscal 2018, none of our NEOs satisfied the Total Years Test.

The Compensation Committee may also make other equity grants from time to time during the year (special equity grants), such as when a new employee is hired, a current employee is promoted (as was the case with the promotional grants made to Messrs. Lynch and Muto) or in recognition of special achievement.

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

Fiscal 2018 Equity Awards Granted

NEO	Stock Options Granted ⁽¹⁾	Restricted Stock Units Granted ⁽²⁾
David Jaffe	630,000	0
Robb Giammatteo	64,433	0
Brian Lynch	360,825	1,000,000 ³
Gary Muto	360,825	1,000,000 ³
John Pershing	71,037	0

¹ Represents a stock option award made pursuant to the Company's annual equity grant program, as described above in the Compensation Discussion and Analysis under "Long-Term Incentive Compensation" and "Equity Awards Under the Company's Omnibus Incentive Plan."

² Represents the number of restricted stock units awarded pursuant to the Company's annual equity grant program, as described above in the Compensation Discussion and Analysis under "Long-Term Incentive Compensation" and "Equity Awards Under the Company's Omnibus Incentive Plan." See footnote 3 below for the special equity grants to Messrs. Lynch and Muto.

- ³ Messrs. Lynch and Muto each received a special equity grant in fiscal 2018 in connection with their promotions effective August 1, 2017. Their grants consist of 1,000,000 RSUs, that have three-year, back-loaded vesting schedules (vesting 50% on each of June 30, 2019 and June 30, 2020).

PERFORMANCE-BASED LONG-TERM INCENTIVE AWARDS

In fiscal 2018, the Company granted the NEOs cash-settled performance-based awards to be paid following the end of the three-year performance period and the Compensation Committee's certification of the achievement of pre-established performance goals. Long-Term Incentive Plan (LTIP) performance goals are established annually. The performance goals consist of financial measures and a relative TSR measure. The LTIPs are intended to tie NEO pay opportunities to our long-term financial and stock price performance.

The following section summarizes LTIP grants made in fiscal 2018 as well as the results of the LTIPs vesting following the conclusion of fiscal 2018. Please see prior years' proxies for descriptions of other outstanding LTIP grants.

Grants made in Fiscal 2018: 2020 LTIP

In fiscal 2018, each NEO received a long-term incentive plan grant under the Omnibus Plan (the 2020 LTIP). The performance period for the 2020 LTIP is fiscal years 2018 through 2020. Vesting of the 2020 LTIP grants is contingent on our achievement of a 2018 Net Income target (50% weighted) and three-year TSR relative to a broader index of companies in the Specialty Stores Global Industry Classification Standard group with market capitalization greater than \$500 million (50% weighted). The Compensation Committee established the 2020 LTIP goals after considering the macro-economic environment, prior year actual performance, and our long-range plan. In particular, the Compensation Committee believes that the one-year Net Income goal further tied our executives' incentive opportunities to the Company's near-term stabilization, while the longer-term relative TSR goal ensures alignment with our stockholders' realization of value.

2020 LTIP grants will vest at 50% of target for performance at threshold, 100% at target performance level, and 200% of target for performance achieving or exceeding maximum level; performance between these levels will be calculated using linear interpolation. If performance targets are achieved, any payouts under the 2020 LTIP will be made following the end of fiscal 2020. Subject to achievement of performance conditions, the 2020 LTIP awards will be settled in cash.

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Due to the challenges with setting three-year financial goals in this volatile industry and during our ongoing business transformation, Net Income for the 2020 LTIP was calculated based on fiscal 2018 performance. Based on our performance during the fiscal year, we achieved a payout of 85% under this portion of the 2020 LTIP. However, the final payout for the award is still dependent upon achieving strong relative TSR over the three-year performance period.

Performance Measure	Performance Range			
	Threshold	Target	Maximum	Performance Achieved
Net Income	(\$5,000,000)	\$13,000,000	\$31,000,000	85%
(50% weight)				
Relative TSR	25 th Percentile	60 th Percentile	75 th Percentile	To be calculated following completion of 3-year performance period
(50% weight)				

Grants vesting after Fiscal 2018: FY18 LTIP

The FY18 LTIP award was designed by the Compensation Committee to give eligible executives, including each of our NEOs, a substantial incentive to maximize our long-term financial performance following the acquisition of ANN. Grants were scheduled to vest after the completion of fiscal 2018, subject to performance at or above threshold levels. The target payout opportunities for the FY18 LTIP are shown below:

NEO	Target Value of Award
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David Jaffe \$ 1,890,000

Robb Giammatteo \$ 121,875

Brian Lynch¹ \$ 361,462⁽¹⁾

Gary Muto¹ \$ 2,750,000⁽¹⁾

John Pershing \$ 155,039

⁽¹⁾ Although Messrs. Lynch and Muto were not NEOs when the FY18 LTIP awards were granted, they were eligible to participate in the 2018 LTIP on the same terms as our other executives and received awards in the amount set forth in the table above.

The FY18 LTIP award was contingent upon the achievement of a cumulative 3-year earnings before interest, taxes, depreciation and amortization (EBITDA) goal (covering fiscal years 2016, 2017 and 2018) and a 3-year Return on Investment (ROI) goal covering the three fiscal year performance period (2016, 2017, and 2018). The preliminary payout value calculated based on achievement against these two metrics, assuming one or both was at least above threshold, was then subject to further adjustment based on the Company's relative TSR achieved during the 3-year performance period. The relative TSR modifier provides for payouts to be adjusted by 80% of adjusted dollars for threshold achievement level, 100% of adjusted dollars for target achievement level and 120% of adjusted dollars for maximum achievement level.

Given the many uncertainties in the retail industry, the Compensation Committee set FY18 LTIP targets it considered challenging but still achievable in an industry where competition for experienced, proven executives is significant. In particular, the cumulative EBITDA target was established by adding the goals for each year in the 3-year performance period, which in turn were established by placing a 10% premium on the prior year's actual results (e.g., the year 2 goal was positioned 10% above year 1 actual EBITDA achievement). As shown in the charts below, the Company did not achieve the threshold cumulative EBITDA goal and was below the threshold level for relative TSR. In relation to the ROI goal, the Compensation Committee determined, as it did for fiscal 2017, that the formulaic payout calculated was not truly representative of our performance during the relevant period. As a result, the Compensation Committee exercised negative discretion and reduced the payout for the ROI under the F18 LTIP to zero for all participants.

Performance Measure	Performance Range			Performance Achieved ²	Payout as % Target
	Threshold	Target ¹	Maximum		
EBITDA ³	\$ 1.54B	\$ 1.93B	\$ 2.32B	\$ 1.41B	0%

ROI	35%	40%	50%	N/A	Eliminated
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- ¹ The EBITDA target level of achievement was set based on the sum of: (i) fiscal 2016 budgeted EBITDA plus (ii) fiscal 2016 actual EBITDA achieved times 110% plus (iii) fiscal 2017 actual EBITDA achieved times 110%.

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² Represents EBITDA achieved over the three-year performance period consisting of fiscal 2016, 2017 and 2018.

³ EBITDA targets and achievement level calculated after subtracting synergies resulting from our integration of ANN.

Modifier	Performance Range			Performance Achieved ²	Payout
	Threshold	Target ¹	Maximum		Modifier
Relative TSR	25 th Percentile	26 th to 75 th Percentile	75 th Percentile	<25 th Percentile	0

As a result of the below threshold performance on the EBITDA target and the elimination of the ROI metric, no payouts were made for the FY18 LTIP.

TRANSFORMATION BONUS OPPORTUNITY

In March 2017, the Compensation Committee approved the adoption of a Transformation Bonus Program under the Omnibus Incentive Plan. This program was introduced to enhance the performance of the Company and create long-term stockholder value by motivating key executives to deliver significant cost savings consistent with the Change for Growth program and by encouraging retention of key executives in light of the competitive market for talent. All NEOs are eligible to participant in this program with the exception of our CEO.

Under the Transformation Bonus Program:

Executives (other than the CEO) are eligible to earn bonus awards payable in cash upon the achievement of cost reduction targets (Realized Savings) from January 1, 2017 to the end of fiscal 2021;

The achievement of Realized Savings will be calculated at the end of fiscal years 2018 through 2021, ensuring a multi-year performance period;

Payouts are calculated based on a multiple of the eligible executive's base salary in effect on January 1, 2017, which vary by participant from 0.5x to a maximum cumulative multiple of 5.5x over the full performance period;

No bonuses will be paid if Realized Savings do not equal \$150 million, nor will any incremental bonuses be paid for Realized Savings in excess of \$450 million over the entire performance period;

The amount payable to a participant in any fiscal year is subject to an annual maximum bonus cap which considers both IC payouts and transformation bonus opportunity; and

Payouts in any fiscal year will be reduced by 50% if the Company does not achieve threshold annual Operating Income levels under the IC plan for the relevant fiscal year (fall and spring goals combined).

This one-time opportunity with a multi-year performance period was introduced to ensure our key executive talent is continuously motivated to lead our organization toward the realization of significant cost savings in connection with the Change for Growth program.

Following the conclusion of fiscal 2018, the Compensation Committee determined that the Company had met 100% of its tranche 1 goal of \$150 million in cumulative Realized Savings and 45% of its tranche 2 goal of \$250 million in cumulative Realized Savings. This level of performance resulted in a preliminary earned value equal to 1.56x each participant's salary in effect as of January 1, 2017.

However, the 2018 earned values were reduced by 50% to equal 0.78x each participant's salary as in effect as of January 1, 2017 since the Company did not hit its threshold annual Operating Income level under the IC plan for fiscal 2018. These earned values are payable within 60 days following the end of fiscal 2019.

EXECUTIVE PERQUISITES

We generally do not offer significant perquisites to our NEOs and they represent a relatively small portion of the NEOs' total compensation. The cost of perquisites for our NEOs is included in the "All Other Compensation" column of the Summary Compensation Table. Our NEOs participate in the Company's broad-based health and welfare programs that are available to our full-time employees generally.

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EXECUTIVE COMPENSATION COMPENSATION DISCUSSION AND ANALYSIS

KEY NEO COMPENSATION PROGRAM CHANGES FOR FISCAL 2019

Recognizing the impact of industry changes and financial performance on our stock price, management proactively recommended and the Compensation Committee approved several significant compensation changes for fiscal 2019:

Measuring our NEOs' seasonal incentive program against corporate- and segment-specific awards

Maintaining the 30% reduction to long-term incentive targets for our NEOs (with performance-based awards comprising 86% of the target long-term incentive value)

Transitioning the full 2021 LTIP to 3-year goals based upon comparable sales growth and EBITDA growth with a relative TSR modifier

We believe that the decisions for fiscal 2019 will continue to: (i) reduce stockholder dilution; and (ii) align our NEOs' payout opportunities with the performance of our stock and our stockholder's ability to realize value.

MANAGEMENT OF COMPENSATION-RELATED RISK

Management and the Compensation Committee utilize various procedures to mitigate the probability of our compensation programs resulting in excessive risk-taking:

Risk Assessment Each year, our compensation consultants conduct a risk-assessment of our incentive programs. The assessment is presented to and reviewed by the Compensation Committee.

Our Board has reviewed and considered whether our compensation programs and policies create risks that are reasonably likely to have a material adverse effect on us. In that regard, we design our programs in a balanced and diversified manner while also creating significant, yet appropriate, incentives for strong performance based on our business and strategic plan.

In most cases, each component of our performance-based compensation program is subject to a limit on the cash paid or the number of shares delivered.

We believe that our compensation programs reflect a balance of short-term, long-term, guaranteed and performance based compensation in order not to encourage excessive risk-taking.

A significant portion of our compensation program includes performance-based compensation with multi-year performance targets and vesting. We believe that this helps to ensure that our NEOs and other employees focus on the health of our business and the success of broad performance metrics that will deliver stockholder value over time and discourages excess risk-taking by our NEOs and other employees.

The Compensation Committee also evaluates on a regular basis our overall mix of equity-based incentive awards relative to cash-based incentive awards to align our executives' incentives with stockholder interests and long-term value.

Clawback Policy Pursuant to the executive compensation clawback policy approved by the Compensation Committee in fiscal 2016, if the Board determines that any cash or non-cash incentive compensation (excluding time-based stock options) awarded to, or received by, an executive officer (each a "covered person") was based on any financial results or operating metrics that were misstated, we will seek to recover from the covered person such compensation (in whole or in part) as the Board deems appropriate under the circumstances and as permitted by law.

If a restatement occurs, the Board will look at the incentive compensation paid or awarded in each fiscal year in the three-year period prior to the date the Company is required to prepare the restatement (any year in such three-year period, a "Look-Back Year").

If the Board determines that incentive compensation has been paid or awarded to a covered person in a Look-Back Year, the Board may, in its sole discretion, regardless of fault, cancel or require repayment of all or a portion of any excess incentive compensation (i.e., the excess of the amount that would have been paid or awarded had such incentive compensation been calculated based on the restatement results).

STOCK OWNERSHIP GUIDELINES FOR EXECUTIVE OFFICERS

Our Board believes it is important that our executive officers and other members of our leadership team have, and are recognized both internally and externally as having, long-term financial interests that are aligned with those of our stockholders. In fiscal 2012, pursuant to the

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recommendation of the Compensation Committee, the Board adopted stock ownership guidelines for our CEO (the Ownership Guidelines). In June 2016, the Ownership Guidelines were amended and restated to, among other things, expand the group of persons subject to the Ownership Guidelines to include all members of our leadership team, including each of the Company's executive officers and presidents of each of the Company's brands. The Ownership Guidelines with respect to our CEO became effective in September 2011, and with respect to all other members of our leadership, became effective in June 2016.

NEO	Stock Ownership Guidelines
CEO	6x base salary
All Other NEOs	1x base salary

Our CEO has satisfied the target ownership requirement under the Ownership Guidelines. The other members of our leadership team have five years to satisfy these requirements. Ownership for purposes of the Ownership Guidelines includes: (i) shares of our stock acquired on the open market or purchased through the exercise of stock options or settlement of any other type of equity award (such as restricted stock, RSUs, deferred stock or a deferred stock unit); (ii) vested equity awards (other than stock options or stock appreciation awards); (iii) vested shares of our stock allocated under any tax-qualified plan; and (iv) unvested RSUs (but excluding unvested performance-based equity awards). Shares held individually or jointly or by a family member (as defined in the securities laws which would include certain trusts, family partnerships and foundations) would count as owned by the individual. Stock options awards do not count towards the stock ownership requirement. The Ownership Guidelines are posted on the investors page of the Company's website at www.ascenaretail.com, accessible through the Investor Relations Menu.

PROHIBITION ON HEDGING AND PLEDGING OF COMPANY STOCK

Under our Corporate Governance Guidelines, our directors and executive officers are prohibited from engaging in hedging or monetization transactions with respect to our stock, including through the use of financial instruments such as exchange funds, prepaid variable forwards, equity swaps, puts, calls, collars, forwards and other derivative instruments, or through the establishment of a short position in our securities. Additionally, our non-employee

directors and executive officers are prohibited from holding our stock in a margin account or otherwise pledging our stock as collateral for a loan.

TAX DEDUCTIBILITY CONSIDERATIONS

As a general matter, the Compensation Committee reviews and considers the various tax and accounting implications of compensation vehicles that we utilize. With respect to accounting matters, the Compensation Committee examines the accounting cost associated with equity compensation in light of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718.

The Compensation Committee considers the impact of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). Prior to the enactment of the Tax Cuts and Jobs Act (TCJA), Section 162(m) denied a corporate tax deduction for annual compensation exceeding \$1,000,000 paid to the chief executive officer and the three other most highly compensated executive officers of a public company (for purposes of this section only Covered Employees), other than the chief financial officer, subject to an exception for compensation payable based on achievement of pre-established objective performance goals if certain requirements are met. Prior to the effective date of the TCJA, we generally endeavored to structure our performance-based incentive compensation for our NEOs to qualify as performance-based under Section 162(m) of the Code where it was reasonable to do so while meeting our compensation objectives, although the Board and the Compensation Committee reserved the authority to award non-deductible compensation in circumstances where doing so was deemed appropriate and in the best interests of the Company and its stockholders. In addition, it is possible that some compensation paid pursuant to certain equity awards may be non-deductible under Section 162(m) of the Code.

TCJA eliminated the ability to rely on the performance-based compensation exception for amounts deductible effective for tax years beginning after December 31, 2017. In addition, under the legislation, the definition of Covered Employees was expanded to include any person who served as the chief (principal) financial officer. An employee who is a Covered Employee for a taxable year beginning after December 31, 2016, and any time during the fiscal year, will remain a Covered Employee for all future years. As a result, beginning in fiscal 2019, the Company may no longer take a deduction for any compensation paid to Covered Employees (i.e., our NEOs) in excess of \$1,000,000, except to the extent that it is subject to a written binding contract in effect as of November 2, 2017 (transition relief) that is not later modified in any material respect. However, because the guidance requires further clarification, the application of this transition relief to any of the Company's compensation arrangements is not certain. Therefore, no assurance can be given that any compensation otherwise subject to a deduction limit will qualify for an exception under this transition rule.

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COMPENSATION COMMITTEE REPORT

The following report of the Compensation Committee does not constitute soliciting material and will not be deemed to be filed with the SEC under the Securities Act or the Exchange Act or incorporated by reference into any document so filed except to the extent that the Company specifically incorporates this Compensation Committee Report by reference therein.

The Compensation Committee has reviewed and discussed with management the above Compensation Discussion and Analysis. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

This report is provided by the following directors, who currently comprise the Compensation Committee, other than Carrie W. Teffner, who was appointed to the Compensation Committee on October 4, 2018 to fill the vacancy created by Randy L. Pearce's retirement from the Board and as a member of the Compensation Committee. Ms. Teffner did not participate in the activities of the Compensation Committee that are the subject of this report. Mr. Lasry stepped-down as a member of the Compensation Committee in late 2017, although he continues to serve as a member of our Board. Mr. Lasry did not participate in the activities that are the subject of this report.

Compensation Committee:

Carl Rubin, Chair

Linda Yaccarino

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The table below summarizes information concerning compensation for fiscal 2018 (which reflects 53 week), fiscal 2017 and fiscal 2016 (which reflects 53 weeks) for our Named Executive Officers (NEOs).

Name	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽³⁾	Non-Equity Incentive		Total (\$)
						Compensation Plan (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾⁽⁶⁾	
David Jaffe Chief Executive Officer	2018	1,000,000	0	1,890,000	611,100	387,300	67,951	3,956,351
	2017	1,000,000		4,644,308	917,574		121,895	6,683,777
	2016	1,019,231		1,259,995	1,260,002	1,007,179	81,941	4,628,348
Robb Giammatteo Executive Vice President and Chief Financial Officer	2018	500,000	0	187,500	62,500	487,450	20,600	1,258,050
	2017	500,000	100,000	423,888	83,754		31,461	1,139,103
	2016	509,615		81,257	81,250	181,084	25,589	878,795
Brian Lynch President and Chief Operating Officer	2018	998,846	0	3,445,000	350,000	1,064,938	48,700	5,907,484
	2017	936,394		1,153,413	222,745		107,754	2,420,306
Gary Muto President and Chief Executive Officer-ascena Brands	2018	1,016,026	0	3,445,000	350,000	1,104,000	33,275	5,948,301
John Pershing Executive Vice President and Chief Human Resources Officer	2018	551,250	0	206,719	68,906	537,414	50,199	1,414,488
	2017	551,250	110,250	728,531	91,766		37,954	1,519,751
	2016	557,812		103,356	103,360	203,805	41,576	1,009,909

- (1) Amounts shown reflect the discretionary bonus paid for fiscal 2017 to Messrs. Giammatteo and Pershing.
- (2) Reflects the aggregate grant date fair value calculation in accordance with FASB ASC Topic 718. Assumptions used in the valuation of equity based awards are discussed in *Stock-Based Compensation* in Note 17 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended August 4, 2018. For fiscal 2018, the amounts in the table include the target dollar value of relative TSR-based awards approved by the Compensation Committee for each NEO under our 2020 LTIP program, as such award is treated as an equity award in accordance with FASB ASC Topic 718. Such LTIP award target dollar value and the value, assuming maximum achievement level, are as follows: David Jaffe (target value: \$1,890,000; maximum value: \$3,780,000); Robb Giammatteo (target value: \$187,500; maximum value: \$375,000); Brian Lynch (target value: \$1,075,000; maximum value: \$2,150,000); Gary Muto (target value: \$1,075,000; maximum value: \$2,150,000); John Pershing (target value: \$206,719; maximum value: \$413,438). The 2020 LTIP awards for our NEOs, if earned, will be cash-settled. In addition, the amounts in this column for Messrs. Lynch and Muto include the grant date fair value of the promotional RSU awards each received during the fiscal year, which is \$2,370,000.
- (3) Reflects the aggregate grant date fair value calculation in accordance with FASB ASC Topic 718. Assumptions used in the valuation of equity based awards are discussed in *Stock-Based Compensation* in Note 17 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended August 4, 2018.
- (4) The amounts shown for fiscal 2016, 2017 and 2018 represent amounts earned under (i) the 162(m) Plan with respect to Messrs. David Jaffe, Giammatteo, Lynch, Muto and Pershing, as applicable. The amendment and restatement of the 2016 Omnibus Incentive Plan in December 2015 incorporated the 162(m) Plan into the 2010 Stock Incentive Plan, and we renamed the revised plan the 2016 Omnibus Incentive Plan. For 2018, values include \$390,625, \$742,188, \$781,250, and \$430,664 earned under the Transformation Bonus program for Messrs. Giammatteo, Lynch, Muto, and Pershing (these earned values are payable within 60 days following the end of fiscal 2019).
- (5) We have no defined benefit pension plans. All earnings in our nonqualified Executive Retirement Plan are at market values and are therefore omitted from the table.

Table of Contents**SUMMARY COMPENSATION TABLE**

(6) A detailed breakdown of All Other Compensation for fiscal 2018 is provided in the table below

ALL OTHER COMPENSATION

Name	Contributions to Executive Officer s	Contributions to Executive Officer s	Payments	Personal	Total (\$)
	Defined Contribution Plan Accounts (\$)	Non-Qualified Deferred Compensation Plan Accounts (\$)	made for Supplemental Retirement Benefits (\$)	Use of Company Car Service (\$) ⁽¹⁾	
David Jaffe	11,000	39,200		17,751	67,951
Robb Giammatteo	11,000	9,600			20,600
Brian Lynch	11,000	37,699			48,699
Gary Muto	11,000	39,199			50,199
John Pershing	11,000	22,275			33,275

(1) Represents the aggregate incremental cost to the Company for personal use of Company car service.

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Table of Contents**GRANTS OF PLAN BASED AWARDS IN FISCAL 2018**

The following table provides information regarding the grants of plan-based awards made to the NEOs during fiscal 2018:

								All	All
								Other	Other
								Stock Awards:	Option Awards:
								Number	of Securities
Grant	Estimated Future Payouts Under Non-Equity Incentive Plan Awards				Estimated Future Payouts Under Equity Incentive Plan Awards			of	of Securities
Date or Performance		Thres-	Target	Max	Thres-	Target	Max	Shares	Underlying Options
		hold (\$)	(\$)	(\$)	hold (\$)	(\$)	(\$)	or Units (#) ⁽⁴⁾	Awards (#) ⁽⁴⁾
Period	Plan*								(\$/Share)
FY18	2016 Plan(1)	375,000	1,500,000	3,000,000					
9/28/2017	NQ								630,000
FY20 LTIP	2016 Plan(2)	945,000	1,890,000	3,780,000					
FY20 LTIP	2016 Plan(3)				945,000	1,890,000	3,780,000		
FY18	2016 Plan(1)	93,750	375,000	750,000					
9/27/2017	NQ								64,433
FY20 LTIP	2016 Plan(2)	93,750	187,500	375,000					
FY20 LTIP	2016 Plan(3)				93,750	187,500	375,000		

FY18	2016 Plan(1)	312,500	1,250,000	2,500,000						
9/27/2017	NQ								360,825	2.3
9/27/2017	RSU							1,000,000		
FY20 LTIP	2016 Plan(2)	268,750	1,075,000	2,150,000						
FY20 LTIP	2016 Plan(3)				268,750	1,075,000	2,150,000			

FY18	2016 Plan(1)	312,500	1,250,000	2,500,000						
9/27/2017	NQ								360,825	2.3
9/27/2017	RSU							1,000,000		
FY20 LTIP	2016 Plan(2)	268,750	1,075,000	2,150,000						
FY20 LTIP	2016 Plan(3)				268,750	1,075,000	2,150,000			

FY18	2016 Plan(1)	103,359	413,438	826,875						
9/27/2017	NQ								71,037	2.3
FY20 LTIP	2016 Plan(2)	51,680	206,719	413,438						
FY20 LTIP	2016 Plan(3)				51,680	206,719	413,438			

* Plan

2016 Plan = the Ascena Retail Group, Inc. 2016 Omnibus Incentive Plan

FY18 LTIP = 2018 3-Yr Long-term Incentive Plan (granted under the 2016 Plan)

NQ = Non-qualified stock option (granted under the 2016 Plan)

RSU = Restricted Stock Units (granted under the 2016 Plan)

FY20 LTIP = 2020 3-Yr Long-term Incentive Plan (granted under the 2016 Plan)

(1) Amounts represent the range of annual cash incentive awards the NEO was potentially entitled to receive based on the achievement of performance goals during fiscal 2018 under the 2016 Plan. See 2016 Omnibus Plan under the Compensation Discussion and Analysis for more information regarding the bonus targets under the 2016 Plan.

(2) Amounts represent the range of dollar values of the FY20 LTIP award that each eligible NEO is entitled to receive based on the achievement of Net Income performance goals established for the three year FY20 LTIP. See Performance-Based Long-Term Incentive Awards under the Compensation Discussion and Analysis for more information regarding the bonus targets under the 2016 Plan. If earned, these awards settle in cash.

(3)

Amounts represent the range of dollar values of the FY20 LTIP award that each eligible NEO is entitled to receive based on the achievement of relative TSR performance goals established for the three year FY20 LTIP. As noted above, although the FY20 LTIP awards are cash-denominated and, if earned, will be settled in cash, the relative TSR-based portion of each NEO's FY20 LTIP is an equity award under FASB ASC Topic 718 given their relative market performance measure and are considered equity incentive awards for SEC disclosure purposes. See

Performance-Based Long-Term Incentive Awards under the Compensation Discussion and Analysis for more information regarding the bonus targets under the 2016 Plan.

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[GRANTS OF PLAN BASED AWARDS IN FISCAL 2018](#)

- (4) Represents stock option and RSU awards made pursuant to the Company's annual equity grant program, as described above in the Compensation Discussion and Analysis under "Long-Term Incentive Compensation" and "Equity Awards Under the Company's Omnibus Incentive Plan." In addition to the annual equity grants, Messrs. Lynch and Muto received special equity grants of 1,000,000 RSUs as part of their August 2017 promotions. Both of these awards have a three year back-loaded vesting schedule.

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018

The following table provides information relating to outstanding equity awards held by the NEOs at August 4, 2018:

Name and Plan	Grant Date	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards:	Equity Incentive Plan Awards:
								Number of Shares, Units or Rights That Have Not Vested (#)	Number of Shares, Units or Rights That Have Not Vested (#)
David Jaffe									
NQ(3)	9/18/2008	500,000		7.50	9/18/2018				
NQ(3)	9/24/2009	160,000		8.84	9/24/2019				
NQ(3)	12/9/2009	300,000		15.00	12/9/2019				
NQ(3)	9/23/2010	160,000		11.70	9/23/2020				
NQ(3)	9/23/2010	150,000		15.00	9/23/2020				
NQ(3)	3/9/2011	88,644		15.55	3/9/2021				
NQ(3)	9/21/2011	160,000		13.14	9/21/2021				
NQ(3)	9/20/2012	250,000		20.79	9/20/2022				
NQ(3)	9/25/2013	375,000		19.91	9/25/2020				
NQ(4)	9/23/2014	348,750	116,250	14.12	9/23/2021				
NQ(5)	9/16/2015	199,525	99,763	12.39	9/16/2022				
NQ(6)	9/21/2016	158,475	316,952	5.56	9/21/2023				
NQ(7)	9/28/2017		630,000	2.44	9/28/2023				
RSU(12)	9/16/2015					31,388	126,180		
RSU(13)	9/21/2016					103,438	415,821		
PRSU(22)	9/21/2016							464,945(24)	1,869,079

FY20	9/28/2017	1,890,000
LTIP(25)		

Robb									
Giammatteo									
NQ(3)	12/11/2013	10,000		20.41	12/11/2020				
NQ(4)	9/23/2014	11,250	3,750	14.12	9/23/2021				
NQ(8)	9/29/2015	11,852	5,927	13.48	9/29/2022				
NQ()	9/21/2016	14,465	28,931	5.56	9/21/2023				
NQ(10)	9/27/2017		64,433	2.37	9/27/2024				
RSU(15)	9/29/2015					2,007	8,149		
RSU(13)	9/21/2016					9,442	37,957		
PRSU(22)	9/21/2016							42,435(24)	170,589
FY20	9/27/2017								187,500
LTIP(25)									

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018

Name and Plan	Grant Date	Option Awards				Stock Awards		
		Number of Securities Underlying Unexercised Options	Number of Securities Underlying Exercised Options	Exercise Price (\$)	Option Expiration Date	Market Value of Shares or Units That Have Not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of Shares, or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽²⁾
Brian Lynch								
NQ(9)	6/3/2015	37,500	12,500	15.19	6/3/2022			
NQ(8)	9/29/2015	35,153	17,577	13.48	9/29/2022			
NQ(6)	9/21/2016	35,924	71,850	5.56	9/21/2023			
NQ(10)	12/7/2016	2,545	5,093	7.51	12/7/2023			
NQ(7)	9/27/2017		360,825	2.37	9/27/2024			
RSU(19)	6/3/2015					15,000	60,300	
RSU(15)	9/29/2015					5,950	23,919	
RSU(13)	9/21/2016					23,447	94,257	
RSU(20)	12/7/2016					1,788	7,188	
RSU(21)	12/7/2016					5,181	20,828	
RSU(17)	9/27/2017					1,000,000	4,020,000	
PRSU(22)	12/7/2016						8,044(26)	32,337
FY19	9/21/2016						(23)	428,400
LTIP(23)								
FY20	9/27/2017							1,075,000
LTIP(25)								

Gary Muto									
NQ(11)	10/23/2015	95,011	47,507	12.80	10/23/2022				
NQ(6)	9/21/2016	75,471	150,943	5.56	9/21/2023				
NQ(7)	9/27/2017		360,825	2.37	9/27/2024				
RSU(14)	9/29/2015					80,000	321,600		
RSU(16)	10/23/2015					15,999	64,316		
RSU(13)	9/21/2016					49,257	198,013		
RSU(17)	9/27/2017					1,000,000	4,020,000		
FY19	9/21/2016							(23)	1,375,000
LTIP(23)									
FY20									1,075,000
LTIP(25)									
John Pershing									
NQ(3)	3/9/2011	12,500		15.55	3/9/2021				
NQ(3)	9/21/2011	20,000		13.14	9/21/2021				
NQ(3)	9/20/2012	25,000		20.79	9/20/2022				
NQ(3)	9/25/2013	25,000		19.91	9/25/2020				
NQ(4)	9/23/2014	18,750	6,250	14.12	9/23/2021				
NQ(8)	9/29/2015	15,078	7,539	13.48	9/29/2022				
NQ(6)	9/21/2016	15,849	31,698	5.56	9/21/2023				
NQ(7)	9/27/2017		71,037	2.37	9/27/2024				
RSU(15)	9/29/2015					2,553	10,263		
RSU(13)	9/21/2016					10,345	41,587		
RSU(18)	9/21/2016					23,707	95,302		
PRSU(22)	9/21/2016							46,494(24)	186,906
FY20	9/27/2017								206,719
LTIP(25)									

* Plan/Type of Award:

NQ = Non-qualified stock option (granted under the 2016 Plan)

RSU = Restricted Stock Units (granted under the 2016 Plan)

FY19 LTIP = 2019 3-Yr Long-term Incentive Plan (granted under the 2016 Plan)

FY20 LTIP = 2020 3-Yr Long-term Incentive Plan (granted under the 2016 Plan)

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2018

- (1) The amounts in this column equal the number of shares of restricted stock units indicated in the previous column multiplied by the closing price of our common stock \$4.02 on August 3, 2018, the last trading day of our 2018 fiscal year.
- (2) The amounts in this column equal the number of shares of performance share units indicated in the previous column multiplied by the closing price of our common stock \$4.02 on August 3, 2018, the last trading day of our 2018 fiscal year.
- (3) This award is fully vested.
- (4) The remaining 25% of the options relating to this award vested on September 23, 2018.
- (5) The remaining one third of the options relating to this award vested on September 16, 2018.
- (6) An additional one third of the options relating to this award vested on September 21, 2018 and the remaining one third one third of the options relating to this award are eligible to vest on September 21, 2019.
- (7) One half of the options relating to this award vested on the first anniversary of the grant date and the remaining one half of the options relating to this award will be eligible to vest on the second anniversary of the grant date.
- (8) The remaining one third of the options relating to this award vest on September 29, 2018.
- (9) The remaining 25% of the options relating to this award will be eligible to vest on June 3, 2019.
- (10) An additional one third of the options related to this award will be eligible to vest on each December 7, 2018 and December 7, 2019.
- (11) The remaining one third of the options relating to this award are eligible to vest on October 23, 2018.

- (12) The remaining one third of the restricted stock units related to this award vested on September 16, 2018
- (13) An additional one third of the restricted stock units related to this award vested on September 21, 2018 and the remaining restricted stock units related to this award will be eligible to vest on September 21, 2019.
- (14) The restricted stock units related to this award vest over a five-year period, with 33% of the restricted stock units eligible to vest on each of third and fourth anniversaries of the grant date and the remaining 34% of the restricted stock units eligible to vest on the fifth anniversary of the grant date.
- (15) The remaining one third of the restricted stock units related to this award vested on September 29, 2018.
- (16) The remaining one third of the restricted stock units related to this award vested on October 23, 2018.
- (17) One half of the restricted stock units related to this award will be eligible to vest on each of June 30, 2019 and June 30, 2020.
- (18) The remaining 50% of the restricted stock units related to this award vested on September 21, 2018.
- (19) The remaining 25% of the restricted stock units related to this award are eligible to vest on June 3, 2019.
- (20) An additional one third of the restricted stock units relating to this award will be eligible to vest on December 7, 2018 and December 7, 2019.
- (21) The remaining 50% of the restricted stock units relating to this award will vest on December 7, 2018.
- (22) Represents the number of unvested performance-based restricted stock units granted under our FY19 LTIP program multiplied by the closing price of our common stock \$4.02 on August 3, 2018.
- (23) The FY19 LTIP awards for Messrs. Lynch and Muto are denominated in cash and, if earned, will be settled in cash. The amounts represent the dollar value at target performance of the portion of the NEO's FY19 LTIP tied to achievement of the three-year relative TSR metric established for the FY19 LTIP.
- (24) The number of PRSUs subject to the award was determined by taking the target value of the NEO's FY19 LTIP and dividing it by the closing price of our common stock on September 19, 2016, which was \$8.12.
- (25) Represents the dollar value, at target, of the portion of the NEO's FY20 LTIP tied to achievement of the relative TSR metric during the FY20 LTIP performance period. As noted above, although the FY20 LTIP awards are cash-denominated and, if earned, will be settled in cash, the relative TSR-based portion of each NEO's FY20 LTIP

is an equity award under FASB ASC Topic 718 given their relative market performance measure and are considered equity incentive awards for SEC disclosure purposes. See [Performance-Based Long-Term Incentive Awards](#) under the [Compensation Discussion and Analysis](#) for more information regarding the bonus targets under the 2016 Plan.

- (26) The number of PRSUs subject to the award was determined by taking the target value of the NEO's FY19 LTIP and dividing it by the closing price of our common stock on December 7, 2016, which was \$7.72.

Table of Contents**OPTION EXERCISES AND STOCK VESTED IN FISCAL 2018**

The following table details information about stock options exercised (if any) by our NEOs and stock awards held by our NEOs that vested during fiscal 2018:

Name	Option Awards		Stock Awards ⁽²⁾	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽³⁾
David Jaffe			83,120	177,080
Robb Giammatteo			6,727	14,687
Brian Lynch			38,750	100,980
Gary Muto			40,633	83,310
John Pershing			59,431	129,032

(1) The value realized upon the exercise of the stock options reflect the number of options multiplied by the difference between the closing stock price of our common stock on the date of the exercise and the exercise price of the options.

(2) Stock Awards include awards of restricted stock, restricted stock units, and performance share units.

(3) The value realized upon vesting of the stock awards is based on the closing stock price of our common stock on the date the awards vested.

Table of Contents**CEO PAY RATIO**

This year, new rules enacted by the SEC require us to disclose the ratio of the annual total compensation of our CEO, David Jaffe, to the annual total compensation of our median employee (the CEO Pay Ratio). For Fiscal 2018, our median employee's annual total compensation was \$7,750. As set forth in the Summary Compensation Table, Mr. Jaffe's annual total compensation for Fiscal 2018 was \$3,956,351. Accordingly, the ratio of the annual total compensation of Mr. Jaffe to our median employee was 510:1.

In calculating the CEO Pay Ratio, we began by determining that we had (59,439 total) employees as of June 1, 2018 determination date. As is permitted under SEC rules, we eliminated 446 employees from the calculation located in countries in the table below (approximately 0.75% of our total employee population).

EXCLUDED	
Jurisdiction	(Employees as of June 1, 2018)
India	193
Hong Kong	128
Korea	105
China	20
TOTAL	446

To identify our median employee, we used total taxable compensation for the period January 1, 2018 through and including June 1, 2018 and annualized the compensation of all permanent employees who worked for us for less than a full calendar year. We then selected an employee we believe to be statistically most representative of the median and calculated Fiscal 2018 compensation for the median employee using the same methodology we use for our named executive officers as set forth in the Summary Compensation Table.

Pay ratios that are reported by our peers may not be directly comparable to ours because of differences in the composition of each company's workforce, as well as the assumptions and methodologies used in calculating the pay ratio, as permitted by SEC rules.

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EMPLOYMENT LETTERS AND RETIREMENT AGREEMENTS

We have entered into employment letters with all our NEOs. Effective August 1, 2017, as further discussed below, our employment agreement with David Jaffe terminated and was replaced with an employment letter. We also entered into new employment letters with Messrs. Lynch and Muto effective August 1, 2017.

An employment agreement provides an executive with a time period (or term) during which he will be employed by the Company.

An employment letter does not have a term of employment. Rather, the letter sets forth the minimum compensation and benefits that the executive will receive during his or her employment.

An executive with an employment letter is an employee at-will (i.e., the Company may terminate such executive at any time with or without cause, subject to any applicable severance provisions, including the Executive Severance Plan).

The Compensation Committee believes that these employment arrangements are important to our executives and to the Company. Each executive benefits from clarity of the terms of his or her employment. The Company enhances its ability to retain the services of its executives. The Compensation Committee periodically reviews the terms of the employment arrangements and amends them as necessary to remain competitive and to carry out its objectives. Details of the terms of the specific employment arrangements are discussed below.

EMPLOYMENT LETTERS

David Jaffe

Effective August 1, 2017, the Company entered into an employment letter with David Jaffe, its Chief Executive Officer (the Employment Letter). The Employment Letter superseded and replaced the terms of the employment agreement dated March 5, 2014 previously in place between Mr. Jaffe and the Company. The Employment Letter provides that Mr. Jaffe is an employee at-will (i.e., the Company may terminate his employment at any time with or without cause, subject to any applicable severance provisions).

The Employment Letter provides for an annual salary of \$1,000,000 per year or such higher salary as may be determined by the Company's board of directors or the Compensation Committee. The Employment Letter entitles Mr. Jaffe to participate in all the Company's retirement, insurance, and bonus, incentive and other benefit plans, including the Omnibus Incentive Plan, to the use of a car service at the Company's expense as necessary for him to perform his duties and responsibilities, including for transportation to and from his home.

In the event that Mr. Jaffe's employment is terminated by the Company without cause or by Mr. Jaffe for good reason (a Qualifying Termination), other than upon, within the 90 days prior to, or during the 24 months following, in each

case, a change in control, under the Employment Letter, Mr. Jaffe is entitled to receive, subject to his execution of a release, an amount equal to two times his base salary payable in installments for a period of 24 months following the date of termination.

In the event that Mr. Jaffe incurred a Qualifying Termination upon, within the 90 days prior to, or during the 24 months following, in each case, a change in control, under the Employment Letter, Mr. Jaffe is entitled to receive, subject to his execution of a release, an amount equal to two times the sum of his base salary and the greater of a) annual target bonus for the year in which the change in control occurs; or b) average three-year aggregate annual bonus equaling the sum of the two seasonal bonuses paid in each such fiscal year, payable in installments for a period of 24 months following the date of termination. In addition, upon such Qualifying Termination, any stock-based awards not vested immediately prior to the change in control that are outstanding on the change in control date (or outstanding immediately prior to the change in control date for awards not assumed or replaced by the successor) will be deemed vested on the termination date. If the Qualifying Termination occurs during the 90-day period before the change in control, any unvested awards that expired on the date of the termination will be deemed vested and entitled to payment at fair market value.

In the event that Mr. Jaffe incurred a Qualifying Termination (whether prior to, upon or during the 24 months following a change in control or in the absence of a change in control), under the Employment Letter, Mr. Jaffe and his covered dependents are entitled to receive, subject to his timely election of COBRA, continued participation in the Company's health and medical insurance plans at the active employee premium rate through the earlier of the period of Mr. Jaffe's and/or his covered dependents eligibility for COBRA and Mr. Jaffe becoming eligible under the health and medical insurance coverage of a subsequent employer.

In the event that Mr. Jaffe incurred a Qualifying Termination, or his employment terminated by reason of his death or total disability at any time (whether prior to, upon or during the 24 months following a change in control or in the absence of a change in control), under the Employment

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EMPLOYMENT LETTERS AND RETIREMENT AGREEMENTS

Letter, Mr. Jaffe (or his designated beneficiary or his estate, as applicable) is entitled to receive a pro rata portion of his incentive compensation for the season in which his employment is terminated based on actual results.

The Employment Letter provided that for a period of one year following his death, Mr. Jaffe's base salary would continue to be paid to his designated beneficiary or his estate and his covered dependents will be eligible to continued health and medical coverage under COBRA at the active employee rate. The Employment Letter further provided that in the event of Mr. Jaffe's termination by reason of his total disability, he would receive continued payment of his base salary for one year from the date of termination, and he and his covered dependents would receive continued health and medical coverage under COBRA at the active employee rate through the earlier of such period, the period of Mr. Jaffe's and/or his covered dependents eligibility for COBRA and Mr. Jaffe becoming eligible under the health and medical insurance coverage of a subsequent employer.

The terms "cause", "good reason", "change in control" and "total disability" are defined in the Employment Letter and below. Severance amounts payable under the Employment Letter, except for amounts payable upon Mr. Jaffe's death, would be subject to a possible six-month delay pursuant to Section 409A of the Code. For further information regarding Mr. Jaffe's employment arrangements and the payments to which he may be entitled thereunder, see below under "Potential Payments Upon Termination or Change in Control" - David Jaffe.

The Employment Letter provides that if Mr. Jaffe receives parachute payments that exceed his threshold amount under Section 280G of the Code, the amount will be cut-back to below the 280G threshold amount unless he would be better off receiving the full amount and paying the excise tax under Section 4999 of the Code. The Employment Letter also contains non-competition and non-solicitation restrictions effective during the employment term and for one year thereafter as well as a perpetual non-disparagement restriction.

"Cause" is generally defined in the Employment Letter to include conviction of a crime, intentional and willful failure to satisfactorily perform employment duties reasonably requested by our Board, fraud or embezzlement, gross misconduct or gross negligence that has a substantial adverse effect on the Company or its affiliates, an intentional and willful act or omission which is materially detrimental to our business or reputation, or Mr. Jaffe's willful breach of the covenants set forth in the Employment Letter (which include covenants not to compete, not to solicit our employees and not to disparage the Company).

"Good Reason" is generally defined in the Employment Letter as the occurrence, without Mr. Jaffe's consent, of any of the following: a material demotion in his position, job duties or responsibilities; our failure to pay him his compensation or benefits; the relocation of Mr. Jaffe's principal place of work at least 35 miles from its current location; or any material breach of any of our obligations under his agreement. Mr. Jaffe may terminate his employment for "Good Reason" only if he provides notice to the Company setting forth in reasonable detail the alleged

"Good Reason" circumstances or event within 30 days after the occurrence of such event or circumstances and the Company fails to cure such event or circumstances within 60 days after receipt of such notice.

Change in Control is generally defined in the Employment Letter as: (a) any person (as defined in the Exchange Act) becomes the beneficial owner of 30% or more of the outstanding common stock of the Company (excluding a person that is an affiliate of the Company); (b) a change of a majority of the Board after July 29, 2017 (the Incumbent Directors), unless the election of a new director was supported by two-thirds of the Incumbent Directors (which includes any new director whose election was supported by two-thirds of the Incumbent Directors); (c) the Company adopts a plan of liquidation of all or substantially all of its assets; (d) the Company disposes of all or substantially all of the assets or business of the Company pursuant to a merger, consolidation or other transaction; or (e) the Company combines with another company and is the surviving corporation, but, immediately after the combination, the stockholders of the Company immediately prior to the combination hold, directly or indirectly, 50% or less of the common stock or other ownership interests of the combined company.

Total Disability is generally defined in the Employment Letter as Mr. Jaffe being physically or mentally incapacitated such that Mr. Jaffe is incapable of performing his material duties under the Employment Letter for a period of ninety (90) consecutive days or 120 non-consecutive days in any 12-month period. Receipt of disability benefits under the Company's long-term disability plan or receipt of Social Security disability benefits is conclusive evidence of Total Disability, or, in the absence of receipt of such benefits, a determination of Total Disability by an impartial physician.

[Robb Giammatteo](#)

Mr. Giammatteo has an employment letter with the Company that was entered into on July 25, 2015, which provides that he is entitled to a base salary of at least \$500,000 per year, as well as standard Company benefits.

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EMPLOYMENT LETTERS AND RETIREMENT AGREEMENTS

Brian Lynch

In connection with Mr. Lynch's promotion, Mr. Lynch has an employment letter with the Company dated June 1, 2017, and effective August 1, 2017. The material terms of the employment letter are summarized below.

Mr. Lynch will receive an annual base salary of \$1,000,000, and will be considered for an annual performance evaluation beginning in the fall of 2018. Mr. Lynch will continue to be eligible to participate in the Company's seasonal performance-based incentive compensation program and, beginning with the Fiscal Year 2018 fall season, his target bonus opportunity was increased to 125% of annual base salary, with a maximum annual payout at two times the target level.

Subject to Compensation Committee approval, Mr. Lynch will continue to be eligible to receive annual equity grants effective September 2017 in the form of stock options, RSUs or performance-based awards, and will have a target level equal to 250% of annual base salary.

The employment letter provided for an additional one-time grant of 1,000,000 restricted stock units effective September 2017 that will vest 50% on June 30, 2019 and 50% on June 30, 2020, in each case, subject to continued employment through each applicable vesting date.

Gary Muto

In connection with Mr. Muto's promotion, Mr. Muto has an employment letter with the Company dated June 1, 2017, and effective August 1, 2017. The material terms of the employment letter are summarized below.

Mr. Muto will receive an annual base salary of \$1,000,000, and will be considered for an annual performance evaluation beginning in the fall of 2018. Mr. Muto will continue to be eligible to participate in the Company's seasonal performance-based incentive compensation program and, beginning with the fiscal year 2018 fall season, will have an increased target level equal to 125% of annual base salary, with a maximum annual payout at two times the target level.

Mr. Muto will continue to participate in the Company's Transformation Bonus Program (see Compensation Discussion and Analysis Transformation Bonus Opportunity for additional details). In connection with his promotion, Mr. Muto will be eligible for a payout equal to an additional multiple of his August 1, 2017 base salary as follows: 0.25 for fiscal 2018; 0.3125 for fiscal 2019; 0.375 for fiscal 2020; and 0.4375 for fiscal 2021.

Mr. Muto was entitled to receive an annual long-term incentive grant effective in or about September 2017 having an estimated total value of \$2.5 million (the 2017 Annual Grant). The 2017 Annual Grant may consist of stock options, RSUs, performance-based awards or such other incentives as determined by the Company. Awards that are not performance based vest in equal annual installments over a three-year period (2017 Time-Based Awards), and awards that are performance based (2017 Performance-Based Awards) vest on the third anniversary of the grant date, subject to the achievement of the applicable performance goals. Accordingly, in September 2017, Mr. Muto received: (i) a FY20 LTIP award with a grant date fair value of \$1,075,000 subject to a 1-year net income goal and a 2-year post-performance vesting condition; (ii) a FY20LTIP award with a grant date fair value of \$1,075,000 subject to a 3-year relative TSR goal; and (iii) an award of 360,825 options, which vests in equal installments on the first and second anniversaries of grant.

Mr. Muto received an additional one-time grant of 1,000,000 restricted stock units (One-Time RSU Grant) in September 2017 that will vest 50% on June 30, 2019 and 50% on June 30, 2020.

The 2017 Annual Grant (i.e., the 2017 Time-Based Awards and 2017 Performance-Based Awards) and the One-Time RSU Grant generally require continued employment through the vesting date, except that, prior to a change in control, if the Company terminates Mr. Muto's employment without Cause or Mr. Muto resigns for Good Reason (in each case, as defined in the employment letter), (i) the next tranche of any then outstanding unvested 2017 Time-Based Awards and One-Time RSU Grant scheduled to vest after such termination will vest on the date of such termination, and (ii) a pro-rata portion of any then outstanding unvested 2017 Performance-Based Awards will vest subject to actual achievement of the applicable performance goals determined after the end of the performance period.

All equity awarded to Mr. Muto is conditioned on his timely execution of a restrictive covenant agreement containing a one-year non-competition covenant and a two-year non-solicitation covenant in favor of the Company.

Effective August 24, 2017, Mr. Muto became a participant in the Company's Executive Severance Plan, subject to the terms and conditions of the ESP, but with certain modifications, including that his cash severance payment level relating to a non-change in control termination will be 24 months of base salary, and his cash severance level relating to a change in control related termination will be 24 months of base salary and bonus.

John Pershing

Mr. Pershing has an employment letter with the Company that was entered into on January 25, 2015, which provides that he is entitled to a base salary of at least \$525,000 per year, as well as standard Company benefits.

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[EMPLOYMENT LETTERS AND RETIREMENT AGREEMENTS](#)

RETIREMENT AGREEMENTS

[Elliot S. Jaffe](#)

Commencing July 30, 2006, Elliot S. Jaffe became eligible to receive a supplemental retirement benefit of \$150,000 per year for life, subject to an annual cost-of-living increase. Effective at the end of the 2016 Annual Meeting of Stockholders Mr. Elliot S. Jaffe retired as an officer of the Company and from the Board.

[Mrs. Roslyn S. Jaffe](#)

We also entered into a retirement agreement with Mrs. Jaffe. The agreement provides Mrs. Jaffe, in light of her role as co-founder of the Company and her 44 years of service to the Company at the time of her retirement, with a supplemental retirement benefit, commencing July 30, 2006, of \$50,000 per year for life, subject to an annual cost-of-living increase.

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EXECUTIVE SEVERANCE PLAN

We maintain the Executive Severance Plan, as amended and restated as of June 12, 2018, in order to provide severance benefits to certain key employees, which for fiscal 2018, included all our NEOs (other than our CEO). The following summary describes the key provisions of the Executive Severance Plan as they would have applied to our NEOs (other than our CEO) at the end of fiscal 2018.

The Executive Severance Plan provides participants with the following severance benefits in the event of a termination of employment by the Company without cause (as defined in the plan), other than a termination that constitutes a termination in connection with a change in control (as defined in the plan):

12-month salary continuation;

a pro rata portion of his/her semi-annual bonus based on actual results;

continued health insurance coverage at the active employee rate for a period up to 12 months; and

12 months of Outplacement Services not to exceed \$7,300.

In the case of Mr. Muto, he is also entitled to the severance benefits described above in the event his employment is terminated for good reason (as described below), except that he will receive 24 months (and not 12 months) of salary continuation payments.

In lieu of the benefits described above, if our NEOs would have been terminated without cause or terminated employment for good reason (as described below) during (1) the 90 day period prior to a change in control (such termination, a Pre-CIC Termination), or (2) the period commencing on a Change in Control and ending 24 months later (such termination, a Post-CIC Termination), the executive would have been eligible for the following upon the change in control (in the case of a Pre-CIC Termination), or upon the termination date (in the case of a Post-CIC Termination):

a lump sum equal to 1.5 times (or 2 times, in the case of Mr. Muto) the sum of annual base salary and the greater of a) annual target bonus for the year in which the CIC occurs; or b) average three-year aggregate annual bonus equaling the sum of the two seasonal bonuses paid in each such fiscal year;

a pro rata portion (based on the number of days employed during the applicable performance period from when the separation from service occurs) of the seasonal (semi-annual) bonus based on actual results, payable when other such bonuses are paid;

continued health insurance coverage at the active employee rate for a period of up to 18 months;

in the case of a Post-CIC Termination, full vesting of any unvested equity awards (in the case of a Pre-CIC Termination, a lump sum cash equivalent payment equal to the fair market value of the unvested equity awards that were forfeited upon the termination); and

12 months of Outplacement Services not to exceed \$7,300.

Under the Severance Plan, "good reason" is defined as (i) any material diminution of responsibilities, duties or authority, (ii) any reduction in base salary and/or benefits, other than a reduction that is uniformly applied to similarly situated employees of not more than 10%, (iii) relocation of the principal place of work outside of a 30-mile radius of the then current work location, or (iv) the failure of a successor to the Company to assume the Severance Plan. With respect to Mr. Muto, under his employment letter, (A) the "good reason" definition also includes any material breach of his employment letter by the Company or the elimination of sourcing from his job responsibilities, and (B) prior to a change in control, a reduction in benefits (but not salary) alone will not constitute "good reason."

The severance benefits payable under the Severance Plan are subject to: (1) the six month delay to the extent required under Section 409A of the Code; (2) the execution and non-revocation of a general release of claims in favor of the Company within a specified time period; (3) the executive's compliance with certain non-competition and non-solicitation restrictive covenants following a termination (other than a Pre-CIC Termination or a Post-CIC Termination); and (4) reduction to avoid any excise tax on "parachute payments" if the executive would benefit from such reduction as compared to paying the excise tax. Any benefits payable under the Executive Severance Plan supersede and are in lieu of any severance benefits and/or payments provided under any other agreements, arrangements or severance plans by and between the executive and the Company.

Table of Contents**NONQUALIFIED DEFERRED COMPENSATION IN FISCAL 2018**

After satisfying a waiting period, our NEOs are eligible for participation in our Executive Retirement Plan, which is an unfunded, unsecured nonqualified deferred compensation plan. The Executive Retirement Plan allows our executives to defer a maximum of 50% of their base salary and 75% of their bonuses paid or other performance-based cash compensation awarded. Elections to participate in the Executive Retirement Plan are made by our executives on an annual basis, prior to the beginning of the year in which the compensation is earned.

We make Company contributions to the Executive Retirement Plan in an amount determined by us for each plan year. For fiscal 2018, our NEOs who were eligible for participation received a Company matching contribution of 1% of up to \$265,000 of total compensation deferred, and Company matching contribution of 5% of compensation over \$265,000 deferred. Effective January 1, 2018, the compensation limits for calculating the Company matching contribution were increased from up to \$265,000 to \$270,000. Participants are immediately vested in deferrals of their own compensation. Company matching contributions vest in 25% increments after 2 years, 3 years, 4 years and 5 years of service with the Company. All Company matching contributions held and received by the participant are vested after five years of service with the Company.

The aggregate balance of each participant's account consists of amounts that have been deferred by the participant, Company matching contributions, plus earnings (or minus losses). We do not deposit any amounts into any trust or other account for the benefit of plan participants. In accordance with tax requirements, the assets of the Executive Retirement Plan are subject to claims of our creditors. Account balances are deemed invested in accordance with investment elections designated by the participant. Investment option transfers may be made daily. There are 27 investment options available to plan participants, including fixed income funds, domestic and international equity funds, blended funds and pre-allocated lifestyle fund investments. Interest and gains or losses on each deemed investment are credited or debited to each participant's account daily based on the actual performance of the funds in which the participant is deemed invested.

Deferred account balances are distributed to the plan participants in accordance with elections made by the participant at the time the deferral is made, subject to Section 409A of the Code. A participant may elect to receive distributions, either in a lump sum or in installments, upon his or her termination of employment with the Company, disability, death, an unforeseeable emergency or a change of control, each of the last two events as defined in Section 409A of the Code. A participant may elect to receive distributions while still employed by the Company if he or she elects to have in-service or education distributions, made at a date specified by the participants.

The following table shows the executive and Company contributions, earnings and account balances for the NEOs.

Name	Executive Contributions in Last FY (\$) ⁽¹⁾	Registrant Contributions in Last FY (\$) ⁽²⁾	Aggregate (Loss) Earnings in Last FY (\$) ⁽³⁾	Aggregate Withdrawals/ Distributions (\$)	Aggregate
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					Balance at Last Fiscal Year End (\$)
David Jaffe	50,000	39,200	2,803,438	0	24,513,168
Robb Giammatteo	15,000	9,600	27,012	0	260,655
Brian Lynch	49,942	37,700	56,615	0	474,140
Gary Muto	58,462	39,199	1,543	0	255,432
John Pershing	33,075	22,275	18,472	0	316,247

(1) All executive contributions represent amounts deferred by each NEO under the Executive Retirement Plan (Ascena's Non-Qualified Deferred Compensation Plan) and are included as compensation in the Summary Compensation Table under Salary, Bonus and Non-Equity Incentive Plan Compensation.

(2) All registrant contributions are reported under All Other Compensation in the Summary Compensation Table.

(3) These amounts are not reported in the Summary Compensation Table as the earnings included in this column are based on the investment options selected by the NEO, none of which provide interest above the market rate.

Table of Contents**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

The tables below describe and estimate additional compensation and benefits that our NEOs would become entitled to pursuant to their employment agreements, employment letters and other arrangements between the Company and the executive upon a termination of their employment in certain circumstances or in the event of a Change in Control, in each case assuming such event had occurred on August 4, 2018. Where applicable, the amounts payable assume a \$4.02 fair value of our common stock (the closing price on August 3, 2018, the last trading day of fiscal 2018). We have calculated these estimated payments to meet SEC disclosure requirements. The estimated payments are not necessarily indicative of the actual amounts any of our NEOs would receive in such circumstances.

The calculation excludes:

compensation amounts accrued through August 4, 2018 that would be paid in the normal course of continued employment, such as accrued but unpaid salary, and

vested account balances under our retirement plan that are generally available to all our salaried employees. In addition, where applicable, the amounts reflected for bonuses reflect the actual amounts paid to the NEO for fiscal 2018, since the hypothetical termination or Change in Control date is the last day of the fiscal year for which the bonus is to be determined.

In addition to these payments, participants in our Executive Retirement Plan, including the NEOs, may elect to receive distributions, either in a lump sum or in installments, upon his or her termination of employment with the Company, disability, death, or following a Change in Control (subject to Section 409A of the Code). Each NEO's account balance under the Executive Retirement Plan as of the end of fiscal 2018 is set forth under the Aggregate Balance at Last Fiscal Year End column of the Nonqualified Deferred Compensation Table above.

Payments and Benefits for Mr. David Jaffe

	Base Salary	Bonus	Health Benefits	Acceleration of Equity Awards	Total
Provision	(\$)	(\$)	(\$)	\$(⁽⁶⁾)	(\$)

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Termination without Cause or for Good Reason Prior to a Change in Control	2,000,000(1)	387,300(4)	18,764(6)		2,406,064
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Termination without Cause or for Good Reason Upon or Following a Change in Control	5,000,000(2)	387,300(4)	18,764(6)	1,537,400(5)	
					6,943,464

Change in Control No Termination				542,000(5)	542,000
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Death	1,000,000(3)	387,300(4)	12,509(7)	542,000(5)	1,941,809
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Total Disability	1,000,000(3)	387,300(4)	18,764(6)	542,000(5)	1,948,064
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Termination for Cause or
without Good Reason Prior to a
Change in Control

(1) Represents an amount equal to 2 times Mr. Jaffe's base salary paid as salary continuation.

(2) Represents 2 times the sum of Mr. Jaffe's base salary and his fiscal 2018 target annual bonus.

(3) Represents an amount equal to 1 times Mr. Jaffe's base salary paid as salary continuation.

(4) Represents the pro rata portion of Mr. Jaffe's incentive compensation for the season in which his employment is terminated based on actual results.

(5)

Represents the fair market value of our common stock on August 3, 2018, less the exercise price, if applicable, multiplied by the number of shares of our common stock underlying all equity awards held by Mr. Jaffe on the last day of the fiscal year that would have become vested and exercisable or for which the restrictions thereon would have lapsed had such event occurred on such date.

(6) Represents our payment for the cost of continuation health coverage for 18 months following his termination

(7) Represents our payment for the cost of continuation health coverage for 12 months following his termination.

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