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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ___

Commission File Number 0-18183

G-III APPAREL GROUP, LTD.
(Exact name of registrant as specified in its charter)

Delaware	**41-1590959**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
512 Seventh Avenue, New York, New York	**10018**
(Address of Principal Executive Offices)	**(Zip Code)**

(212) 403-0500
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 31, 2016, there were 45,756,789 shares of issuer's common stock, par value $0.01 per share, outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	July 31, 2016 (Unaudited)	July 31, 2015 (Unaudited)	January 31, 2016
	(In thousands, except per share amounts)		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 44,950	$ 18,810	$ 132,587
Accounts receivable, net of allowances for doubtful accounts and sales discounts of $64,016, $54,213 and $74,261, respectively	243,108	238,659	221,500
Inventories	569,996	605,214	485,311
Prepaid income taxes	31,130	8,668	23,347
Deferred income taxes, net	17,576	16,057	17,564
Prepaid expenses and other current assets	33,149	30,386	22,131
Total current assets	939,909	917,794	902,440
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	62,882	25,490	25,662
PROPERTY AND EQUIPMENT, NET	103,697	89,743	103,579
OTHER ASSETS	24,782	26,817	24,886
OTHER INTANGIBLES, NET	10,217	11,609	10,799
TRADEMARKS, NET	68,169	68,182	67,267
GOODWILL	49,864	49,844	49,437
TOTAL ASSETS	$ 1,259,520	$ 1,189,479	$ 1,184,070
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Notes payable	$ —	$ 5,503	$ —
Accounts payable	244,904	297,724	173,586
Accrued expenses	60,423	56,225	71,218
Total current liabilities	305,327	359,452	244,804
DEFERRED INCOME TAXES, NET	24,902	19,006	23,840
CONTINGENT PURCHASE PRICE PAYABLE	—	888	—
OTHER NON-CURRENT LIABILITIES	29,186	24,958	27,299
TOTAL LIABILITIES	359,415	404,304	295,943
STOCKHOLDERS' EQUITY			
Preferred stock; 1,000 shares authorized; No shares issued and outstanding			
Common stock - $.01 par value; 120,000 shares authorized; 46,407, 46,204 and 46,212 shares issued respectively	231	232	229
Additional paid-in capital	360,947	343,582	353,739
Accumulated other comprehensive loss	(20,467)	(20,112)	(23,689)
Retained earnings	561,970	465,372	560,491
Common stock held in treasury, at cost – 650, 984 and 667 shares respectively	(2,576)	(3,899)	(2,643)
TOTAL STOCKHOLDERS' EQUITY	900,105	785,175	888,127
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,259,520	$ 1,189,479	$ 1,184,070

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

	Three Months Ended July 31	
	2016	2015
	(Unaudited)	
	(In thousands, except per share amounts)	
Net sales	$ 442,267	$ 473,884
Cost of goods sold	286,624	305,544
Gross profit	155,643	168,340
Selling, general and administrative expenses	153,168	141,483
Depreciation and amortization	7,672	5,914
Operating profit (loss)	(5,197)	20,943
Equity income in joint venture	348	—
Interest and financing charges, net	(1,056)	(1,177)
Income (loss) before income taxes	(5,905)	19,766
Income tax expense (benefit)	(4,612)	7,313
Net income (loss)	$ (1,293)	$ 12,453
NET INCOME (LOSS) PER COMMON SHARE:		
Basic:		
Net income (loss) per common share	$ (0.03)	$ 0.28
Weighted average number of shares outstanding	45,667	45,073
Diluted:		
Net income per common share	$ (0.03)	$ 0.27
Weighted average number of shares outstanding	45,667	46,362
Net income (loss)	$ (1,293)	$ 12,453
Other comprehensive income (loss):		
Foreign currency translation adjustments	(2,810)	1,117
Other comprehensive income (loss)	(2,810)	1,117
Comprehensive income (loss)	$ (4,103)	$ 13,570

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Six Months Ended July 31	
	2016	2015
	(Unaudited)	
	(In thousands, except per share amounts)	
Net sales	$ 899,670	$ 906,849
Cost of goods sold	578,358	584,082
Gross profit	321,312	322,767
Selling, general and administrative expenses	306,273	278,516
Depreciation and amortization	14,865	11,601
Operating profit	174	32,650
Equity income in joint venture	617	—
Interest and financing charges, net	(2,298)	(2,153)
Income (loss) before income taxes	(1,507)	30,497
Income tax expense (benefit)	(2,985)	11,284
Net income	$ 1,478	$ 19,213
NET INCOME PER COMMON SHARE:		
Basic:		
Net income per common share	$ 0.03	$ 0.43
Weighted average number of shares outstanding	45,601	45,020
Diluted:		
Net income per common share	$ 0.03	$ 0.42
Weighted average number of shares outstanding	46,967	46,289
Net income	$ 1,478	$ 19,213
Other comprehensive income (loss):		
Foreign currency translation adjustments	3,222	(10,007)
Other comprehensive income (loss)	3,222	(10,007)
Comprehensive income	$ 4,700	$ 9,206

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended July 31,	
	2016	2015
	(Unaudited)	
	(In thousands)	
Cash flows from operating activities		
Net income	$ 1,478	$ 19,213
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	14,865	11,601
Loss on disposal of fixed assets	657	532
Equity income in joint venture	(617)	—
Equity based compensation	9,028	7,634
Deferred financing charges	421	419
Changes in operating assets and liabilities:		
Accounts receivable, net	(21,508)	(40,679)
Inventories	(84,537)	(179,681)
Income taxes, net	(7,781)	4,569
Prepaid expenses and other current assets	(10,998)	(7,317)
Other assets, net	(349)	(949)
Accounts payable, accrued expenses and other liabilities	60,322	113,590
Net cash used in operating activities	(39,019)	(71,068)
Cash flows from investing activities		
Investment in unconsolidated affiliate	(35,432)	(25,490)
Capital expenditures	(12,617)	(16,600)
Net cash used in investing activities	(48,049)	(42,090)
Cash flows from financing activities		
Proceeds from notes payable, net	—	5,503
Taxes paid for net share settlement	(2,011)	—
Proceeds from exercise of equity awards	256	376
Net cash provided by (used in) financing activities	(1,755)	5,879
Foreign currency translation adjustments	1,186	(2,265)
Net decrease in cash and cash equivalents	(87,637)	(109,544)
Cash and cash equivalents at beginning of period	132,587	128,354
Cash and cash equivalents at end of period	$ 44,950	$ 18,810
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	$ 1,748	$ 1,785
Income taxes	3,875	6,504

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Basis of Presentation

As used in these financial statements, the term "Company" or "G-III" refers to G-III Apparel Group, Ltd. and its subsidiaries. The Company designs, manufactures and markets an extensive range of apparel, including outerwear, dresses, sportswear, swimwear, women's suits and women's performance wear, as well as women's handbags, footwear, small leather goods, cold weather accessories and luggage. The Company also operates retail stores.

The Company consolidates the accounts of all its wholly-owned and majority-owned subsidiaries. KL North America BV ("KLNA") is a Dutch limited liability company which is a joint venture that is 49% owned by the Company. This investment is accounted for using the equity method of accounting. All material intercompany balances and transactions have been eliminated. Vilebrequin International SA ("Vilebrequin"), a Swiss corporation, which is wholly-owned by the Company, and KLNA report results on a calendar year basis rather than on the January 31 fiscal year basis used by the Company.

The results for the six month period ended July 31, 2016 are not necessarily indicative of the results expected for the entire fiscal year, given the seasonal nature of the Company's business. The accompanying financial statements included herein are unaudited. All adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations and cash flows for the interim period presented have been reflected.

The accompanying financial statements should be read in conjunction with the financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2016 filed with the Securities and Exchange Commission (the "SEC").

On April 1, 2015, the Board of Directors approved a two-for-one stock split of the Company's outstanding shares of common stock, to be effected in the form of a stock dividend. The stock dividend was paid to stockholders of record as of the close of market on April 20, 2015 and was effected on May 1, 2015. All share and per share information has been retroactively adjusted to reflect this stock split.

The Company's international subsidiaries use different functional currencies, which are the local selling currency. In accordance with the authoritative guidance, assets and liabilities of the Company's foreign operations are translated from foreign currency into U.S. dollars at period-end rates, while income and expenses are translated at the weighted-average exchange rates for the period. The related translation adjustments are reflected as a foreign currency translation adjustment in accumulated other comprehensive income (loss) within stockholders' equity.

Certain reclassifications have been made to the Condensed Consolidated Statements of Cash Flows as a result of the Company's electing to apply the amendments related to the presentation of excess tax benefits on the statement of cash flows using a retrospective transition method as prescribed by Accounting Standard Update ("ASU") 2016-09. This change resulted in a $6.7 million decrease in net cash used in operating activities and a corresponding decrease in net cash provided by financing activities in the accompanying Condensed Consolidated Statement of Cash Flows for the period ended July 31, 2015, compared to the amounts previously reported.

Note 2 – Equity Investment

In February 2016, the Company acquired a 19% minority interest in Kingdom Holdings 1 B.V. ("KH1"), the parent company of the group that holds the worldwide rights to the Karl Lagerfeld brand. The Company paid 32.5€ million (approximately $35.4 million at the date of the transaction). This investment is intended to expand the partnership between the Company and the Karl Lagerfeld brand and extend their business development opportunities on a global scale. The investment in KH1 is reflected in Investment in Unconsolidated Affiliates on the Condensed Consolidated Balance Sheets at July 31, 2016.

In June 2015, the Company entered into a joint venture agreement with Karl Lagerfeld Group BV. The Company acquired a 49% ownership interest in KLNA, an entity that holds brand rights to Karl Lagerfeld trademarks for all consumer products (except eyewear, fragrance, cosmetics, watches, jewelry and hospitality services) and apparel in the United States, Canada and Mexico. The Company is also the first licensee of the joint venture and has been granted a five year license (with two renewals of five years each) for women's apparel, women's handbags, women's footwear and men's outerwear. The Company began shipping Karl Lagerfeld sportswear, dresses, women's outerwear and handbags in the third quarter of fiscal 2016 and Karl Lagerfeld women's footwear in the first quarter of fiscal 2017.

Note 3 – Inventories

Wholesale inventories are stated at the lower of cost (determined by the first-in, first out method) or market which comprises a significant portion of the Company's inventory. Retail inventories are valued at the lower of cost or market as determined by the retail inventory method. Vilebrequin inventories are stated at the lower of cost (determined by the weighted average method) or market. Inventories consist of:

	July 31, 2016	July 31, 2015	January 31, 2016
		(In thousands)	
Finished goods	$ 567,864	$ 600,529	$ 484,805
Raw materials and work-in-process	2,132	4,685	506
	$ 569,996	$ 605,214	$ 485,311

Note 4 – Net Income (Loss) per Common Share

Basic net income (loss) per common share has been computed using the weighted average number of common shares outstanding during each period. Diluted net income per share, when applicable, is computed using the weighted average number of common shares and potential dilutive common shares, consisting of unvested restricted stock awards and stock options outstanding, during the period. In addition, all share based payments outstanding that vest based on the achievement of performance and/or market price conditions, and for which the respective performance and/or market price conditions have not been achieved, have been excluded from the diluted per share calculation. Approximately 349,000 shares of common stock have been excluded from the diluted net income per share calculation for the six months ended July 31, 2016. For the six months ended July 31, 2016 and 2015, 195,156 and 262,830 shares of common stock, respectively, were issued in connection with the exercise or vesting of equity awards.

On February 1, 2016, the Company adopted the Accounting Standard Update 2016-09 (see Note 7 for further details). The new guidance prescribes that excess tax benefits are no longer recognized in additional paid in capital. The assumed proceeds from applying the treasury stock method when computing net income (loss) per share is amended to exclude the amount of excess tax benefits that would be recognized in additional paid-in capital. This change in accounting results in approximately 303,000 additional diluted common shares being included in the diluted net income per share calculation for the six months ended July 31, 2016.

The following table reconciles the numerators and denominators used in the calculation of basic and diluted net income (loss) per share:

	Three Months Ended July 31		Six Months Ended July 31	
	2016	2015	2016	2015
	(In thousands, except per share amounts)			
Net income (loss) attributable to G-III	$ (1,293)	$ 12,453	$ 1,478	$ 19,213
Basic net income (loss) per share:				
Basic common shares	45,667	45,073	45,601	45,020
Basic net income (loss) per share	$ (0.03)	$ 0.28	$ 0.03	$ 0.43
Diluted net income per share:				
Basic common shares	45,667	45,073	45,601	45,020
Diluted Restricted stock awards and stock options	—	1,289	1,366	1,269
Diluted common shares	45,667	46,362	46,967	46,289
Diluted net income per share	$ (0.03)	$ 0.27	$ 0.03	$ 0.42

Note 5 – Notes Payable

The Company's credit agreement with JPMorgan Chase Bank, N.A., as Administrative Agent for a group of lenders, is a five year senior secured credit facility through August 2017 providing for borrowings in the aggregate principal amount of up to $450 million. Amounts available under the credit agreement are subject to borrowing base formulas and other advances as specified in the credit agreement. As of July 31, 2016, there was $343.4 million available under the credit agreement.

Borrowings bear interest, at the Company's option, at LIBOR plus a margin of 1.5% to 2.0% or prime plus a margin of 0.5% to 1.0%, with the applicable margin determined based on availability under the credit agreement. The credit agreement requires the Company to maintain a minimum fixed charge coverage ratio, as defined, and, under certain circumstances, permits the Company to make payments for cash dividends, stock redemptions and share repurchases subject to compliance with certain covenants. As of July 31, 2016, the Company was in compliance with these covenants.

The credit agreement is secured by all of the assets of G-III Apparel Group, Ltd. and its subsidiaries, G-III Leather Fashions, Inc., Riviera Sun, Inc., CK Outerwear, LLC, Andrew & Suzanne Company Inc., AM Retail Group, Inc., G-III Apparel Canada ULC, G-III License Company, LLC and AM Apparel Holdings, Inc.

At July 31, 2016, the Company had no borrowings outstanding under the Company's credit agreement and at July 31, 2015, the Company had borrowings of $5.5 million outstanding under the Company's credit agreement.

Note 6 – Segments

The Company's reportable segments are business units that offer products through different channels of distribution. The Company has two reportable segments: wholesale operations and retail operations. The wholesale operations segment includes sales of products under brands licensed to the Company from third parties, as well as sales of products under the Company's own brands and private label brands. The retail operations segment consists primarily of sales by the Wilsons Leather and G.H. Bass stores, as well as a limited number of Calvin Klein Performance stores.

The following information, in thousands, is presented for the three month and six month periods indicated below:

	Three Months Ended July 31, 2016			
	Wholesale	Retail	Elimination[1]	Total
Net sales	$ 361,344	$ 99,958	$ (19,035)	$ 442,267
Cost of goods sold	250,475	55,184	(19,035)	286,624
Gross profit	110,869	44,774	—	155,643
Selling, general and administrative	96,613	56,555	—	153,168
Depreciation and amortization	5,370	2,302	—	7,672
Operating profit (loss)	$ 8,886	$ (14,083)	$ —	$ (5,197)

	Three Months Ended July 31, 2015			
	Wholesale	Retail	Elimination[1]	Total
Net sales	$ 391,461	$ 111,497	$ (29,074)	$ 473,884
Cost of goods sold	275,308	59,310	(29,074)	305,544
Gross profit	116,153	52,187	—	168,340
Selling, general and administrative	87,081	54,402	—	141,483
Depreciation and amortization	4,055	1,859	—	5,914
Operating profit (loss)	$ 25,017	$ (4,074)	$ —	$ 20,943

	Six Months Ended July 31, 2016			
	Wholesale	Retail	Elimination[1]	Total
Net sales	$ 743,715	$ 194,950	$ (38,995)	$ 899,670
Cost of goods sold	508,471	108,882	(38,995)	578,358
Gross profit	235,244	86,068	—	321,312
Selling, general and administrative	193,551	112,722	—	306,273
Depreciation and amortization	10,371	4,494	—	14,865
Operating profit (loss)	$ 31,322	$ (31,148)	$ —	$ 174

	Six Months Ended July 31, 2015			
	Wholesale	Retail	Elimination[1]	Total
Net sales	$ 743,945	$ 214,026	$ (51,122)	$ 906,849
Cost of goods sold	520,717	114,487	(51,122)	584,082
Gross profit	223,228	99,539	—	322,767
Selling, general and administrative	171,675	106,841	—	278,516
Depreciation and amortization	7,987	3,614	—	11,601
Operating profit (loss)	$ 43,566	$ (10,916)	$ —	$ 32,650

(1) Represents intersegment sales to the Company's retail operations.

The total assets for each of the Company's reportable segments are as follows:

	July 31, 2016	July 31, 2015	January 31, 2016
		(In thousands)	
Wholesale	$ 874,258	$ 875,347	$ 763,353
Retail	212,296	223,829	210,118
Corporate	172,966	90,303	210,599
Total Assets	$ 1,259,520	$ 1,189,479	$ 1,184,070

Note 7 – Recent Accounting Pronouncements

Recently Adopted Accounting Guidance

In March 2016, the FASB issued ASU 2016-09, "*Compensation — Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*". ASU 2016-09 simplifies various aspects related to share-based payments. The Company elected to early-adopt ASU 2016-09 with an effective date of February 1, 2016. Under previous guidance, excess tax benefits and deficiencies from stock-based compensation arrangements were recorded in equity when the awards vested or were settled. ASU 2016-09 requires prospective recognition of excess tax benefits and deficiencies in the income statement, resulting in the recognition of excess tax benefits of approximately $2.4 million in income tax expense or $0.05 per diluted share, rather than in paid-in capital, for the six months ended July 31, 2016. The Company has elected to continue to estimate the number of stock-based awards expected to vest, as permitted by ASU 2016-09, rather than electing to account for forfeitures as they occur.

Accounting Guidance Issued Being Evaluated for Adoption

In April 2016, the FASB issued ASU 2016-10, "*Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*". The guidance clarifies two aspects of Topic 606: (i) identifying performance obligations and (ii) the licensing implementation guidance, while retaining the related principles for those areas. Topic 606 includes implementation guidance on (a) contracts with customers to transfer goods and services in exchange for consideration and (b) determining whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time). The amendments in this update are intended to render more detailed implementation guidance with the expectation of reducing the degree of judgment necessary to comply with Topic 606. The FASB continues to clarify this guidance and most recently issued ASU 2016-08, "*Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*", ASU 2016-10, "*Identifying Performance Obligations and Licensing*", and ASU No. 2016-12, "*Narrow-Scope Improvements and Practical Expedients*", which have the same effective date as ASU 2014-09. These new standards will be effective for public entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. The Company is evaluating the impact, if any, the adoption of these standards will have on its consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU 2016-07, "*Investments — Equity Method and Joint Ventures (Topic 323: Simplifying the Transition to the Equity Method of Accounting)*". ASU 2016-07 eliminates the requirement that when an investment, initially accounted for under a method other than the equity method of accounting, subsequently qualifies for use of the equity method, an investor must retrospectively apply the equity method in prior periods in which it held the investment. This requires an investor to determine the fair value of the investee's underlying assets and liabilities retrospectively at each investment date and revise all prior periods as if the equity method had always been applied. The new guidance requires the investor to apply the equity method prospectively from the date the investment qualifies for the equity method. The investor will add the carrying value of the existing investment to the cost of the additional investment to determine the initial cost basis of the equity method investment. ASU 2016-07 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted in any interim or annual period. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*". The primary difference between the current requirement under GAAP and ASU 2016-02 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. ASU 2016-02 requires that a lessee recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are for the most part similar to those applied in current lease accounting. ASU 2016-02 may be adopted using a modified retrospective transition, and provides for certain practical expedients. Transactions will require application of the new guidance at the beginning of the earliest comparative period presented. The guidance is effective for public entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently assessing the potential impact of ASU 2016-02 on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, "*Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*". This standard modifies how entities measure equity investments and present changes in the fair value of financial liabilities; simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment; changes presentation and disclosure requirements, and clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. ASU 2016-01 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early application is permitted. The Company is not expecting that the adoption of this ASU will have any impact on its statement of operations.

In November 2015, the FASB issued ASU 2015-17, "*Income Taxes (Topic 740) — Balance Sheet Classification of Deferred Taxes*". Prior to ASU 2015-17, GAAP required an entity to separate deferred income tax asset and liabilities into current and noncurrent amounts on the balance sheet. ASU 2015-17 requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. ASU 2015-17 is effective for annual and interim periods beginning after December 15, 2016 and early adoption is permitted. ASU 2015-17 may be applied either prospectively to all deferred tax assets and liabilities or retrospectively to all periods presented. The Company expects the adoption of this guidance to only affect the balance sheet classification of its deferred tax assets and liabilities.

In July 2015, the FASB issued ASU 2015-11, "*Inventory (Topic 330): Simplifying the Measurement of Inventory*". Under this standard, inventory will be measured at the "lower of cost and net realizable value" and options that currently exist for "market value" will be eliminated. The standard defines net realizable value as the "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation." No other changes were made to the current guidance on inventory measurement. This guidance is effective for interim and annual periods beginning after December 15, 2016. Early adoption is permitted and should be applied prospectively. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-05, "*Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*". The update includes explicit guidance about a customer's accounting for fees paid in a cloud computing arrangement such as software as a service, platform as a service, infrastructure as a service, and other similar hosting arrangements. The update is effective for interim and annual periods beginning after December 15, 2016 with early adoption permitted, including in the interim periods. The Company is currently evaluating the impact of this update on its consolidated financial statements.

Note 8 – Pending Acquisition

On July 22, 2016, the Company entered into a stock purchase agreement with LVMH Moet Hennessy Louis Vuitton Inc. ("LVMH") providing for the Company's purchase of all of the outstanding capital stock of Donna Karan International ("DKI") from LVMH for a total purchase price of approximately $650 million, subject to certain adjustments. The stock purchase agreement provides for the purchase price to be paid by the Company with a combination of (i) cash, (ii) $75 million of newly issued shares of common stock, par value $0.01 per share of the Company to LVMH and (iii) a junior lien secured promissory note in favor of LVMH in the principal amount of $75 million. The Company plans to pay the cash portion of the purchase price from the proceeds of $350.0 million of borrowings under a senior secured term loan facility, up to $250.0 million of borrowings under a $650.0 million senior secured asset-based revolving credit facility and cash on hand. Subject to the conditions set forth in the stock purchase agreement, the transaction is expected to close in the fourth quarter of the Company's fiscal year ending January 31, 2017.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Unless the context otherwise requires, "G-III", "us", "we" and "our" refer to G-III Apparel Group, Ltd. and its subsidiaries. References to fiscal years refer to the year ended or ending on January 31 of that year. For example, our fiscal year ending January 31, 2017 is referred to as "fiscal 2017". Vilebrequin and KLNA report results on a calendar year basis rather than on the January 31 fiscal year basis used by G-III. Accordingly, the results of Vilebrequin and KLNA are and will be included in our financial statements for the quarter ended or ending closest to G-III's fiscal quarter. For example, in this Form 10-Q for the six month period ended July 31, 2016, the results of Vilebrequin and KLNA are included for the six month period ended June 30, 2016. We account for our investment in KLNA using the equity method of accounting.

All share and per share data in this Form 10-Q have been retroactively adjusted to reflect our two-for-one stock split effected on May 1, 2015.

Various statements contained in this Form 10-Q, in future filings by us with the SEC, in our press releases and in oral statements made from time to time by us or on our behalf constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and are indicated by words or phrases such as "anticipate," "estimate," "expect," "will," "project," "we believe," "is or remains optimistic," "currently envisions," "forecasts," "goal" and similar words or phrases and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from the future results, performance or achievements expressed in or implied by such forward-looking statements. Forward-looking statements also include representations of our expectations or beliefs concerning future events that involve risks and uncertainties, including, but not limited to:

- our dependence on licensed products;
- our dependence on the strategies and reputation of our licensors;
- costs and uncertainties with respect to expansion of our product offerings;
- the performance of our products at retail and customer acceptance of new products;
- retail customer concentration;
- risks of doing business abroad;
- price, availability and quality of materials used in our products;
- the need to protect our trademarks and other intellectual property;
- risks relating to our retail business;
- dependence on existing management;
- our ability to make strategic acquisitions and possible disruptions from acquisitions;
- need for additional financing;
- seasonal nature of our business;
- our reliance on foreign manufacturers;
- the need to successfully upgrade, maintain and secure our information systems;
- the impact of the current economic and credit environment on us, our customers, suppliers and vendors;
- the effects of competition in the markets in which we operate;
- consolidation of our retail customers;
- additional legislation and/or regulation in the United States or around the world;
- our ability to import products in a timely and cost effective manner;
- our ability to continue to maintain our reputation;

- fluctuations in the price of our common stock;
- potential effect on the price of our common stock if actual results are worse than financial forecasts;
- the effect of regulations applicable to us as a U.S. public company; and
- matters relating to the pending acquisition of Donna Karan International Inc., including:
  - the possibility that the Donna Karan acquisition does not close,
  - our ability to integrate the Donna Karan business, to realize the benefits of the Donna Karan acquisition or to do so on a timely basis,
  - our ability to combine our business with the Donna Karan business successfully or in a timely and cost-efficient manner,
  - failure to obtain any required financing or to do so on acceptable terms,
  - the increase in our indebtedness as a result of the acquisition,
  - the significant costs we will incur as a result of the acquisition,
  - the significant increase in the amount of our goodwill and other intangibles, and
  - the degree of business disruption relating to the acquisition.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. A detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations is described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended January 31, 2016 and in this Quarterly Report on Form 10-Q. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Stock Purchase Agreement to Acquire Donna Karan International

In July 2016, we entered into a stock purchase agreement with LVMH Moet Hennessy Louis Vuitton Inc. ("LVMH") providing for our purchase of all of the outstanding capital stock of Donna Karan International Inc. ("DKI") from LVMH for a total purchase price of approximately $650 million, subject to certain adjustments. We believe that Donna Karan is one of the world's most iconic and recognizable power brands. The acquisition of Donna Karan fits squarely into our strategy to diversify and expand our business. We intend to focus on the expansion of the DKNY brand, while also re-establishing DKNY jeans, Donna Karan and other associated brands. We believe that we can also capitalize on significant, untapped global licensing potential in a number of men's categories, as well as in home and jewelry. We believe that our strong track record of driving organic growth, identifying and integrating acquisitions and developing talent throughout the organization makes the potential of the Donna Karan brand especially appealing.

In connection with entering into the stock purchase agreement, we entered into, and subsequently amended, a debt financing commitment letter with Barclays Bank PLC, JPMorgan Chase Bank, N.A., Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated U.S. Bank National Association, HSBC Bank USA, National Association, HSBC Securities (USA) Inc., Wells Fargo Bank, N.A., Wells Fargo Securities, LLC, KeyBank National Association and Capital One, National Association (together, the "Commitment Parties"). Pursuant to the commitment letter, as amended, the Commitment Parties committed, subject to the terms and conditions set forth therein, to provide us with a $650 million principal amount, five-year senior secured asset-based revolving credit facility (the "New ABL Facility") and a $350 million principal amount six year senior secured term loan facility (the "Term Facility"). The financing commitments of the Commitment Parties are subject to certain conditions set forth in the Commitment Letter. The New ABL Facility will refinance and replace our existing credit facility.

The stock purchase agreement provides for the purchase price to be paid by us with a combination of (i) cash, (ii) $75 million of newly issued shares of our common stock, par value $0.01 per share, to LVMH and (iii) a junior lien secured promissory note in favor of LVMH in the principal amount of $75 million. We plan to pay the cash portion of the purchase price from the proceeds of the borrowing under the Term Facility, up to $250.0 million of borrowings under the New ABL Facility and cash on hand. Subject to the conditions set forth in the stock purchase agreement, the transaction is expected to close in the fourth quarter of our fiscal year ending January 31, 2017.

Overview

G-III designs, manufactures and markets an extensive range of apparel, including outerwear, dresses, sportswear, swimwear, women's suits and women's performance wear, as well as women's handbags, footwear, small leather goods, cold weather accessories and luggage. We sell our products under our own proprietary brands, which include Vilebrequin, G.H. Bass, Andrew Marc, Marc New York, Eliza J, Jessica Howard and Black Rivet, as well as under private retail labels.

We sell products under an extensive portfolio of well-known licensed brands, including Calvin Klein, Tommy Hilfiger, Karl Lagerfeld, Kenneth Cole, Guess?, Levi's and Cole Haan. In our team sports business, we have licenses with the National Football League, National Basketball Association, Major League Baseball, National Hockey League, Touch by Alyssa Milano, Hands High and over 100 U.S. colleges and universities.

We operate in fashion markets that are intensely competitive. Our ability to continuously evaluate and respond to changing consumer demands and tastes, across multiple market segments, distribution channels and geographic areas is critical to our success. Although our portfolio of brands

is aimed at diversifying our risks in this regard, misjudging shifts in consumer preferences could have a negative effect on our business. Our success in the future will depend on our ability to design products that are accepted in the marketplace, source the manufacture of our products on a competitive basis, and continue to diversify our product portfolio and the markets we serve.

We report based on two reportable segments: wholesale operations and retail operations. The wholesale operations segment mainly consists of wholesale sales of our licensed products and non-licensed products and includes sales of products under brands licensed to us from third parties, as well as sales of products under our own brands and private label brands. The retail operations segment consists primarily of the Wilsons Leather and G.H. Bass stores, as well as a limited number of Calvin Klein Performance stores.

We have expanded our portfolio of proprietary and licensed brands through acquisitions and by entering into license agreements for new brands or for additional products under previously licensed brands. Acquisitions are part of our strategy to expand our product offerings and increase the portfolio of proprietary and licensed brands that we offer through different tiers of retail distribution.

The sale of licensed products is a key element of our strategy and we have continually expanded our offerings of licensed products over the past 20 years.

In July 2016, we signed a three year extension through March 2020 of our license agreement with the National Football League. This agreement includes men's and women's outerwear, Starter men's and women's outerwear, men's and women's lifestyle apparel, Hands High men's and women's lifestyle apparel, and Touch women's lifestyle apparel.

In April 2016, Vilebrequin entered into a worldwide license agreement for a line of watches that is expected to commence distribution in 2017. In July 2015, Vilebrequin entered into a license agreement for a line of sunglasses that is expected to commence distribution in 2017.

In February 2016, we acquired a 19% minority interest in Kingdom Holdings 1 B.V. ("KH1"), the parent company of the group that holds the worldwide rights to the Karl Lagerfeld brand. This investment is intended to expand the partnership between us and the Karl Lagerfeld brand and extend their business development opportunities on a global scale. In June 2015, we acquired a 49% interest in a joint venture that holds brand rights to the Karl Lagerfeld trademarks for consumer products (with certain exceptions) and apparel in the United States, Canada and Mexico. We are also the first licensee of the joint venture, having been granted a license for women's apparel, women's handbags, women's shoes and men's outerwear. We began shipping Karl Lagerfeld sportswear, dresses, women's outerwear and handbags in the third quarter of fiscal 2016 and Karl Lagerfeld women's footwear in the first quarter of fiscal 2017.

In February 2016, we expanded our relationship with Tommy Hilfiger through a new license agreement for Tommy Hilfiger womenswear in the United States and Canada. This license for women's sportswear, suit separates, performance and denim is in addition to existing Tommy Hilfiger licenses for dresses, men's and women's outerwear and luggage. The new license agreement has an initial term of five years and a renewal term of four years. Macy's will continue to be the principal retailer of Tommy Hilfiger in the United States and women's sportswear will continue to be a Macy's exclusive offering. In October 2015, we entered into a license agreement for Tommy Hilfiger women's dresses. The collection was available beginning February 2016 at select department stores, including Macy's, specialty stores, and e-commerce partners in the United States and Canada. We believe Tommy Hilfiger is an iconic American brand. We intend to leverage our market expertise to help build sales of Tommy Hilfiger women's apparel.

In October 2015, we also announced the launch of Hands High, a new licensed sports apparel line inspired by Jimmy Fallon. Hands High features professional team logos from the NFL, NBA, MLB and NHL that will be located under a fan's arms. Hands High product was launched in October 2015 at retailers throughout the country, as well as at official team and stadium shops and official league websites. We started to ship Hands High product to over 40 universities in July 2016.

We believe that consumers prefer to buy brands they know, and we have continually sought licenses that would increase the portfolio of name brands we can offer through different tiers of retail distribution, for a wide array of products at a variety of price points. We believe that brand owners will look to consolidate the number of licensees they engage to develop product and they will seek licensees with a successful track record of expanding brands into new categories. It is our objective to continue to expand our product offerings and we are continually discussing new licensing opportunities with brand owners.

Our retail operations segment consists primarily of our Wilsons Leather and G.H. Bass stores, substantially all of which are operated as outlet stores. As of July 31, 2016, we operated 191 Wilsons Leather stores and 167 G.H. Bass stores, as well as 5 Calvin Klein Performance stores.

Trends

Retailers are seeking to expand the differentiation of their offerings by devoting more resources to the development of exclusive products, whether by focusing on their own private label products or on products made exclusively for a retailer by a national brand manufacturer. Retailers are placing more emphasis on building strong images for their private label and exclusive merchandise. Exclusive brands are only made available to a specific retailer, and thus customers loyal to their brands can only find them in the stores of that retailer.

A number of retailers are experiencing financial difficulties, which in some cases has resulted in bankruptcies, liquidations and/or store closings. The financial difficulties of a retail customer of ours could result in reduced business with that customer. We may also assume higher credit risk

relating to receivables of a retail customer experiencing financial difficulty that could result in higher reserves for doubtful accounts or increased write-offs of accounts receivable. We attempt to mitigate credit risk from our customers by closely monitoring accounts receivable balances and shipping levels, as well as the ongoing financial performance and credit standing of customers.

We have attempted to respond to trends in our industry by continuing to focus on selling products with recognized brand equity, by attention to design, quality and value and by improving our sourcing capabilities. We have also responded with the strategic acquisitions made and new license agreements entered into by us that have added additional licensed and proprietary brands and helped diversify our business by adding new product lines and additional distribution channels and expanding the retail component of our business. We believe that our broad distribution capabilities help us to respond to the various shifts by consumers between distribution channels and that our operational capabilities will enable us to continue to be a vendor of choice for our retail partners.

Results of Operations

Three months ended July 31, 2016 compared to three months ended July 31, 2015

Net sales for the three months ended July 31, 2016 decreased to $442.3 million from $473.9 million in the same period last year. Net sales of our segments are reported before intercompany eliminations. Net sales of our wholesale operations segment decreased to $361.3 million from $391.5 million in the comparable period last year. The decrease in net sales of our wholesale operations segment was negatively impacted by a decrease in shipments of outerwear to certain of our retail customers having excess outerwear inventory levels as a result of the warm weather last fall and winter. The decrease in net sales of our wholesale operations segment is also the result of decreases of $11.4 million in net sales of private label products, $6.7 million, in net sales of Kensie licensed products and $6.7 million in net sales of our team sports licensed products. These decreases were offset, in part, by net sales from our new Karl Lagerfeld line of products ($7.2 million) and net sales from our new Tommy Hilfiger dresses product category ($5.8 million). Net sales of our retail operations segment decreased to $100.0 million for the three months ended July 31, 2016 from $111.5 million in the same period last year primarily as the result of a decrease of 16.9% in Wilsons' same store sales compared to the same period in the prior year and a decrease of 9.8% in G.H. Bass same store sales compared to the same period in the prior year. These decreases are mainly the result of reduction in customer traffic partly attributable to reductions in tourist visitors and greater promotional activity by us.

Gross profit decreased to $155.6 million, or 35.2% of net sales, for the three months ended July 31, 2016, from $168.3 million, or 35.5% of net sales, in the same period last year. The gross profit percentage in our wholesale operations segment was 30.7% in the three months ended July 31, 2016 compared to 29.7% in the same period last year, primarily due to a change in product mix. The gross profit percentage in our retail operations segment was 44.8% for the three months ended July 31, 2016 compared to 46.8% for the same period last year. The decrease in gross profit percentage in our retail operations segment was driven by offering deeper discounts in order to sell excess inventory.

Selling, general and administrative expenses increased to $153.2 million in the three months ended July 31, 2016 from $141.5 million in the same period last year. This increase is primarily due to increased facility costs ($5.4 million), personnel costs ($4.2 million) and advertising expenses ($3.3 million), as well as expenses associated with the Donna Karan acquisition ($3.0 million). We expect to incur significant additional expenses in connection with our acquisition of Donna Karan during the second half of fiscal 2017. Facility costs increased as a result of increased shipping, storage and processing costs incurred at our third party warehouses, as well as higher rent expense resulting from additional retail stores opened since the prior year. Personnel costs increased as a result of staffing for new product lines under new license agreements, as well as an increase in headcount to staff additional retail stores that opened since last year. The increase in personnel costs is offset by a $4.1 million decrease in bonus accrued during the period related to the decrease in profitability. Advertising costs increased due to an increase in cooperative advertising, an increase in advertising purchased and an increase in retail stores promotional activities.

Depreciation and amortization increased to $7.7 million in the three months ended July 31, 2016 from $5.9 million in the same period last year. These expenses increased as a result of depreciation and amortization related to the increase in capital expenditures in previous years primarily related to fixturing costs at department stores, as well as remodeling, relocating and adding new Wilsons, G.H. Bass and Vilebrequin stores.

Interest and financing charges, net, for the three months ended July 31, 2016 was $1.1 million compared to $1.2 million for the same period last year as both borrowings and interest rates were steady over the two periods.

Income tax benefit for the three months ended July 31, 2016 was $4.6 million compared to a $7.3 million tax expense for the same period last year. Excluding the tax benefit from the equity awards, our effective tax rate remained the same for both periods at 37.0%. For the period ended July 31, 2016, we recorded a $2.4 million tax benefit realized in connection with the vesting of equity awards subsequent to the adoption of ASU 2016-09.

Six months ended July 31, 2016 compared to six months ended July 31, 2015

Net sales for the six months ended July 31, 2016 decreased to $899.7 million from $906.8 million in the same period last year. Net sales of our segments are reported before intercompany eliminations. Net sales of our wholesale operations segment were $743.7 million in the six months ended July 31, 2016 and $743.9 million in the comparable period last year. Our wholesale operations segment realized $16.8 million of new Karl Lagerfeld products and $13.5 million increase in additional net sales of Tommy Hilfiger licensed products, as well as a $11.8 million increase in net sales of Ivanka Trump licensed products. These increases were offset by a $16.7 million decrease in net sales of private label products and $11.7 million in net sales of Kensie licensed products. Net sales of our retail operations segment decreased to $195.0 million for the six months ended July 31, 2016 from $214.0 million in the same period last year primarily as the result of a decrease of 15.1% in Wilsons' same store sales compared to the same period in the prior year and a decrease of 7.8% in G.H. Bass same store sales compared to the same period in the prior year. These decreases are mainly the result of a reduction in demand for outerwear and cold weather products due to unseasonably warm weather, as well as a decrease in sales at locations that are frequented by international tourists. In addition, the outlet and retail business was highly promotional.

Gross profit was $321.3 million, or 35.7% of net sales, for the six months ended July 31, 2016, and $322.8 million, or 35.6% of net sales, in the same period last year. The gross profit percentage in our wholesale operations segment was 31.6% in the six months ended July 31, 2016 compared to 30.0% in the same period last year. This increase was primarily the result of a more favorable product mix, as well as an increase in gross profit of our Calvin Klein, Tommy Hilfiger, Eliza J, Jessica Howard, and Ivanka Trump licensed product lines. The gross profit percentage in our retail operations segment was 44.1% for the six months ended July 31, 2016 compared to 46.5% for the same period last year. The decrease in gross profit percentage was the result of offering deeper discounts in order to sell excess inventory.

Selling, general and administrative expenses increased to $306.3 million in the six months ended July 31, 2016 from $278.5 million in the same period last year. This increase is primarily due to increased personnel costs ($9.9 million), facility costs ($8.0 million) and advertising expenses ($6.2 million), as well as expenses associated with the Donna Karan acquisition ($3.0 million). We expect to incur significant additional expenses in connection with our acquisition of Donna Karan during the second half of fiscal 2017. Personnel costs increased as a result of staffing for new product lines under new license agreements, as well as an increase in headcount to staff additional retail stores that opened since last year Facility costs increased as a result of increased shipping, storage and processing costs incurred at our third party warehouses, as well as higher rent expense resulting from additional retail stores opened since the prior year. Advertising costs increased due an increase in cooperative advertising, an increase in advertising and advertising costs incurred due to the increase in net sales of licensed products. We typically pay an advertising fee and are required to participate in customer cooperative advertising pursuant to many of our license agreements based on a percentage of net sales of licensed products.

Depreciation and amortization increased to $14.9 million in the six months ended July 31, 2016 from $11.6 million in the same period last year. These expenses increased as a result of depreciation and amortization related to the increase in capital expenditures in previous years primarily related to fixturing costs at department stores, as well as remodeling, relocating and adding new Wilsons, G.H. Bass and Vilebrequin stores.

Interest and financing charges, net, for the six months ended July 31, 2016 was $2.3 million compared to $2.2 million for the same period last year as both borrowings and interest rates were steady over the two periods.

Income tax benefit for the six months ended July 31, 2016 was $3.0 million compared to an income tax expense of $11.3 million for the same period last year. Excluding the tax benefit from the equity awards, our effective tax rate remained the same for both periods at 37.0%. For the period ended July 31, 2016, we recorded a $2.4 million tax benefit realized in connection with the vesting of equity awards subsequent to the adoption of ASU 2016-09.

Liquidity and Capital Resources

Our primary operating cash requirements are to fund our seasonal buildup in inventories and accounts receivable, primarily during the second and third fiscal quarters each year. Due to the seasonality of our business, we generally reach our peak borrowings under our asset-based credit facility during our third fiscal quarter. The primary sources to meet our operating cash requirements have been borrowings under this credit facility, cash generated from operations and the sale of our common stock.

We had cash and cash equivalents of $45.0 million on July 31, 2016 and $18.8 million on July 31, 2015. Our contingent liability under open letters of credit was approximately $11.9 million as of July 31, 2016 compared to $11.1 million as of July 31, 2015.

Credit Agreement

We have a five year senior secured credit facility through August 2017 with JPMorgan Chase Bank, N.A., as Administrative Agent for a group of lenders, providing for borrowings in the aggregate principal amount of up to $450 million. Amounts available under the credit agreement are subject to borrowing base formulas and over advances as specified in the credit agreement. Borrowings bear interest, at our option, at LIBOR plus a margin of 1.5% to 2.0% or prime plus a margin of 0.5% to 1.0%, with the applicable margin determined based on availability under the credit agreement. The credit agreement requires us to maintain a minimum fixed charge coverage ratio, as defined, and under certain circumstances permits us to make payments for cash dividends, stock redemptions and share repurchases, subject to compliance with certain covenants. As of July 31, 2016, we were in compliance with these covenants.

The credit agreement is secured by all of the assets of G-III Apparel Group, Ltd. and its subsidiaries, G-III Leather Fashions, Inc., Riviera Sun, Inc., CK Outerwear, LLC, Andrew & Suzanne Company Inc., AM Retail Group, Inc., G-III Apparel Canada ULC, G-III License Company, LLC and AM Apparel Holdings, Inc.

As previously discussed, upon closing of the acquisition of Donna Karan, this credit agreement would be refinanced and replaced by the New ABL Facility.

Share Repurchase Program

Our Board of Directors has authorized a share repurchase program of 5,000,000 shares. The timing and actual number of shares repurchased, if any, will depend on a number of factors, including market conditions and prevailing stock prices, and are subject to compliance with certain covenants contained in our loan agreement. Share repurchases may take place on the open market, in privately negotiated transactions or by other means, and would be made in accordance with applicable securities laws. No shares were purchased under the program during the three months ended July 31, 2016. As of July 31, 2016, we have approximately 45,756,000 shares of common stock outstanding.

Cash from Operating Activities

We used $39.0 million of cash in operating activities during the six months ended July 31, 2016, primarily as a result of an increase of $84.5 million in inventory and an increase of $21.5 million in accounts receivable, offset by an increase in accounts payable and accrued expenses of $60.3 million.

The changes in these operating cash flow items are generally consistent with our seasonal pattern of building up inventory for the fall shipping season resulting in the increases in inventory and accounts payable. The fall shipping season begins during the latter half of our second quarter.

Cash from Investing Activities

We used $48.0 million of cash in investing activities in the six months ended July 31, 2016, of which $35.4 million related to our investment in KH1. The remainder of the cash used in investing activities of $12.6 million consisted of capital expenditures related primarily to additional fixturing costs at department stores, as well as remodeling, relocating and adding new G.H. Bass and Wilsons stores.

Cash from Financing Activities

We used $1.8 million of cash in financing activities in the six months ended July 31, 2016, primarily as a result of taxes paid in connection with the net share settlement of certain vested equity awards.

Financing Needs

We believe that our cash on hand and cash generated from operations together with funds available under our credit agreement, are sufficient to meet our expected operating and capital expenditure requirements and any purchases we may make under our recently expanded share repurchase program. Our pending acquisition of Donna Karan will require significant additional bank financing as described above under “Stock Purchase Agreement to Acquire Donna Karan International.” In the future, we may seek to acquire other businesses in order to expand our product offerings. We may need additional financing in order to complete one or more additional acquisitions. We cannot be certain that we will be able to obtain additional financing, if required, on acceptable terms or at all.

Critical Accounting Policies

Our discussion of results of operations and financial condition relies on our consolidated financial statements that are prepared based on certain critical accounting policies that require management to make judgments and estimates that are subject to varying degrees of uncertainty. We believe that investors need to be aware of these policies and how they impact our financial statements as a whole, as well as our related discussion and analysis presented herein. While we believe that these accounting policies are based on sound measurement criteria, actual future events can, and often do, result in outcomes that can be materially different from these estimates or forecasts.

The accounting policies and related estimates described in our Annual Report on Form 10-K for the year ended January 31, 2016 are those that depend most heavily on these judgments and estimates. As of July 31, 2016, there have been no material changes to our critical accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There are no material changes to the disclosure made with respect to these matters in our Annual Report on Form 10-K for the year ended January 31, 2016.

Item 4. Controls and Procedures.

As of the end of the period covered by this report, our management, including our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure, and thus, are effective in making known to them material information relating to G-III required to be included in this report.

During our last fiscal quarter, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended January 31, 2016, which could materially affect our business, financial condition or future results. As a result of the proposed acquisition of Donna Karan International Inc., we have identified additional risk factors, as set forth below. The risks described in our Annual Report on Form 10-K and in this Quarterly Report on Form 10-Q are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

The acquisition of Donna Karan may not close within the expected time, or at all, which could adversely affect our stock price and financial position.

We have entered into a stock purchase agreement with LVMH to acquire all of the outstanding stock of Donna Karan International Inc. ("Donna Karan"). The acquisition of Donna Karan is subject to the closing conditions set forth in the stock purchase agreement. There can be no assurance that all of the conditions set forth in the stock purchase agreement will be satisfied or waived or that the acquisition of Donna Karan will be completed in the expected timeframe, or at all. The stock purchase agreement may be terminated by each of LVMH and us under certain circumstances, including if the acquisition is not consummated by February 1, 2017. If the acquisition of Donna Karan is not consummated, our stock price and financial results could be adversely affected.

Our failure to successfully integrate the Donna Karan business or realize the benefits of the transaction in a timely and cost-efficient manner could adversely affect our business.

The success of the Donna Karan acquisition will depend, in part, on our ability to fully realize the anticipated benefits of adding the Donna Karan business to our portfolio. To realize these anticipated benefits, we must successfully integrate the Donna Karan business into our business and increase sales of Donna Karan products. Any failure to timely realize these anticipated benefits could have a material adverse effect on our results of operations and financial position.

Donna Karan and G-III have operated and will continue to operate independently until the completion of the acquisition. Some current and prospective employees of Donna Karan may experience uncertainty about their roles within the combined company, which may adversely affect our ability to retain or recruit key managers and other employees. While the acquisition of Donna Karan is pending, uncertainty and the integration process could result in: the loss of key employees, suppliers, distributors, other business partners or significant customers; decreases in revenues; increases in taxes or operating or other costs; and the disruption of Donna Karan's or G-III's ongoing business, any of which could limit our ability to achieve the anticipated benefits of the Donna Karan acquisition and have an adverse effect on our operating results. Integration efforts will also require substantial commitments of management time and attention and other resources, which could otherwise have been allocated to different uses that may have been beneficial to our business.

Financing for the acquisition of Donna Karan may not be available on expected or acceptable terms.

We have entered into a commitment letter for a new $650 million aggregate principal amount, five-year senior secured asset-based revolving credit facility (the "New ABL Facility") and a $350 million aggregate principal amount senior secured term loan facility that will mature six years after the Closing Date (the "Term Facility") (collectively, the "Bank Debt"). The proceeds from borrowings under the Term Facility will be used, along with proceeds of up to $250.0 million in borrowings under the New ABL Facility, if drawn, and cash on hand to pay the cash portion of the purchase price. Proceeds of the New ABL Facility will also be used to pay off any outstanding balance under our existing credit facility. We will not know the interest rate on the Bank Debt until after syndication of the Bank Debt has occurred. The obligation of the lenders to fund the initial borrowings under the Bank Debt is subject to the completion of certain closing conditions set forth in the commitment letter. If these conditions are not met or waived, and the lenders do not fund the borrowings under the Bank Debt, we would have to obtain alternative financing in order to perform our obligations under the stock purchase agreement as there is no financing condition contained in the stock purchase agreement. There can be no assurance that the required financing will be available on favorable terms, in a timely manner or at all.

Our indebtedness will increase following the completion of the acquisition of Donna Karan, which could adversely affect us.

Following the completion of the acquisition of Donna Karan, our indebtedness will be significantly greater than our current indebtedness. In addition to the indebtedness under the Bank Debt, we will also incur $75 million of debt pursuant to a junior lien secured seller note that will bear interest at the rate of 2% per annum and mature six and one half years after the closing date. The increase in the amount of our outstanding debt could adversely affect us by decreasing our business flexibility and increasing our borrowing costs. The Bank Debt will contain certain restrictive covenants imposing operating and financial restrictions on us. These covenants restrict our ability, including certain of our subsidiaries, among other things, to: incur or guarantee indebtedness; incur liens; pay dividends or repurchase stock; enter into transactions with affiliates; consummate asset sales, acquisitions or mergers; prepay certain other indebtedness; or make investments. The New ABL Facility will also require us to comply with certain financial covenants.

The operating restrictions and financial covenants in the Bank Debt may limit our ability to finance future operations or capital needs or to engage in other business activities. Our ability to comply with any financial covenants could be materially affected by events beyond our control, and there can be no assurance that we will satisfy any such requirements. If we fail to comply with these covenants, we may need to seek waivers or amendments of such covenants, seek alternative or additional sources of financing or reduce our expenditures. We may be unable to obtain such waivers, amendments or alternative or additional financing at all, or on favorable terms.

If an event of default occurs, the lenders under the Bank Debt, as well as the holder of the seller note, may declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable and exercise remedies in respect of the collateral. We may not be able to repay all amounts due under the Bank Debt or seller note in the event these amounts are declared due upon an event of default.

Our debt level and related debt service obligations could have negative consequences, including:

- requiring us to dedicate significant cash flow from operations to the payment of principal, interest and other amounts payable on our debt, which would reduce the funds we have available for other purposes, such as working capital, capital expenditures, acquisitions, share repurchases and dividends;
- making it more difficult or expensive for us to obtain any necessary future financing for working capital, capital expenditures, debt service requirements, debt refinancing, acquisitions or other purposes;
- reducing our flexibility in planning for or reacting to changes in our industry and market conditions;
- making us more vulnerable in the event of a downturn in our business operations; and
- exposing us to interest rate risk given that the substantial portion of our debt obligations is at variable interest rates.

The Term Facility is the first debt issued by us that will be rated by rating agencies. Our credit rating and ability to access well-functioning capital markets are important to us.

Our access to the debt markets and the terms of such access, depend on multiple factors including the condition of the debt capital markets, our operating performance, and our credit ratings. The Term Facility will be the first debt issued by us that will be assigned a rating by the major credit rating agencies. These ratings are based on a number of factors including their assessment of our financial strength and financial policies. Our borrowing costs will be dependent to some extent on the rating assigned to our debt. However, there can be no assurance that any particular rating assigned to us will remain in effect for any given period of time or that a rating will not be changed or withdrawn by a rating agency, if in that rating agency's judgment, future circumstances relating to the basis of the rating so warrant. Incurrence of additional debt by us could adversely affect our credit rating. Any disruptions or turmoil in the capital markets or any downgrade of our credit rating could adversely affect our cost of funds, liquidity, competitive position and access to capital markets, which could materially and adversely affect our business operations, financial condition and results of operations.

We will incur significant transaction costs as a result of the Donna Karan acquisition.

We expect to incur significant one-time transaction costs related to the Donna Karan acquisition. These transaction costs include investment banking, lender, accounting and legal fees and expenses and other related charges. We may also incur additional unanticipated transaction costs in connection with the Donna Karan acquisition. A portion of the transaction costs related to the acquisition will be incurred regardless of whether the Donna Karan acquisition is completed. Additional costs will be incurred in connection with integrating the Donna Karan business with our business. Costs incurred in connection with the Donna Karan acquisition and integration may be higher than expected. These costs could adversely affect our financial position and results of operations.

The amount of our goodwill and other intangibles will significantly increase as a result of our acquisition of Donna Karan. If our goodwill and other intangibles become impaired in the future, we may be required to record material charges to earnings.

As of July 31, 2016, we had goodwill and other intangibles in an aggregate amount of $128.3 million, or approximately 10.2% of our total assets and 14.2% of our stockholders' equity. The acquisition of Donna Karan would result in a significant increase in our goodwill and other intangibles. Under accounting principles generally accepted in the United States, we review our goodwill and other indefinite life intangibles for impairment annually during the fourth quarter of each fiscal year and when events or changes in circumstances indicate the carrying value may not be recoverable. The carrying value of our goodwill and other intangibles may not be recoverable due to factors such as reduced estimates of future cash flows and profitability, increased cost of debt, slower growth rates in our industry or a decline in our stock price and market capitalization. Estimates of future cash flows and profitability are based on an updated long-term financial outlook of our operations. However, actual performance in the near-term or long-term could be materially different from these forecasts, which could impact future estimates. A significant decline in our market capitalization or deterioration in our projected results could result in an impairment of our goodwill and/or other intangibles. Because of the significant increase in the expected amount of our goodwill and intangible assets after completion of the acquisition of Donna Karan, any future impairment of these assets could require us to record material charges that would negatively impact our results of operations and could negatively impact our stock price.

Donna Karan will be subject to additional regulatory requirements as a result of becoming part of a publicly-traded company in the United States.

Donna Karan is currently an indirect, wholly-owned subsidiary of a company that is traded on the Paris Stock Exchange. As such, it has not been subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended and other federal securities laws, as well as the compliance obligations of the Sarbanes-Oxley Act of 2002, including with respect to internal control over financial reporting, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, including with respect to the use of so-called "conflict minerals." Compliance with these new obligations as a result of Donna Karan becoming a part of a publicly-traded company in the United States will require significant resources and management attention, and any failure to comply could have a material adverse effect on us.

Item 6. Exhibits.

10.1	Debt Commitment Letter (the "Debt Commitment Letter"), dated July 22, 2016, by and between the Company and Barclays Bank PLC and JPMorgan Chase Bank, N.A.
10.2	Joinder Agreement to the Debt Commitment Letter, dated August 25, 2016, between the Company and the Commitment Parties named therein.
31.1	Certification by Morris Goldfarb, Chief Executive Officer of G-III Apparel Group, Ltd., pursuant to Rule 13a - 14(a) or Rule 15d - 14(a) of the Securities Exchange Act of 1934, as amended, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2016.
31.2	Certification by Neal S. Nackman, Chief Financial Officer of G-III Apparel Group, Ltd., pursuant to Rule 13a - 14(a) or Rule 15d - 14(a) of the Securities Exchange Act of 1934, as amended, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2016.
32.1	Certification by Morris Goldfarb, Chief Executive Officer of G-III Apparel Group, Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2016.
32.2	Certification by Neal S. Nackman, Chief Financial Officer of G-III Apparel Group, Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2016.
101.INS	XBRL Instance Document.
101.SCH	XBRL Schema Document.
101.CAL	XBRL Calculation Linkbase Document.
101.DEF	XBRL Extension Definition.
101.LAB	XBRL Label Linkbase Document.
101.PRE	XBRL Presentation Linkbase Document.

SIGNATURES

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

G-III APPAREL GROUP, LTD.
(Registrant)

Date: September 1, 2016

By: /s/ Morris Goldfarb
Morris Goldfarb
Chief Executive Officer

Date: September 1, 2016

By: /s/ Neal S. Nackman
Neal S. Nackman
Chief Financial Officer

Exhibit 10.1

BARCLAYS
745 Seventh Avenue
New York, New York 10019

JPMORGAN CHASE BANK, N.A.
383 Madison Avenue
New York, New York 10179

PERSONAL AND CONFIDENTIAL

July 22, 2016

G-III Apparel Group, LTD.
512 Seventh Avenue
New York, New York 10018
Attention: Wayne Miller, Chief Operating Officer

Project Brand II
$450,000,000 Senior Secured Term Loan Facility
$525,000,000 ABL Facility
Commitment Letter

Ladies and Gentlemen:

G-III Apparel Group, LTD (the "Company" or "you") has advised Barclays Bank PLC ("Barclays", together with any of its affiliates as may be appropriate to provide the services, but for the avoidance of doubt, not the commitments contemplated herein) and JPMorgan Chase Bank, N.A. ("JPMorgan", together with any of its affiliates as may be appropriate to provide the services, but for the avoidance of doubt, not the commitments contemplated herein); JPMorgan, together with Barclays and any Additional Commitment Parties (as defined below) appointed pursuant to the fifth paragraph of Section 1 hereof, (the "Commitment Parties", "we" or "us") that it intends to acquire (the "Acquisition") directly or indirectly, through one or more subsidiaries, the capital stock of an entity codenamed "Brand II" (the "Target") and to consummate the other transactions described in the Transaction Description attached hereto as Exhibit A. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Transaction Description and in the Summary of Principal Terms and Conditions attached hereto as Exhibit B (the "Term Facility Term Sheet") and in the Summary of Principal Terms and Conditions attached hereto as Exhibit C (the "ABL Facility Term Sheet" and, together with the Term Facility Term Sheet, the "Term Sheets"; this commitment letter, the Transaction Description, the Term Sheets and the Summary of Conditions Precedent attached hereto as Exhibit D, collectively, the "Commitment Letter").

You have also advised us that, in connection therewith, it is intended that the financing for the Transactions will be financed from the following sources:

- $450.0 million of borrowings under a senior secured term loan facility (the "Term Facility") having the terms set forth in the Term Facility Term Sheet;
- Borrowings of up to the amount specified in the ABL Facility Term Sheet under a $525.0 million senior secured asset-based revolving credit facility (the "ABL Facility"; the ABL Facility and the Term Facility are collectively referred to herein as the "Facilities");
- $75.0 million of borrowings under a seller note having the terms substantially as set forth in Exhibit B to the Acquisition Agreement (the "Seller Note");

- Common equity issued by the Company to the shareholders of the Target in accordance with the Acquisition Agreement (the "Equity Issuance").

1. Commitments and Agency Roles

You hereby appoint (i) Barclays to act, and Barclays hereby agrees to act, as sole and exclusive administrative agent and collateral agent (in such capacities, the "Term Administrative Agent ") for the Term Facility and (ii) JPMorgan to act, and JPMorgan hereby agrees to act, as sole and exclusive administrative agent and collateral agent (in such capacities, the "ABL Administrative Agent " and, together with the Term Administrative Agent, the " Administrative Agents") for the ABL Facility. You hereby appoint (i) each of Barclays and JPMorgan to act, and each of Barclays and JPMorgan hereby agrees to act, as a lead arranger and bookrunner (in such capacities, together with any Additional Commitment Party (as defined below) appointed as an arranger and/or bookrunner pursuant to the provisions of the fifth paragraph of this Section 1, each a "Term Facility Arranger" and, collectively, the "Term Facility Arrangers") for the Term Facility and (ii) each of JPMorgan and Barclays to act, and each of JPMorgan and Barclays hereby agrees to act, as a lead arranger and bookrunner (in such capacities, together with any Additional Commitment Party (as defined below) appointed as an arranger and/or bookrunner pursuant to the provisions of the fifth paragraph of this Section 1, each an "ABL Facility Arranger" and, collectively, the "ABL Facility Arrangers"; the ABL Facility Arrangers and the Term Facility Arrangers are collectively referred to herein as the " Arrangers") for the ABL Facility. It is agreed that (i) Barclays shall have "left" placement in any and all marketing materials or other documentation used in connection with the Term Facility and shall hold the leading role and responsibilities conventionally associated with such "left" placement and JPMorgan shall have "right side" placement (immediately to the right of Barclays) in any and all marketing materials or other documentation used in connection with the Term Facility and shall hold the roles and responsibilities conventionally associated with such "right" placement and (ii) JPMorgan shall have "left" placement in any and all marketing materials or other documentation used in connection with the ABL Facility and shall hold the leading role and responsibilities conventionally associated with such "left" placement and Barclays shall have "right side" placement (immediately to the right of JPMorgan) in any and all marketing materials or other documentation used in connection with the ABL Facility and shall hold the roles and responsibilities conventionally associated with such "right" placement. All other financial institutions and any other Arrangers will be listed in customary fashion (as mutually agreed to by you and the Arrangers as of the Acceptance Date (as defined below)) in the marketing materials or other documentation used in connection with the Facilities.

In connection with the Transactions contemplated hereby, (a)(i) Barclays is pleased to advise you of its several, but not joint, commitment to provide 60% of the aggregate principal amount of the Term Facility (and hereby agrees to provide the same percentage of any increased amounts to fund any original issue discount or upfront fees required to be funded in connection with the exercise of "Market Flex Provisions" in the Fee Letter (as defined below)) and (ii) JPMorgan is pleased to advise you of its several, but not joint, commitment to provide 40% of the aggregate principal amount of the Term Facility (and hereby agrees to provide the same percentage of any increased amounts to fund any original issue discount or upfront fees required to be funded in connection with the exercise of "Market Flex Provisions" in the Fee Letter) and (b)(i) JPMorgan is pleased to advise you of its several, but not joint, commitment to provide 60% of the aggregate principal amount of the ABL Facility and (ii) Barclays is pleased to advise you of its several, but not joint, commitment to provide 40% of the aggregate principal amount of the ABL Facility subject, in each case (described in clauses (a) and (b) above) to the satisfaction or waiver of the applicable Closing Conditions (as defined below).

In such capacity, Barclays and JPMorgan, together with any Additional Commitment Party added as an initial lender pursuant to the provisions of the fifth paragraph of this Section 1, are referred to herein as

the "Initial Lenders" and, each individually as an "Initial Lender", with the entities named in clause (a) above, together with any Additional Commitment Party added as an initial lender under the Term Facility pursuant to the provisions of the fifth paragraph of this Section 1, being herein called the "Initial Term Lenders" and the entities named in clause (b) above, together with any Additional Commitment Party added as an initial lender under the ABL Facility pursuant to the provisions of the fifth paragraph of this Section 1, being herein called the "Initial ABL Lenders".

Our fees for services related to the Facilities are set forth in a separate fee letter (the "Fee Letter") between the Company and us entered into on the date hereof. In consideration of our execution and delivery of this Commitment Letter, you agree to pay the fees and expenses set forth in the Term Sheets and in the Fee Letter as and when payable in accordance with the terms hereof and thereof. Subject to the provisions set forth in the next succeeding paragraph, you agree that no other titles will be awarded and no compensation (other than as expressly contemplated by this Commitment Letter and the Fee Letter) will be paid to the Lenders in connection with the Facilities unless you and we shall so agree.

Notwithstanding the foregoing, you may, on or prior to the date that is ten (10) business days following the date of your acceptance of this Commitment Letter (the "Acceptance Date"), (A) appoint one (1) other financial institution as an additional bookrunner and/or arranger in respect of the Term Facility and appoint up to three (3) other financial institutions as documentation agents, additional managers and/or co-managers in respect of the Term Facility and (B) appoint one (1) other financial institutions as an additional bookrunner and/or arranger in respect of the ABL Facility and appoint up to three (3) other financial institutions as documentation agents, additional managers and/or co-managers in respect of the ABL Facility (in either case, each an "Additional Commitment Party"). The Additional Commitment Parties (or their affiliates) with respect to the Term Facility may have (in the aggregate) commitments of up to 20% of the commitment amount with respect to the Term Facility and shall be entitled to its ratable share of the economics payable to Barclays and JPMorgan in respect of the Term Facility. The Additional Commitment Parties (or their affiliates) with respect to the ABL Facility may have (in the aggregate) commitments of up to 20% of the commitment amount with respect to the ABL Facility and shall be entitled to their ratable share of the economics payable to JPMorgan and Barclays in respect of the ABL Facility. It is understood that, to the extent you appoint an Additional Commitment Party, the commitments of Barclays and JPMorgan with respect to the applicable Facility will be reduced ratably with respect to such Facility by the amount of the commitments of such Additional Commitment Party (or its affiliates) upon the execution by it of customary joinder documentation pursuant to which such Additional Commitment Party (and/or its affiliate) shall assume a proportion of the commitments with respect to the applicable Facility that equal the proportion of the economics allocated to it and, thereafter, such Additional Commitment Party (or its affiliates) shall constitute an Initial Lender, an Initial Term Lender, an Initial ABL Lender, a Term Facility Arranger, an ABL Facility Arranger and a Commitment Party hereunder.

2. Conditions Precedent

Our commitments hereunder to fund and make effective the Facilities on the Closing Date (as defined below) and our agreements to perform the services described herein are subject only to the conditions set forth in Exhibit D hereto (the "Closing Conditions"); and upon, in each case, satisfaction (or waiver by the Commitment Parties) of such Closing Conditions, the initial funding of the Facilities shall occur; it being understood that there are no conditions (implied or otherwise) to the commitments hereunder, other than those that are expressly stated as Closing Conditions above to be conditions to the initial funding under and effectiveness of, the Facilities on the Closing Date.

Notwithstanding anything to the contrary in this Commitment Letter (including each of the exhibits attached hereto), the Fee Letter, the Loan Documents (as defined in Exhibit C) or any other agreement or

undertaking between you and us concerning the financing of the Transactions to the contrary, (i) the only representations and warranties the accuracy of which will be a condition to the availability and effectiveness of the Facilities on the Closing Date will be (a) the representations and warranties made by, or with respect to the Target, in the Acquisition Agreement that are material to the interests of the Lenders, but only to the extent that the Company or its subsidiaries have the right (taking into account any applicable cure periods) to terminate its or their obligations under the Acquisition Agreement or decline to consummate the transactions thereunder as a result of a breach of such representations in the Acquisition Agreement (to such extent, the "Acquisition Agreement Representations") and (b) the Specified Representations (as defined below) and (ii) the terms of the Loan Documents shall be in a form such that they do not impair the availability and effectiveness of the Facilities on the Closing Date if the Closing Conditions are satisfied and/or waived by the Commitment Parties (it being understood that, to the extent any security interest in the Collateral (as defined in Exhibit B) (other than any collateral the security interest in which may be perfected by the (x) filing of a UCC financing statement or (y) possession of stock certificates (or equivalent certificated equity interests) of the U.S. restricted subsidiaries of the Company (including the Target) as and to the extent required under the heading "Collateral" in Exhibit B; provided that, to the extent that you have used commercially reasonable efforts to procure the delivery thereof prior to the Closing Date, certificated equity interests of the subsidiaries of the Target will only be required to be delivered on the Closing Date pursuant to the terms set forth above if such certificates are actually received from the Seller or the Target), is not or cannot be provided and/or perfected on the Closing Date (1) without undue burden or expense and (2) after your use of commercially reasonable efforts to do so, then the provision and/or perfection of such security interest(s) or deliverable shall not constitute a condition precedent to the availability of the Facilities on the Closing Date but shall be required to be delivered within no later than 90 days after the Closing Date (or such later date as may be reasonably agreed by the Term Administrative Agent) pursuant to arrangements to be mutually agreed by the Company and the Term Administrative Agent). For purposes hereof, " Specified Representations" means the representations of the Borrowers and the Guarantors (each as defined in Exhibit A) in the Loan Documents relating to qualification, incorporation or organization of the Company and its subsidiaries; power and authority to enter into and perform under the Loan Documents; due authorization and execution of the Loan Documents; the incurrence of the loans to be made under the Facilities, the provision of the guarantees under the Loan Documents and the granting of the security interests in the Collateral to secure the Facilities and the other provisions of the Loan Documents, do not conflict with the organizational documents of the Borrower or any Guarantor; delivery and enforceability of the Loan Documents; solvency as of the Closing Date (after giving effect to the Transactions) of the Borrower and its subsidiaries on a consolidated basis (solvency to be defined in a manner consistent with the manner in which solvency is determined in the solvency certificate to be delivered pursuant to paragraph 5 of Exhibit D); not being required to be registered as an "investment company" as defined in, or subject to regulation under the Investment Company Act of 1940; not using proceeds of the loans under the Facilities to purchase margin stock or otherwise in violation of the FCPA, OFAC; the Patriot Act; and the creation, validity and perfection of the security interest granted in the intended collateral to be perfected (except as provided above). This paragraph, and the provisions herein, shall be referred to as the "Limited Conditionality Provisions".

3. Syndication

The Arrangers intend and reserve the right, on and after the Acceptance Date, to syndicate the Facilities to a group of banks, financial institutions and other institutional lenders (collectively, with the Initial Lenders, the "Lenders") identified by us in consultation with you and subject to your consent (such consent not to be unreasonably withheld, delayed or conditioned). Notwithstanding the foregoing, the Arrangers will not syndicate to (i) those lenders separately identified in writing by you to us prior to the date hereof or (ii) to your competitors (which shall not include bona fide debt funds), separately identified in writing by you to us prior to the date hereof or to the Administrative Agents from time to time after the

Closing Date (such Lenders, "Disqualified Lenders"); provided that any supplement to the "Disqualified Lenders" list shall become effective three (3) business days after delivery to the Arrangers, but which supplement shall not apply retroactively to disqualify any entities that have previously acquired a commitment or a participation in the Facilities in accordance with the terms of this Commitment Letter or the Loan Documents (as defined in Exhibit C to this Commitment Letter); provided, further that, no supplements shall be made to the "Disqualified Lender" list from and including the date of the launch of primary syndication of the Facilities through and including the Syndication Date (as defined below).

Notwithstanding the Arrangers' right to syndicate the Facilities and receive commitments with respect thereto (but other than in connection with any assignment to the Additional Commitment Party pursuant to Section 1 above or unless otherwise agreed in writing by you), (i) no Initial Lender shall be relieved, released or novated from its obligations hereunder (including its obligation to fund the Facilities on the date of consummation of the Acquisition and effectiveness of, and initial funding under, the Facilities (the date of such consummation, effectiveness and funding, the "Closing Date")) in connection with any syndication, assignment or participation of the Facilities, including its commitments in respect thereof, until after the initial funding of the Facilities on the Closing Date has occurred, (ii) no assignment or novation by any Initial Lender shall become effective with respect to all or any portion of any Initial Lender's commitments in respect of the Facilities until after the initial funding of the Facilities on the Closing Date has occurred and (iii) unless you otherwise agree in writing, each Commitment Party shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the Facilities, including all rights with respect to consents, modifications, supplements, waivers and amendments, until the Closing Date has occurred.

The Arrangers will lead the syndication, including determining the timing of all offers to potential Lenders, any title of agent or similar designations or roles awarded to any Lender and the acceptance of commitments, the amounts offered and the compensation provided to each Lender from the amounts to be paid to the Arrangers pursuant to the terms of this Commitment Letter and the Fee Letter, in each case subject to your consent rights on the identity of Lenders specified above and rights of appointment of any Additional Commitment Party. The Arrangers will determine the final commitment allocations and will notify the Company of such determinations. The Company agrees to use commercially reasonable efforts to ensure that the Arrangers' syndication efforts benefit from the existing lending and investment banking relationships of the Company and your subsidiaries. To facilitate an orderly and successful syndication of the Facilities, you agree that, prior to the Syndication Date, the Company will not, and will use commercially reasonable efforts to ensure that the Target will not, syndicate or issue, attempt to syndicate or issue, announce or authorize the announcement of the syndication or issuance of, any debt facility or any debt security of the Company or the Target or any of their respective subsidiaries (other than the Facilities, any indebtedness of the Target permitted to be incurred by the Target (including its subsidiaries) pursuant to the Acquisition Agreement, other indebtedness incurred in the ordinary course of business of the Company and its subsidiaries or the Target for capital expenditures and working capital purposes), without the prior written consent of the Arrangers, if such issuance, offering, placement or arrangement would reasonably be expected to materially impair the primary syndication of the Facilities.

Without limiting your obligations to assist with the syndication efforts as set forth herein, it is understood that the Initial Lenders' commitments hereunder are not conditioned upon the syndication of, or receipt of commitments in respect of, the Facilities and in no event shall the commencement or successful completion of syndication of the Facilities constitute a condition to the availability of the Credit Facilities on the Closing Date. The Company agrees to, and agrees to use commercially reasonable efforts to have the Target, cooperate with the Arrangers, and provide customary information reasonably required by the Arrangers, in connection with all syndication efforts of the Arrangers until the earlier to occur of (a) the Successful Syndications (as defined in the Fee Letter) and (b) 60 days following the Closing Date (such earlier date, the "Syndication Date") including: (i) your assistance in preparing, as soon as practicable

after the date of this Commitment Letter, a customary information memorandum and other customary marketing materials (collectively, "Facilities Marketing Materials") in each case to be used in connection with the syndication of the Facilities and you shall use your commercially reasonable efforts to provide the Term Facility Arrangers with a period, on or prior to the Closing Date, of 15 consecutive Business Days, beginning no earlier than September 6, 2016, from and after the date of receipt of the Facilities Marketing Materials containing customary information regarding you and your subsidiaries, the Target and its subsidiaries, the Transactions and the Facilities (other than information customarily included therein that is customarily provided by the Commitment Parties or their counsel) in a form customarily delivered in connection with senior secured bank financings in the United States, to syndicate the Credit Facilities; (ii) using commercially reasonable efforts to obtain, prior to the launch of syndication, a public corporate family rating from Moody's Investors Service, Inc. ("Moody's") and a public corporate credit rating from S&P Global Ratings ("S&P"), in each case with respect to the Company, and ratings for the Term Facility from each of S&P and Moody's; (iii) arranging for direct contact between appropriate senior management, representatives and advisors of the Company with prospective Lenders, in all such cases at times mutually agreed upon; (iv) hosting (including any preparations with respect thereto) with the Arrangers at places and times reasonably requested by the Arrangers and mutually agreed upon one or more meetings with prospective Lenders; (v) using commercially reasonable efforts to cause the Seller to cooperate with Ernst & Young LLP in the preparation of, and to cause Ernst & Young LLP to prepare and deliver to you prior to the launch of syndication, quality of earnings reports (collectively, the "QoE Reports") in respect of the Target and its subsidiaries prepared by Ernst & Young LLP with respect to the 2014 and 2015 fiscal years, as well as the interim periods ending March 31, 2016, June 30, 2016 and, if applicable, September 30, 2016 and (vi) using commercially reasonable efforts to (x) ensure that the ABL Administrative Agent and its designees shall have sufficient access to Company and its subsidiaries and the Target and its subsidiaries to complete, as promptly as practicable after the Acceptance Date and prior to the Closing Date or as soon as practicable thereafter (A) a field examination of the accounts receivable, credit card receivables, inventory and related working capital matters and related data processing and other systems, in each case, to the reasonable satisfaction of the ABL Administrative Agent and (B) an appraisal of inventory by an independent third-party appraisal firm reasonably acceptable to the ABL Administrative Agent and (y) delivering a Borrowing Base Certificate (as defined in Exhibit C) or certificate evidencing the initial Borrowing Base (as defined in Exhibit C) and after giving effect to the initial borrowing under the ABL Facility on the Closing Date and which certificate may be in the form of, and contain information consistent with, the most recent borrowing base certificate delivered by the Company under the Existing ABL Facility (as defined in Exhibit A) (with relevant modifications with respect to the assets of the Target and its subsidiaries to the extent that any such assets of the Target and its subsidiaries are to be included in the Borrowing Base on the Closing Date) (the "Initial Borrowing Base Certificate"). It is understood that the only financial statements that shall be required to be provided to the Commitment Parties in connection with the syndication of the Facilities shall be those required to be delivered pursuant to paragraphs 2 and 3 of Exhibit D and it is further understood that the financial statements referred to in clauses (ii) and (iv) of paragraph 2 of Exhibit D may not be delivered until the Closing Date or immediately prior thereto. Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letter or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary, your obligations to assist in syndication efforts as provided herein (including the obtaining of the ratings referred to above and the compliance with any of the provisions set forth in this paragraph), shall not constitute a condition to the commitments hereunder or the funding of the Facilities on the Closing Date.

Upon the reasonable request of the Arrangers, you will furnish, and to the extent not in contravention of the Acquisition Agreement, use your commercially reasonable efforts to cause the Target to furnish, for no fee, to the Arrangers an electronic version of your and your subsidiaries' and the Target's and its subsidiaries' corporate logos for use in marketing materials for the purpose of facilitating the syndication of the Facilities (the "License"); provided, however, that the License shall be used solely for the purpose

described above and may not be assigned or transferred. You hereby authorize the Arrangers to download copies of the Company's corporate logos from its website and post copies thereof on the IntraLinks site, SyndTrak site or similar workspace established by any Arranger to syndicate the Facilities and use the logos in any Facilities Marketing Material or in any advertisements (to which you consent, such consent not to be unreasonably withheld, delayed or conditioned) that the Arrangers may place after the Closing Date in financial and other newspapers and journals, or otherwise, at its own expense describing its services to you. You will be solely responsible for the contents of the Facilities Marketing Materials and all other information, documentation or other materials delivered to us by you or your affiliates in connection therewith and you acknowledge that we will be using and relying upon such information without independent verification thereof.

You understand that certain prospective Lenders (such Lenders, "Public Lenders") may have personnel that do not wish to receive MNPI (as defined below). At any Arranger's request, you agree to assist in the preparation of an additional version of the Facilities Marketing Materials that does not contain material non-public information (as reasonably determined by you) concerning you, the Target or your or its respective subsidiaries or your or its respective affiliates or any of your or its respective securities for purposes of applicable foreign (with respect to the Seller and its securities only), United States federal and state securities laws (collectively, "MNPI"). You will clearly designate as "PUBLIC" any information that does not contain MNPI (the "Public Information Materials") provided to the Commitment Parties by you or by your representatives on your behalf which is suitable to make available to Public Lenders. Before distribution of any Facilities Marketing Materials in connection with the syndication of the Facilities (i) to prospective Lenders that are not Public Lenders, you will provide us with a customary letter authorizing the dissemination of such materials and (ii) to prospective Public Lenders, you will provide us with a customary letter authorizing the dissemination of Public Information Materials to Public Lenders and confirming the absence of MNPI therein. You acknowledge and agree that the following documents may be distributed to Public Lenders (unless you or your counsel promptly notify us (including by email) otherwise and provided that you and your counsel have been given a reasonable opportunity to review such documents and comply with applicable securities law disclosure obligations): (a) drafts and final versions of the Loan Documents; (b) administrative materials prepared by the Arrangers for prospective Lenders (including without limitation a lender meeting invitation, allocations and funding and closing memoranda); and (c) term sheets and notification of changes in the terms and conditions of the Facilities. You agree that unless specifically labeled "PUBLIC," no information, documentation or other data disseminated to prospective Lenders in connection with the syndication of the Facilities, whether through an Internet site (including without limitation an IntraLinks or SyndTrak workspace), electronically, in presentations, at meetings or otherwise will be distributed to Public Lenders. You acknowledge that any Commitment Party's public-side employees and representatives who are publishing debt analysts may participate in any meetings held pursuant to clause (iv) of the second preceding paragraph; provided that, such analysts shall not publish any information obtained from such meetings (i) until the syndication of the Facilities has been completed upon the making of allocations by the Arrangers and the Arrangers freeing the Facilities to trade or (ii) in violation of any confidentiality agreement between you and the relevant Commitment Party.

4. Information

You represent and warrant that (and with respect to information and projections relating to the Target and its subsidiaries, to the best of your knowledge that) (i) all written information (other than projections, forward-looking information and information of a general economic or industry specific nature) that has been or will be made available to each Arranger, each Commitment Party, the Lenders or any of their respective affiliates by you or any of your representatives on your behalf (including any information relating to the Target and its subsidiaries) in connection with the Transactions, when taken as a whole, was and will be, when furnished, complete and correct in all material respects and did not and will not

when furnished and when taken as a whole contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not materially misleading in light of the circumstances under which such statements were or are made (giving effect to all supplements and updates provided thereto) and (ii) the projections and other forward-looking information that have been or will be made available to each Arranger, each Commitment Party, the Lenders or any of their respective affiliates by you or any of your representatives on your behalf in connection with the Transactions have been and will be prepared in good faith and that the information in such projections with respect to you will be based upon accounting principles consistent with the historical audited financial statements of the Company most recently provided to the Commitment Parties as of the date hereof and upon assumptions that are believed by the preparer thereof to be reasonable at the time made and at the time such projections are made available to each Arranger, each Commitment Party, the Lenders or any of their respective affiliates; it being understood that such projections and forward-looking statements are as to future events and are not to be viewed as facts, such projections and forward-looking statements are subject to significant uncertainties and contingencies and that actual results during the period or periods covered by any such information may differ significantly from the projected results, and that no assurance can be given that the projected results will be realized. You agree that if at any time prior to the later of (a) the Closing Date and (b) the Syndication Date you become aware that any of the representations in the preceding sentence would be incorrect (to the best of your knowledge with respect to information and projections relating to the Target and its subsidiaries) in any material respect if the information and projections were being furnished, and such representations were being made, at such time, then you will (and, with respect to information and projections relating to the Target and its subsidiaries, you will use commercially reasonable efforts to cause the Target and its subsidiaries to) promptly supplement, or cause to be supplemented, the information and projections so that (with respect to information and projections relating to the Target and its subsidiaries, to the best of your knowledge) such representations will be correct in all material respects under those circumstances. You understand that in providing our services pursuant to this Commitment Letter we may use and rely on the information and projections without independent verification thereof.

5. Indemnification; Expense Reimbursement

To induce us to enter into this Commitment Letter and the Fee Letter and to proceed with the documentation of the Facilities, you hereby agree (a) to indemnify and hold harmless the Administrative Agents, the Commitment Parties, the Arrangers and their respective affiliates and each partner, trustee, director, officer, employee, advisor, representative, agent, attorney and controlling person thereof (each of the above, an "Indemnified Person") from and against any and all claims, losses, damages, liabilities or expenses, joint or several, of any kind or nature whatsoever that may be brought by the Company, the Target, the Guarantors, any of their respective affiliates or any other person or entity and which may be incurred by or asserted against or involve any Indemnified Person as a result of or arising out of or in any way relating to any actions, suits or proceedings (including any investigations or inquiries) relating to or resulting from this Commitment Letter, the Fee Letter, the Facilities, the Transactions or any related transaction contemplated hereby or thereby or any use or intended use of the proceeds of the Facilities and you agree, upon demand, to pay and reimburse each Indemnified Person, whether or not the action, suit, proceeding or claim out of which any such expenses arise is brought by the Company, the Target, any Guarantor, any of their respective affiliates or any other person or entity and whether or not any Indemnified Person is a party to such action, suit, proceeding or claim for any reasonable, documented out-of-pocket legal (limited to the fees, charges and disbursements of a single counsel for all Indemnified Persons selected by the Commitment Parties and of such special and local counsel as the Commitment Parties may deem appropriate in their good faith discretion, except that if any Indemnified Person reasonably concludes that its interests conflict with those of another Indemnified Person and notifies you of such conflict, you shall also be responsible for the reasonable, documented fees, charges and disbursements of one separate counsel for such conflicted Indemnified Persons) or other reasonable,

documented out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including any inquiry or investigation) or claim; provided that you will not have to indemnify an Indemnified Person against any claim, loss, damage, liability or expense (i) to the extent such claim, loss, damage, liability or expense resulted from (x) the gross negligence or willful misconduct of such Indemnified Person or any of its affiliates, partners, trustees, directors, officers, employees, advisors, representatives, agents, attorneys or controlling persons (as determined by a final, nonappealable judgment of a court of competent jurisdiction) or (y) a material breach by such Indemnified Person or any of such Indemnified Person's affiliates or any of its or their controlling persons of its or their respective obligations under this Commitment Letter (as determined by a final, non-appealable judgment of a court of competent jurisdiction), including the Commitment Lenders' obligations to fund the Facilities on the Closing Date if so required in accordance with the provisions of this Commitment Letter or (ii) arising out of any claim, actions, suits, inquiries, litigation, investigation or proceeding that does not involve an act or omission of you or any of your affiliates and that is brought by an Indemnified Person against any other Indemnified Person (other than any claim, actions, suits, inquiries, litigation, investigation or proceeding against any Administrative Agent, Commitment Party, Arranger or other agent in its capacity or in fulfilling its role as such); and (b) if the Closing Date occurs, to reimburse each Commitment Party from time to time, upon presentation of a summary statement, for all reasonable and documented out-of-pocket expenses (including but not limited to expenses of each Commitment Party's due diligence investigation, consultants' fees, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of counsel to the Arrangers identified in the Term Sheets, of a single firm of local counsel to the Lead Arrangers in each relevant material jurisdiction and, solely in the case of an actual or perceived conflict of interest, one additional counsel in each applicable material jurisdiction), in each case incurred in connection with the Facilities and the preparation, negotiation and enforcement of this Commitment Letter, the Fee Letter and the Loan Documents; provided that, only one inventory appraisal and one field examination shall be included with the scope of the expenses to be reimbursed under this clause (b).

Notwithstanding any other provision of this Commitment Letter, no Indemnified Person will be responsible or liable to you or any other person or entity for damages directly or indirectly arising from the use by others of any information or other materials obtained through internet, electronic, telecommunications or other information transmission systems unless such use resulted from the gross negligence or willful misconduct on the part of such person (to the extent determined by a court of competent jurisdiction in a final and non-appealable judgment).

The indemnity and reimbursement obligations of the Company under this Section 5 will be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company and the Indemnified Persons and shall be superseded in each case by the applicable provisions to the extent covered in the definitive financing documentation upon execution thereof and thereafter shall have no further force and effect.

Neither you nor we nor any other Indemnified Person will be responsible or liable to us or you or any other person or entity for any indirect, special, punitive or consequential damages which may be alleged as a result of or arising out of, or in any way related to, the Acquisition, this Commitment Letter, the Fee Letter, the Facilities or the Transactions or any use or intended use of the proceeds of the Facilities; provided that the indemnity and reimbursement obligations under this Section 5 shall not be limited by the preceding sentence to the extent that such indirect, special, punitive or consequential damages are included in any claim by a third party unaffiliated with any of the Commitment Parties with respect to which the applicable Indemnified Person is entitled to indemnification under the first paragraph of this Section 5.

6. Assignments

This Commitment Letter may not be assigned by you without the prior written consent of each of the Commitment Parties (and any purported assignment without such consent will be null and void), is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person (including equity holders, employees or creditors of the Company) other than the parties hereto (and any Indemnified Person). This Commitment Letter may not be assigned by any Commitment Party without the consent of each other party hereto (and any purported assignment without such consent will be null and void); provided that, (i) subject to Section 3, the Initial Lenders may assign their commitments in connection with the syndication of the Facilities and, (ii) in the case of an assignment to the Additional Commitment Party pursuant to Section 1 above, Barclays and JPMorgan shall assign the applicable portion of their respective commitments to the Additional Commitment Party and will be released from that portion of their respective commitments and agreements hereunder that have been so assigned. This Commitment Letter (including the Term Sheets) may not be amended or any term or provision hereof waived or modified except by an instrument in writing signed by each of the parties hereto.

7. USA PATRIOT Act Notification

The Arrangers hereby notify the Company, the Borrowers and the Guarantors that, pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it and each Lender may be required to obtain, verify and record information that identifies the Borrowers and the Guarantors, which information includes the name and address of the Borrowers and the Guarantors and other information that will allow the Arrangers and each Lender to identify the Borrowers and the Guarantors in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for each Arranger and each Lender, and you agree that the Arrangers shall be permitted to share such information with the Lenders.

8. Sharing Information; Affiliate Activities; Absence of Fiduciary Relationship

Please note that this Commitment Letter, the Fee Letter and any communications provided by the Commitment Parties or any of their affiliates in connection with the Transactions (collectively with the Commitment Letter and the Fee Letter, the "Transaction Information") may not be disclosed to any person or entity other than the Board of Directors and senior management of the Company or circulated or referred to publicly without our prior written consent except, after providing prior written notice to the Commitment Parties (but only as and to the extent the provision of such notice is reasonably practicable), pursuant to applicable law or compulsory legal process, including without limitation a subpoena or order issued by a court of competent jurisdiction or by a judicial, administrative or legislative body or committee; provided that (x) we hereby consent to your disclosure of (i) the Transaction Information to your officers, directors, employees, agents, attorneys, accountants, advisors and controlling persons who are directly involved in the consideration of the Facilities to the extent you notify such persons of their obligation to keep such Transaction Information confidential and such persons agree to hold the same in confidence, (ii) this Commitment Letter or the information contained herein and the Term Sheets (but not the Fee Letter or the information contained therein other than a version of the Fee Letter redacted in a customary manner reasonably satisfactory to the Commitment Parties) to the Target, the Seller and their respective officers, directors, employees, agents, attorneys, accountants, advisors and controlling persons who are directly involved in the consideration of the Facilities to the extent you notify such persons of their obligation to keep this Commitment Letter, such Term Sheets and the information contained herein and therein confidential and such persons agree to hold the same in confidence, (iii) the Term Sheets to any ratings agencies on a confidential basis in connection with the Transactions, (iv) this Commitment Letter or the information contained herein and the Term Sheets (but not the Fee Letter or the information

contained therein) in any syndication or other marketing materials, prospectus or other offering memorandum, in each case relating to the Facilities, (v) the Term Sheets (but not this Commitment Letter or the Fee Letter) to potential debt providers in coordination with us to obtain commitments to the Facilities from such potential debt providers, (vi) this Commitment Letter or the information contained herein and the Term Sheets (but not the Fee Letter or the information contained therein) to the extent customary or required in any public or regulatory filing relating to the Transactions, (vii) you may disclose the aggregate amounts contained in the Fee Letter as part of the projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the Facilities or to the extent customary or required in any public or regulatory filing relating to the Transactions and (viii) after the Acceptance Date, you may disclose this Commitment Letter and the Fee Letter and the contents of each thereof (including the Term Sheets and other exhibits and attachments hereto) to any potential Additional Commitment Party to the extent in contemplation of appointing such person pursuant to the provisions of Section 1 of this Commitment Letter and to any such person's affiliates and its and their respective officers, directors, employees, agents, attorneys, accountants, advisors, controlling persons and equity holders, in each case, on a confidential and need-to-know basis; provided, further that the foregoing restrictions shall cease to apply (except in respect of the Fee Letter and the contents thereof) after the earlier of the Closing Date and the date that is 2 years after the Acceptance Date.

We shall use all nonpublic information received by us and our affiliates from or on behalf of you in connection with this Commitment Letter and the transactions contemplated hereby solely for the purposes of negotiating, evaluating and consulting on the transactions contemplated hereby and providing the services that are the subject of this Commitment Letter and shall treat confidentially, together with the terms and substance of this Commitment Letter and the Fee Letter, all such information; provided, however, that nothing herein shall prevent us from disclosing any such information (a) to rating agencies on a confidential basis in connection with our mandate hereunder (b) to any Lenders or participants or prospective Lenders or participants who have agreed to be bound by confidentiality and use restrictions in accordance with the proviso to this sentence, (c) in any legal, judicial, administrative proceeding or other compulsory process or otherwise as required by applicable law or regulations (in which case we shall promptly notify you, in advance, to the extent reasonably practicable and permitted by law), (d) upon the request or demand of any regulatory authority having jurisdiction over us or our affiliates (in which case we shall, except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising examination or regulatory authority, promptly notify you, in advance, to the extent reasonably practical and permitted by law), (e) to our officers, directors, employees, legal counsel, independent auditors, professionals and other experts or agents (collectively, "Representatives") who are informed of the confidential nature of such information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this paragraph (or language substantially similar to this paragraph) (with each such Commitment Party, to the extent within its control, responsible for such Representatives' compliance with this paragraph), (f) to any of our affiliates and their Representatives (provided that any such affiliate or Representative is advised of its obligation to retain such information as confidential, and we shall be responsible for such affiliates' compliance with this paragraph) to be utilized solely in connection with rendering services to you or the Borrower in connection with the Transactions, (g) to the extent any such information becomes publicly available other than by reason of disclosure by us, our affiliates or any of our respective Representatives in breach of this Commitment Letter (h) to the extent that such information is received by us from a third party that is not, to our knowledge, subject to confidentiality obligations owing to you or any of your affiliates or related parties (i) to the extent that such information is independently developed by us, (j) for purposes of establishing a "due diligence" defense (in which case we shall promptly notify you, in advance, to the extent permitted by law) or (k) to any hedge provider or prospective hedge provider (collectively, "Specified Counterparties") subject to the provisions of the proviso to this paragraph; provided that the disclosure of any such information to any Lenders or prospective Lenders or participants

or prospective participants or Specified Counterparties referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant or Specified Counterparty that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and us, including, without limitation, as agreed in any confidential information memorandum or other marketing materials) in accordance with our standard syndication processes or customary market standards for dissemination of such type of information. The provisions of this paragraph shall automatically be superseded by the confidentiality provisions to the extent covered in the definitive documentation for the Facilities upon the initial funding thereunder and shall in any event automatically terminate two years following the Acceptance Date.

You acknowledge that the Commitment Parties and their respective affiliates may from time to time effect transactions, for their own account or the account of customers, and may hold positions in loans or options on loans of the Company, the Target and other companies that may be the subject of the Transactions. In addition, each of the Commitment Parties and their respective affiliates are full service securities or banking firms and as such may from time to time effect transactions, for their own account or the account of customers, and may hold long or short positions in securities or options on securities of the Company, the Target and other companies that may be the subject of the Transactions. You acknowledge that each Commitment Party and their affiliates may be providing debt financing, equity capital, investment banking or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein or otherwise, and that each Commitment Party and its affiliates may have economic interests that are different from or conflict with those of the Company regarding the Transactions. You acknowledge that no Commitment Party has any obligation to disclose such interests and transactions to you by virtue of any fiduciary, advisory or agency relationship and you waive, to the fullest extent permitted by law, any claims you may have against any Commitment Party for breach of fiduciary duty or alleged breach of fiduciary duty and agree that no Commitment Party will have any liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on your behalf, including your equity holders, employees or creditors. You acknowledge that the Transactions (including the exercise of rights and remedies hereunder and under the Fee Letter) are arms'-length commercial transactions and that we are acting as principal and in our own best interests. The Company is relying on its own experts and advisors to determine whether the Transactions are in the Company's best interests. You agree that we will act under this Commitment Letter and the Fee Letter as an independent contractor and that nothing in this Commitment Letter, the Fee Letter, the nature of our services or in any prior relationship will be deemed to create an advisory, fiduciary or agency relationship between us, on the one hand, and the Company, its equity holders or its affiliates, on the other hand, in connection with the financing contemplated hereby. In addition, we may employ the services of our respective affiliates and branches in providing any of the services hereunder and may exchange with such affiliates information concerning the Company, the Target and other companies that may be the subject of the Transactions and such affiliates or branches will be entitled to the benefits afforded to, and subject to the limitations and restrictions binding upon, us hereunder.

In addition, please note that Barclays has been retained by you as financial advisor (in such capacity, the "Financial Advisor") to you in connection with the Acquisition. You agree to such retention, and further agree not to assert any claim you might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the engagement of the Financial Advisor, and on the other hand, our and our affiliates' relationships with you as described and referred to herein.

Consistent with our policies to hold in confidence the affairs of our customers, we will not use or disclose confidential information obtained from you by virtue of the Transactions in connection with our performance of services for any of our other customers (other than as permitted to be disclosed under this

Section 8). Furthermore, you acknowledge that neither we nor any of our affiliates have an obligation to use in connection with the Transactions, or to furnish to you, confidential information obtained or that may be obtained by us from any other person.

Additionally, you acknowledge and agree that no Commitment Party nor their respective affiliates are advising you as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. You shall consult with your own advisors concerning such matters and shall be responsible for making your own independent investigation and appraisal of the transactions contemplated hereby, and no Commitment Party nor their respective affiliates shall have any responsibility or liability to you with respect thereto. Any review by the Commitment Parties or their affiliates of you, the Borrowers, the Transactions, the other transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Commitment Parties and shall not be on behalf of you or any of your affiliates.

9. Waiver of Jury Trial; Governing Law; Submission to Jurisdiction; Surviving Provisions

ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION, SUIT, PROCEEDING OR CLAIM ARISING IN CONNECTION WITH OR AS A RESULT OF ANY MATTER REFERRED TO IN THIS COMMITMENT LETTER OR THE FEE LETTER IS HEREBY IRREVOCABLY WAIVED BY THE PARTIES HERETO. THIS COMMITMENT LETTER WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Each of the parties hereto hereby irrevocably and unconditionally (i) submits, for itself and its property, to the exclusive jurisdiction of (a) the Supreme Court of the State of New York, New York County, located in the Borough of Manhattan and (b) the United States District Court for the Southern District of New York and any appellate court from any such court, in any action, suit, proceeding or claim arising out of or relating to this Commitment Letter, the Fee Letter or the performance of services hereunder or under the Fee Letter, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action, suit, proceeding or claim may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court, (ii) waives, to the fullest extent that it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action, suit, proceeding or claim arising out of or relating to this Commitment Letter, the Fee Letter or the performance of services hereunder or under the Fee Letter in any such New York State or Federal court and (iii) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such action, suit, proceeding or claim in any such court. Each of the parties hereto agrees to commence any such action, suit, proceeding or claim either in the United States District Court for the Southern District of New York or in the Supreme Court of the State of New York, New York County located in the Borough of Manhattan.

This Commitment Letter and any written or oral communications provided by the Commitment Parties or any of their affiliates in connection with the Transactions are issued for your benefit only and no other person or entity (other than the Indemnified Persons) may rely hereon or thereon.

Each of the parties hereto agrees that (i) this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, including an agreement of each party to negotiate in good faith the Loan Documents by the parties hereto in a manner consistent with this Commitment Letter, it being acknowledged and agreed that the commitments provided hereunder are subject only to conditions precedent as expressly provided herein, and (ii) the Fee Letter is a legally valid and binding agreement of the parties thereto with respect to the subject matter set forth therein.

Except to the extent otherwise specified in this Commitment Letter, the provisions of Sections 3, 5 and 8 and this Section 9 of this Commitment Letter will survive any termination or completion of the arrangements contemplated by this Commitment Letter or the Fee Letter, or the Transactions, including without limitation whether or not the Loan Documents are executed and delivered and whether or not the Facilities are made available or any loans under the Facilities are incurred, and Section 3 of this Commitment Letter will survive any termination of this Commitment Letter pursuant to clause (i) of the first sentence of Section 10 below and the completion of the Transactions. You may terminate this Commitment Letter and the Initial Lenders' commitments with respect to the Facilities hereunder at any time subject to the provisions of the preceding sentence. In addition, in the event that a lesser amount of indebtedness is required to fund the Transactions for any reason (including by virtue of the receipt of proceeds by the Company from the issuance of additional shares of its capital stock), you may, in your sole discretion, reduce the Initial Lenders' commitments with respect to the Term Facility (on a pro rata basis amongst the Initial Lenders).

10. Termination; Acceptance

Our commitments hereunder and our agreements to provide the services described herein will automatically (and without further action) terminate upon the first to occur of (such first date, the "Termination Date") (i) the consummation of the Acquisition with or without the use of the Facilities, (ii) your written notice to us of your abandonment of the Acquisition, (iii) the termination of the Acquisition Agreement (or the termination of your obligations under the Acquisition Agreement to consummate the Acquisition in accordance with the terms thereof), (iv) your written notice to us of your election to terminate the commitments for all of the Facilities, our agreements to provide the services described herein, and your obligations described herein and (v) 11:59 p.m., New York City time, on February 1, 2017 (the "Outside Date") unless the closing of the Facilities, as applicable, has been consummated on or before such date on the terms and subject to the conditions set forth herein.

This Commitment Letter may be executed in any number of counterparts, each of which when executed will be an original and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof. This Commitment Letter and the Fee Letter set forth the entire understanding of the parties with respect to the Facilities and supersede any prior written or oral agreements among the parties hereto with respect to the Facilities. Those matters that are not covered in this Commitment Letter or in the Fee Letter are subject to mutual agreement of the parties. This Commitment Letter is in addition to the agreements of the parties set forth in the Fee Letter. No person has been authorized by any Commitment Party to make any oral or written statements that are inconsistent with this Commitment Letter and the Fee Letter.

Please confirm that the foregoing is in accordance with your understanding by signing and returning to the Commitment Parties the enclosed copy of this Commitment Letter, together, if not previously executed and delivered, with the Fee Letter on or before 11:59 p.m., New York City time, on July 22, 2016, whereupon this Commitment Letter and the Fee Letter will become binding agreements between us. If not signed and returned as described in the preceding sentence by such date, this offer will terminate on such date.

[*The remainder of this page is intentionally left blank.*]

We look forward to working with you on this assignment.

Very truly yours,

BARCLAYS BANK PLC

By: /s/ REGINA TARONE
Name: Regina Tarone
Title: Managing Director

We look forward to working with you on this assignment.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By: /s/ DONNA DIFORIO
Name: Donna DiForio
Title: Authorized Officer

Accepted and agreed to as of the date first above written:

G-III APPAREL GROUP, LTD

By: /s/ WAYNE S. MILLER
Name: Wayne S. Miller
Title: Chief Operating Officer

Exhibit A

Project Brand II
Transaction Description

Capitalized terms used but not defined herein have the meanings assigned to such terms as set forth in the Commitment Letter to which this Exhibit A is attached. In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.

G-III Apparel Group, Ltd., a corporation organized under the laws of the State of Delaware, intends to acquire (the "Company"), the capital stock of an entity codenamed "Brand II" (the "Target"), from LVMH Moet Hennessy Louis Vuitton Inc., a corporation organized under the laws of the State of Delaware (the "Seller"). The Company intends to consummate the Acquisition pursuant to a Stock Purchase Agreement, dated as of the date hereof (together with all exhibits, annexes, schedules and other disclosure letters thereto, collectively, as modified, amended or waived as permitted by the Commitment Letter, the "Acquisition Agreement") by and between the Company and Seller, pursuant to which the Company will purchase the Shares (as defined in the Acquisition Agreement) from the Seller and the Seller will receive cash in exchange for Shares (collectively, the "Acquisition Consideration"), and the Target will become a wholly-owned direct or indirect subsidiary of the Company.

In connection with the foregoing, it is intended that:

1. The Borrower will obtain a $450.0 million aggregate principal amount senior secured term loan B facility described in Exhibit B to the Commitment Letter (the "Term Facility").

2. The Borrower will (i) obtain borrowings of up to the amount specified in the ABL Facility Term Sheet under a new $525.0 million aggregate principal amount senior secured asset-based revolving credit facility described in Exhibit C to the Commitment Letter and (ii) in connection with the other Transactions, repay in full the principal, accrued and unpaid interest, fees, premium, if any, and other amounts, other than (A) contingent obligations not then due and payable and that by their terms survive the termination of the Existing ABL Facility (as defined below) and (B) certain existing letters of credit outstanding under the Existing ABL Facility that on the Closing Date will be grandfathered into, or backstopped by, the ABL Facility as described in Exhibit C or cash collateralized in a manner satisfactory to the issuing banks thereof under that certain Credit Agreement, dated as of August 6, 2012 (as amended by the Amendment to Credit Agreement dated as of October 1, 2013, and as further amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing ABL Facility"), by and among the Borrowers and the Loan Guarantors (each as defined therein) party thereto, the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., in its capacity as the administrative agent thereunder, and terminate all commitments to extend credit under the Existing ABL Facility and any security interests and guarantees in connection therewith shall be terminated and/or released (the "ABL Refinancing").

3. The Borrower will consummate the Equity Issuance and will enter into the $75.0 million Seller Note.

4. Immediately after giving effect to the Acquisition, all Financial Debt (as defined in the Acquisition Agreement) shall have been settled and/or repaid in full in connection with the other Transactions and all commitments to extend credit under any documentation governing any such Financial Debt will be terminated and any security interests and guarantees in connection therewith shall be terminated and/or released (together with the ABL Refinancing, the "Refinancings").

5. The proceeds of the Term Facility, permitted borrowings under the ABL Facility, the Seller Note and the Equity Issuance will be applied (i) as described above to pay the Acquisition Consideration, (ii) to pay the fees and expenses incurred in connection with the Transactions (such fees and expenses, including any original issue discount, the "Transaction Costs") and (iii) to pay for the Refinancings (the amounts payable above, collectively, the "Acquisition Funds").

The transactions described above (including the payment of Transaction Costs) are collectively referred to herein as the "Transactions".

Exhibit B

Project Brand II
Summary of Terms and Conditions of the Term Facility

Capitalized terms used but not defined herein have the meanings assigned to such terms as set forth in the Existing ABL Facility and if not defined therein, in the Commitment Letter (including Exhibits A, C and D thereto) to which this Exhibit B is attached.

Borrower:	The Company (the "Borrower").
Guarantors:	All obligations of the Borrower under the Term Facility and under any Incremental Facility (as defined below) will be unconditionally guaranteed by the Borrower (other than with respect to its own primary obligations), and each existing and each subsequently acquired or organized direct or indirect wholly-owned domestically organized restricted subsidiary of the Borrower, subject to customary exceptions (including, without limitation, (a) no Guarantee from (i) any Excluded Subsidiary (as such term is defined in the Existing ABL Facility) and (b) where the Borrower and the Term Administrative Agent reasonably determine that the costs of obtaining such a Guarantee are excessive in relation to the value afforded thereby). The Borrower and any such subsidiary guarantors are each herein referred to as a "Loan Party".
Term Facility Arrangers:	Barclays and JPMorgan, together with the financial institution appointed as the Additional Commitment Party, will act as the Term Facility Arrangers for the Term Facility and will perform the duties customarily associated with such role.
Term Administrative Agent:	Barclays will act as sole and exclusive Term Administrative Agent for the Lenders and will perform the duties customarily associated with such role.
Term Collateral Agent:	Barclays will act as sole and exclusive Term Collateral Agent for the Lenders and other secured parties and will perform the duties customarily associated with such role.
Syndication Agents:	JPMorgan and each Additional Commitment Party will act as the sole and exclusive syndication agents for the Term Facility and will perform the duties customarily associated with such role.
Documentation Agents:	One or more financial institutions appointed by the Company in consultation with the Term Facility Arrangers.
Lenders:	Banks, financial institutions and institutional lenders initially selected by the Term Facility Arrangers with the consent of the Borrower (not to be unreasonably withheld, delayed or conditioned).
Transactions:	As described in Exhibit A.

Amount of Term Facility: Senior secured tranche B term loan facility, consisting of a $450.0 million US Dollar denominated term loan (the "Term Facility") plus, at the Borrower's election and, without duplication, of any borrowings made under the ABL Facility as described under clause (iii) under the heading "Availability" in Exhibit C, an amount sufficient to fund any original issue discount or upfront fees required to be funded in connection with the exercise of "Market Flex Provisions" in the Fee Letter (which amount shall be automatically added to the Commitment Parties' commitments under the Commitment Letter).

Purpose/Use of Proceeds: The proceeds of the Term Facility will be used, along with proceeds of the ABL Facility, if drawn, proceeds from the issuance of the Seller Note, proceeds from the Equity Issuance, cash on hand at the Company and its subsidiaries and cash on hand at the Target and its subsidiaries, to finance the Acquisition Funds and for working capital and general corporate purposes.

Incremental Facilities: The Term Loan Documents (as defined below) shall provide for the ability of the Borrower to add one or more incremental term facilities or increase any then-existing term loan facility, in each case under such documentation (the "Incremental Facilities") in minimum amounts of USD to be agreed and in an aggregate total principal amount not to exceed the sum of (i) the Maximum Base Incremental Amount *plus* (ii) additional amounts so long as the Borrower is in pro forma compliance (after giving effect to such Incremental Facility and any customary and appropriate pro forma adjustments for acquisitions or dispositions or prepayment of indebtedness in connection therewith (including adjustments for cost-savings and synergies subject to parameters to be agreed), and assuming that any cash proceeds of any Incremental Facilities will not be netted for the purpose of determining compliance with the First Lien Net Leverage Ratio calculated but without, for the avoidance of doubt, giving effect to any amount incurred substantially simultaneously or contemporaneously therewith under clause (i) above) that is less than or equal to 3.25 to 1.00 (the "Incremental Leverage Test"). For purposes hereof, the "Maximum Base Incremental Amount" means, at any time, an amount equal to (a) $175.0 million minus (b) the sum of (i) the aggregate amount of Incremental Facilities established under the Term Facility in reliance on clause (i) of the immediately preceding sentence since the Closing Date and (ii) the aggregate amount of Incremental Equivalent Debt incurred in reliance on clause (i) of the preceding sentence since the Closing Date. The Incremental Facilities will be incurred by the Borrower and will rank equal in right of payment, with the same guarantees and security as the Term Facility.

The Incremental Facilities shall not initially be effective but may be activated at any time and from time to time during the life of the Term Facility at the request of the Borrower with consent required only from those Lenders (including new lenders ("Additional Lenders") that are reasonably acceptable to the Borrower; provided that the Term

Administrative Agent shall have consent rights (not to be unreasonably withheld or delayed) with respect to such Additional Lender, if (and to the extent) such consent would be required under the heading "Assignments and Participations" for an assignment of loans or commitments, as applicable, to such Additional Lender) that agree, in their sole discretion, to participate in such Incremental Facility, and the following shall be conditions to the effectiveness of any Incremental Facility: (a) no default or event of default shall have occurred and be continuing or would result therefrom, except in the case of an Incremental Facility incurred to finance a permitted Acquisition (as defined below) or other permitted investment where no payment or bankruptcy event of default will be the standard (except where customary "SunGard" or "certain funds" conditionality is otherwise agreed to by the lenders providing such Incremental Facility), (b) all representations and warranties shall be true and correct in all material respects (except to the extent already qualified by materiality, in which case accuracy in all respects is required) immediately prior to, and after giving effect to, the incurrence of such Incremental Facility (except where customary "SunGard" or "certain funds" conditionality is otherwise agreed to by the lenders providing such Incremental Facility, in which case such limited conditionality shall apply), (c) the maturity date of any such Incremental Facility shall be no earlier than the maturity date for the Term Facility, (d) the weighted average life to maturity of any Incremental Facility shall be no shorter than the weighted average life to maturity of the Term Facility, and (e) the interest margins for the Incremental Facility shall be determined by the Borrower and the lenders of the Incremental Term Facility, provided that in the event that the Effective Yield for any Incremental Facility raised within twelve (12) months of the Closing Date are greater than the Effective Yield for the Term Facility by more than 50 basis points (the "Yield Differential"), then the Applicable Margin for the Term Facility shall be increased to the extent necessary so that the Effective Yield for such Incremental Facility is not more than 50 basis points higher than the Effective Yield for the Term Facility; provided that, to the extent such terms and documentation are not identical to the Term Facility (except to the extent permitted by clause (c), (d) or (e) above), they shall be reasonably satisfactory to the Administrative Agent. "Effective Yield" shall mean, as of any date of determination, the sum of (i) the interest rate margins as of such date (with the effect of any interest rate floors to be determined in a manner set forth in the proviso below) and (ii) original issue discount ("OID") and/or upfront fees paid and payable (which shall be deemed to constitute like amounts of OID) by the Borrower to the Lenders in connection with the Term Facility or Incremental Facility (with OID or upfront fees being equated to interest based on assumed four-year life to maturity) (it being understood that customary arrangement or commitment fees payable to any of the Term Facility Arrangers (or their respective affiliates) in connection with the Term Facility, as applicable, or to one or more arrangers or bookrunners (or their affiliates) of any Incremental Facility shall be excluded); provided that, with respect to any LIBOR

or ABR floor for any Incremental Facility, (A) to the extent that the LIBOR rate or ABR rate (without giving effect to any floors in such definition), as applicable, in respect of the Incremental Facility on the date the Effective Yield is being calculated is less than such floor, the amount of such difference shall be deemed added to the interest rate margin for the Incremental Facility for the purpose of calculating the Effective Yield, (B) to the extent that the LIBOR rate or ABR rate (without giving effect to any floors in such definition), as applicable, in respect of the Incremental Facility on the date the Effective Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the Effective Yield and (C) it is understood and agreed that any increase in interest rate margins to the Term Facility required due to the application of a LIBOR or ABR floor in respect of any Incremental Facility shall be effected solely through an increase in the LIBOR or ABR floor, as applicable, for the Term Facility.

"First Lien Net Leverage Ratio" means, as of any date of determination, the ratio of (i) Total Secured Indebtedness, but excluding any secured indebtedness to the extent the liens with respect thereto are junior or subordinated to the liens securing both of the Facilities, as of the last day of the most recently ended four-fiscal quarter period for which financial statements are available on or prior to such date of determination to (ii) Consolidated EBITDA of the Borrower and its restricted subsidiaries for such fiscal period.

"Senior Secured Net Leverage Ratio" means, as of any date of determination, the ratio of (a) Total Secured Indebtedness (as defined below) as of the last day of the most recently ended four-fiscal quarter period for which financial statements are available on or prior to such date of determination, to (b) Consolidated EBITDA (as defined below) of the Borrower and its restricted subsidiaries for such fiscal period.

"Total Net Leverage Ratio" means, as of any date of determination, the ratio of (a) Total Indebtedness (as defined below) as of the last day of the most recently ended four-fiscal quarter period for which financial statements are available on or prior to such date of determination, to (b) Consolidated EBITDA (as defined below) of the Borrower and its restricted subsidiaries for such fiscal period.

"Total Indebtedness" means, as of any date of determination, the outstanding principal amount of funded indebtedness for borrowed money, purchase money indebtedness and the principal portion of financing leases, determined on a consolidated basis, of Borrower and its restricted subsidiaries less all unrestricted cash and cash equivalents of the Borrower and its restricted subsidiaries; provided that when calculating Total Indebtedness, the amount of (i) borrowings under the ABL Facility included in any such calculation shall be deemed to be the average daily amount drawn on the ABL Facility over the immediately preceding four quarter period and (ii)

unrestricted cash and cash equivalents included in any such calculation shall be deemed to be the average amount held by the Borrower and its restricted subsidiaries over the immediately preceding four fiscal quarter period.

"Total Secured Indebtedness" means, as of any date of determination, all Total Indebtedness that is secured by liens on any assets or property of the Borrower and its restricted subsidiaries.

"Consolidated EBITDA" shall be defined in a manner substantially similar to the definition of "EBITDA" in the Existing ABL Facility but (a) the Borrower shall be permitted to "add back" in such calculations (i) any extraordinary, unusual or non-recurring expenses or losses, (ii) any Transaction Costs and (iii) (x) demonstrable "run-rate" cost-savings, operating expense reductions or other cost synergies that are reasonably projected in good faith by the Company to be achieved in connection with the Transactions, other acquisitions or dispositions or other initiatives within the 12-month period following the consummation of such transaction, that are reasonably identifiable, quantifiable and factually supportable in the good faith judgment of the Company and that are set forth in reasonable detail in a certificate of a financial officer of the Company (calculated on a pro forma basis as though such cost savings had been realized on the first day of such period, net of the amount of actual benefits realized during such period from such transaction); provided that, (x) the aggregate amount of such costs savings added back during any four-quarter test period shall not exceed twenty percent (20%) of Consolidated EBITDA (as calculated without giving effect to this cost savings add-back) and (y) any costs incurred in connection with achieving such savings, reductions or synergies and (b) there will be a deduction for extraordinary, unusual or non-recurring income or gains.

Refinancing Facilities: The Term Loan Documents shall provide for the ability of the Borrower to refinance loans under the Term Facility or under any Incremental Facility with one or more new term facilities (each, a "Refinancing Term Facility") under such documentation with the consent of the Borrower and the institutions providing such Refinancing Term Facility or with one or more additional series of senior unsecured notes or loans or senior secured notes or loans incurred by the Borrower that will be secured by liens on the Collateral ranking on an equal priority basis (but without regard to the control of remedies) with the liens on the Collateral securing the Term Facility or junior lien secured notes or loans incurred by the Borrower that will be secured by liens on the Collateral ranking junior to the liens on the Collateral securing the Term Facility, which will be subject to a customary intercreditor agreement reasonably acceptable to the Administrative Agent and the Borrower (such notes or loans, "Refinancing Notes" and, together with the Refinancing Term Facility, the "Refinancing Indebtedness") subject to customary limitations.

Availability:	One drawing may be made under the Term Facility on the Closing Date.
Maturity Date:	6 years after the Closing Date. The Term Loan Documents shall contain "amend and extend" provisions pursuant to which individual Lenders may agree to extend the maturity date of their outstanding loans (which may include, among other things, an increase in the interest rates payable with respect of such extended loans, with such extensions not subject to any "default stoppers", financial tests or "most favored nation" pricing provisions upon the request of the Borrower and without the consent of any other Lender (it is understood that (i) no existing Lender will have any obligation to commit to any such extension and (ii) each Lender under the class being extended shall have the opportunity to participate in such extension on the same terms and conditions as each other Lender under such class)).
Amortization:	Commencing with the last day of the first full calendar quarter following the Closing Date, the Term Facility will amortize in equal quarterly installments in aggregate annual amounts equal to 1% of the original principal amount of the Term Facility, with the remaining balance, together with all other amounts owed with respect thereto, payable on the Maturity Date.
Interest Rate:	All amounts outstanding under the Term Facility will bear interest, at the Borrower's option, at a rate *per annum* equal to: (a) the Base Rate plus the Applicable Margin *per annum*; or (b) the Adjusted LIBOR Rate plus the Applicable Margin *per annum*; provided, however, that at no time will the Base Rate be deemed to be less than 2.00% *per annum* or the Adjusted LIBOR Rate be deemed to be less than 1.00% *per annum*. The "Applicable Margin" shall mean, (i) with respect to Base Rate Loans, 3.50% and (ii) with respect to LIBOR Loans, 4.50%, subject to one step down of 0.25% to be based on a Senior Secured Net Leverage Ratio to be agreed (the "Term Facility Margin Step-Down"). "Base Rate" and "Adjusted LIBOR Rate" shall be defined in a manner customary for transaction of this kind.
Default Interest:	Upon and during the continuance of any payment or bankruptcy event of default, and solely with respect to any overdue amounts, the applicable interest rate plus 2.00% per annum.
Voluntary Prepayments:	Voluntary prepayments of borrowings under the Term Facility will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, (subject to the premium described

in the next two sentences), subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR loans other than on the last day of the relevant interest period. In the event that, within six (6) months of the Closing Date, the Term Facility is refinanced, repaid or repriced in connection with a Repricing Event (as defined below), such prepayment, refinancing or repricing shall be made at 101% of the principal amount prepaid, refinanced or repriced. "Repricing Event" means (i) any prepayment or re-payment of the Term Loans, in whole or in part, with the proceeds of, or conversion of such Term Loans into, any new or replacement tranche of term loans bearing interest with an Effective Yield less than the Effective Yield applicable to the loans under the Term Facility (as such comparative yields are determined in the reasonable judgment of the Term Administrative Agent consistent with generally accepted financial practices) and (ii) any amendment to the loans under the Term Facility which reduces the Effective Yield applicable to the loans under the Term Facility (and any assignment pursuant to the "yank-a-bank" provisions in connection therewith), in each case of clauses (i) and (ii), solely to the extent the primary purpose of such replacement or amendment, as reasonably determined by the Borrower in good faith, is to reduce the Effective Yield on the loans under the Term Facility. Notwithstanding the foregoing, no such fee shall be payable if such Repricing Event relates to new or replacement loans incurred in connection with any transaction that would, if consummated, constitute a change of control or a Transformative Acquisition. For the purposes of this paragraph, "Transformative Acquisition" shall mean any acquisition by the Borrower or one its restricted subsidiaries that either (a) is not permitted by the terms of the Term Loan Documents immediately prior to the consummation of such acquisition or (b) if permitted by the terms of the Term Loan Documents immediately prior to the consummation of such acquisition, would not provide the Borrower and it restricted subsidiaries with adequate flexibility under the Term Loan Documents for the continuation and/or expansion of their combined operations following such consummation, as determined by the Borrower acting in good faith.

All voluntary prepayments under the Term Facility shall be applied to the remaining amortization payments thereunder as directed by the Borrower and as between the Term Facility and any Incremental Facility, as directed by the Borrower.

Mandatory Prepayments: Loans under the Term Facility and under any Incremental Facility shall be prepaid with:

(a) 50% (stepping down to 25% if the Senior Secured Net Leverage Ratio is less than or equal to 3.25 to 1.00 and to 0% if the Senior Secured Net Leverage Ratio is less than or equal to 2.75 to 1.00) of the Borrower's annual excess cash flow (to be defined as mutually agreed, but in any event calculated on the basis of net income (and not Consolidated EBITDA) and to provide for a deduction from excess

cash flow, without duplication among periods, of operating cash flow used to make acquisitions, make permitted investments (other than intercompany investments, cash equivalents, money market instruments and certain other limited exceptions), make certain distributions and dividends (in any event, not to include those made under the Available Amount Basket, the Free and Clear Basket or the general basket), or make capital expenditures, or to be used within the succeeding twelve months to fund acquisition obligations for which binding agreements exist or to make capital expenditures (in each case subject to reversal of such deduction if such amount is not actually expended within such twelve-month period)) commencing with the fiscal year ending January 31, 2018; provided that voluntary prepayments of loans under the Term Fees and under any Incremental Facility shall reduce excess cash flow payments on a dollar-for-dollar basis (except to the extent made with the proceeds of long-term indebtedness or non-ordinary course disposition of property);

(b) to the extent that the net cash proceeds of non-ordinary course asset sales or other dispositions of property (including by condemnation and insurance proceeds) by any Borrower or any of its restricted subsidiaries (collectively, the "Restricted Group") (including, without limitation, insurance and condemnation proceeds) exceeds, in the aggregate, an amount to be agreed in any fiscal year, 100% of such excess net cash proceeds in excess of such amount to be agreed of all non-ordinary course asset sales or other dispositions of property by the Borrower or its restricted subsidiaries (including, without limitation, insurance and condemnation proceeds), subject to exceptions to be agreed upon and customary reinvestment rights if reinvested within twelve (12) months of such sale or disposition (or committed to be reinvested within such twelve (12) month period and reinvested within six (6) months thereafter); and

(c) 100% of the net cash proceeds of debt issued by the Borrower or its restricted subsidiaries (other than debt permitted under the Term Loan Documents, except for Refinancing Indebtedness, the net cash proceeds of which, for the avoidance of doubt, will be applied as a mandatory prepayment to the class of loans being refinanced as determined by the Borrower).

The above described mandatory prepayments shall be applied to the installments thereof in direct order of maturity and, other than with respect to mandatory prepayments in respect of Refinancing Indebtedness, pro rata among classes of loans outstanding under the Term Loan Documents and, if applicable, to any equal priority secured Incremental Equivalent Debt (as defined below).

Any Lender may elect not to accept any mandatory prepayment (each a "Declining Lender"). Any prepayment amount declined by a Declining Lender may be retained by the Borrower and any such retained amounts will not, solely for the purposes of calculating mandatory prepayments, thereafter be counted as excess cash flow or

net cash proceeds (as described above) in any subsequent measurement period.

Collateral:

Subject to the limitations set forth below in this section, obligations of the Loan Parties in respect of the Term Facility, any Incremental Facility and the Guarantees will be secured by substantially all assets of the Loan Parties, wherever located, now owned or hereafter acquired, including the following (collectively, the "Collateral"):

(a) a perfected second-priority security interest (subject to permitted liens) in the following, whether owned on the Closing Date or thereafter acquired (collectively, the "ABL Priority Collateral"): (i) all accounts receivable and credit card receivables and other rights to payment (in each case, other than to the extent relating to the sale or other disposition of Term Loan Priority Collateral (as defined below)); (ii) inventory and documents related to inventory; (iii) instruments (except to the extent relating to the sale or other disposition of Term Loan Priority Collateral); (iv) general intangibles (other than intellectual property) relating to accounts receivable and inventory; (v) deposit accounts, security accounts, cash and cash equivalents (other than cash and cash equivalents held in the Term Loan Asset Sale Proceeds Account referred to below); (vi) guarantees, letters of credit rights, security, insurance, supporting obligations and other credit enhancements, relating to accounts receivable and inventory; and (vii) books and records; and

(b) a first-priority security interest (subject to permitted liens) in the following (collectively, the "Term Loan Priority Collateral"): all assets of the Loan Parties (other than the ABL Priority Collateral), whether owned on the Closing Date or thereafter acquired, including but not limited to: (i) machinery, equipment, furniture, fixtures, vehicles, real property, intellectual property, general intangibles (except those relating to accounts and inventory set forth above), documents relating to equipment, (ii) instruments and other rights to payment (including accounts receivable), in each case, solely to the extent relating to the sale or other disposition of Term Loan Priority Collateral and any deposit account or securities account that contain only proceeds of the sale of any Term Loan Priority Collateral (the "Term Loan Asset Sale Proceeds Account "), and (iii) the equity interests held directly by the Borrower or any Guarantor in any restricted subsidiary (which pledge, in the case of any foreign subsidiary, will be limited to 100% of the non-voting equity interests (if any) and 66% of the voting equity interests of such foreign subsidiary).

Additionally, each of the ABL Priority Collateral and the Term Loan Priority Collateral, respectively, will include all proceeds thereof. The priority of such proceeds will be allocated among the secured parties in respect of the ABL Facility (the "ABL Secured Parties"), lender (or lender affiliate) counterparties under certain hedging arrangements ("Hedging Secured Parties") and certain banking

services arrangements ("Banking Services Secured Parties") and the secured parties in respect of the Term Facility (the "Term Loan Secured Parties") as provided in the intercreditor agreement referred to below to be entered into on the Closing Date.

The obligations of the Loan Parties in respect of the ABL Facility, certain hedging and banking services arrangements provided by the lender (or lender affiliate) counterparties with respect to the ABL Facility will be secured by a perfected first-priority security interest (subject to permitted liens) in the ABL Loan Priority Collateral and a perfected second-priority security interest (subject to permitted liens) in the Term Loan Priority Collateral. All such security interests will be perfected on the Closing Date, subject to the Limited Conditionality Provisions provided in Section 2 of this Commitment Letter.

Notwithstanding anything to the contrary, the Collateral shall exclude the following: (A) motor vehicles and other assets subject to certificates of title (to the extent a lien thereon cannot be perfected by filing of a UCC financing statement); (B) pledges and security interests (including in respect of interests in partnerships, joint ventures and other non-wholly owned entities) to the extent prohibited by law or prohibited by agreements containing anti-assignment clauses not overridden by the UCC or other applicable law, other than proceeds and receivables thereof; (C) all fee owned real property having a fair market value less than an amount to be agreed (with all required mortgages being permitted to be delivered post-closing subject to the requirements of the Limited Conditionality Provisions) determined on the Closing Date for existing real property and on the date of acquisition for any after acquired real property (or the date of substantial completion of any material improvement thereon or new construction thereof) and all real property leasehold interests (including requirements to deliver landlord lien waivers, estoppels and collateral access letters, which may, however, be required under certain eligibility requirements under the ABL Facility); (D) intent to use trademark or service mark applications; (E) equity interests in any person other than wholly owned restricted subsidiaries to the extent not permitted by the terms of such subsidiary's organizational or joint venture documents; and (F) any lease, license or other agreement or any property subject to a purchase money security interest, capital lease obligation or similar arrangements, in each case, to the extent permitted under the Term Loan Documents to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement, purchase money, capital lease or a similar arrangement or create a right of termination in favor of any other party thereto (other than a Loan Party), in each case, after giving effect to the applicable anti-assignment provisions of the UCC or other applicable law, other than proceeds and receivables thereof. In addition, (a) control agreements shall not be required with respect to any deposit accounts, securities accounts or commodities accounts except to the extent required by the ABL Facility, (b) no perfection

actions shall be required with respect to (A) commercial tort claims not exceeding an amount to be agreed, (B) motor vehicles and other assets subject to certificates of title and (C) letter of credit rights, except to the extent constituting a supporting obligation for other Collateral as to which perfection is accomplished by the filing of a UCC financing statement or equivalent, (c) promissory notes to the extent evidencing debt for borrowed money in a principal amount (individually) of less than an amount to be agreed shall not be required to be delivered, (d) share certificates of immaterial subsidiaries and non-subsidiaries shall not be required to be delivered and (e) other than in respect of any foreign borrowers or guarantors (to the extent applicable) under the ABL Facility, no actions in any non-U.S. jurisdiction or required by the laws of any non-U.S. jurisdiction shall be required to be taken to create any security interests in assets located or titled outside of the U.S. or to perfect or make enforceable any security interests in any such assets (it being understood that there shall be no security agreements or pledge agreements governed under the laws of any non U.S. jurisdiction, other than in respect of any foreign borrowers or guarantors (to the extent applicable) under the ABL Facility). For the avoidance of doubt, notwithstanding the foregoing, the Term Loan Secured Parties will have a security interest in all collateral required under the ABL Facility, which security interest shall be (x) senior to any lien the ABL Secured Parties have in any Term Loan Priority Collateral and (y) junior to any lien the ABL Secured Parties have in any ABL Priority Collateral.

Intercreditor Matters: The relative rights and priorities in the ABL Priority Collateral and the Term Loan Priority Collateral among the ABL Secured Parties, the Hedging Secured Parties, Banking Services Secured Parties and the Term Loan Secured Parties will be set forth in an intercreditor agreement that will contain customary lien subordination, completion rights, collateral access and intellectual property licensing provisions, all in form and substance reasonably satisfactory to the Arrangers and the Borrower. In addition, the relative rights and priorities in the Collateral among the ABL Secured Parties, the Term Loan Secured Parties and the holder of the Seller Note will be set forth in an intercreditor agreement that will contain customary lien subordination provisions for silent junior lien secured debt, all in form and substance reasonably satisfactory to the Arrangers and the Borrower.

Term Loan Documents: The definitive credit documentation for Term Facility (the "Term Loan Documents") shall contain the terms set forth in this Exhibit B (subject to the right of the Term Facility Arrangers to exercise the "Market Flex Provisions" under the Fee Letter) and, to the extent any other terms are not expressly set forth in this Exhibit B, will (i) be negotiated in good faith within a reasonable time period to be determined based on the expected Closing Date and taking into account the timing of the syndication of the Term Facility and the pre-closing requirements of the Acquisition Agreement and, if applicable, (ii) contain such other terms as the Borrower and the Term Facility

Arrangers shall reasonably agree; it being understood and agreed that the Term Loan Documents shall (A) be based upon the Existing ABL Facility (with modifications to (x) include term loan specific provisions and (y) remove the ABL specific borrowing mechanics, co-borrowing provisions, ABL specific reporting obligations, ABL specific prepayment provisions, ABL specific "payment" or "distribution" conditions and Section 6.12) and (B) be consistent with the related security, pledge, collateral and guarantee agreements executed and/or delivered in connection therewith; and as such documentation shall be further modified by the terms set forth herein and subject to (i) materiality qualifications and other exceptions that give effect to and/or permit the Transactions, (ii) baskets, thresholds and exceptions that are to be agreed in light of the Consolidated EBITDA, total assets and leverage level of the Borrower and its subsidiaries, after giving effect to the Transactions, (iii) such other modifications to reflect the operational and strategic requirements of the Restricted Group (after giving effect to the Transactions) in light of its increased size and geographic locations, (iv) modifications to reflect changes in law or accounting standards since the date of the Existing ABL Facility and (v) modifications to reflect reasonable operational and administrative agency requirements of the Term Administrative Agent (collectively, the "Documentation Considerations").

Unrestricted Subsidiaries: The Term Loan Documents will contain provisions pursuant to which, subject to customary limitations on investments, loans, advances to, and other investments in unrestricted subsidiaries, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an "unrestricted subsidiary" and subsequently re-designate any such unrestricted subsidiary as a "restricted subsidiary"; provided that, (i) no event of default shall have occurred and be continuing or would result from any such designation and (ii) after giving effect to such designation, the Borrower's pro forma Total Net Leverage Ratio does not exceed 3.75 to 1.00. Unrestricted subsidiaries will not be subject to the mandatory prepayment, representation and warranty, affirmative or negative covenant or event of default provisions of the Term Loan Documents and the cash held by results of operations, indebtedness and interest expense of unrestricted subsidiaries will not be taken into account for purposes of determining any financial ratio or covenant contained in the Term Loan Documents.

Representations and Warranties: Consistent with the Existing ABL Facility after giving effect to the Documentation Considerations, with other appropriate exceptions and materiality qualifiers to be agreed, consisting solely of the following (to be applicable to the Borrower and its restricted subsidiaries only): organizational status, good standing and powers; power and authority; execution, delivery and enforceability; no violation of, or conflict with law or regulation, organizational/constitutional documents or contractual obligations; governmental and third-party

approvals/consents; financial statements (including pro forma financial statements); no material adverse change; ownership of property; intellectual property; litigation and environmental matters; compliance with laws and agreements; Investment Company Act; taxes; pension plans; accuracy of disclosure; consolidated Closing Date solvency after giving effect to the Transactions; insurance; capitalization and subsidiaries; employment matters; Patriot Act, OFAC, FCPA and other applicable sanction, anti-money laundering, anti-bribery and anti-corruption laws; Federal Reserve regulations; and creation, validity, perfection and priority of security interests, subject to the Limited Conditionality Provisions set forth in Section 2 of the Commitment Letter.

Affirmative Covenants: Consistent with the Existing ABL Facility after giving effect to the Documentation Considerations, consisting solely of the following (to be applicable to the Borrower and its restricted subsidiaries only) (subject to customary exceptions and qualifications to be agreed): delivery of audited annual consolidated and unaudited consolidated quarterly financial statements (and annual audit opinions from nationally recognized auditors that are not subject to any qualification as to "going concern" or scope of the audit), delivery of consolidating financial statements reflecting adjustments necessary to eliminate the accounts of unrestricted subsidiaries (if any) from consolidated financial statements, annual projections, accountants' letters, officers' certificates and other information reasonably requested by the Lenders through the Administrative Agent; notices of defaults, material adverse effects, litigation and other material events; payment of taxes; maintenance of existence and material rights, privileges, licenses and permits; compliance with laws and regulations (including environmental laws and labor laws), compliance with the Patriot Act, OFAC, FCPA and other applicable sanction, anti-money laundering, anti-bribery and anti-corruption laws; use of proceeds; maintenance of property and insurance; maintenance of books and records; right of the Lenders to inspect property and books and records; commercially reasonable efforts to maintain public corporate credit and facility ratings (but not a specific rating); and further assurances with respect to guarantees, security interests and related matters.

Negative Covenants: Consistent with the Existing ABL Facility after giving effect to the Documentation Considerations, consisting solely of the following (to be applicable to the Borrower and its restricted subsidiaries only) (in each case with customary exceptions, qualifications and baskets to be agreed):

(a) limitations on the incurrence of indebtedness, including guarantee obligations and earn outs (which shall permit, among other things, the incurrence of (i) indebtedness under the Term Facility (including Incremental Facilities) and Refinancing Indebtedness, (ii) indebtedness under the ABL Facility and any refinancing thereof in whole or in part, (iii) non-speculative hedging arrangements and cash management obligations, (iv) indebtedness of the Target and its

subsidiaries incurred prior to the Closing Date and listed on a schedule that remains outstanding and is permitted to remain outstanding under the Acquisition Agreement (except to the extent required to be repaid pursuant to the Refinancing), (v) any (x) equal or junior priority secured or unsecured notes or (y) junior priority secured or unsecured loans incurred or issued by the Borrower in lieu of the Incremental Facilities (such loans or notes, "Incremental Equivalent Debt"), which may be incurred on customary terms but shall not be subject to an "MFN", (vi) indebtedness incurred and/or assumed on the terms set forth below (regarding debt assumed or incurred in connection with a Permitted Acquisition or similar investment), subject to a non-Loan Party cap to be agreed (and all of which shall be unsecured (except in the case of assumed indebtedness)), (vii) purchase money indebtedness and financing leases (subject to a cap to be agreed), (viii) indebtedness under a general debt basket in an amount to be agreed and which may be secured to the extent permitted by exceptions to the lien covenant, (ix) indebtedness of non-Guarantor subsidiaries under a basket in an amount to be agreed), (x) other indebtedness, so long as (i) after giving pro forma effect to such incurrence and any related transaction, the Borrower's Total Net Leverage Ratio shall be no greater than 3.50 to 1.00 (the "Ratio Debt Test"), (ii) if such indebtedness is secured by all or any portion of the Collateral it is subject to a customary intercreditor agreement reasonably acceptable to the Term Administrative Agent and the Borrower and the liens shall be junior or subordinated to the liens securing both the Term Facility and ABL Facility, (iii) such indebtedness matures no earlier than 91 days after the latest maturity date of the Term Facility and (iv) the weighted average life to maturity of such indebtedness shall be no shorter than the weighted average life to maturity of the Term Facility, subject to a cap on the amount of debt incurred by subsidiaries that are not Guarantors, (xi) the Seller Note and (xii) unsecured indebtedness maturing no earlier than 91 days after the latest maturity date of the Term Facility in an amount equal to 100% of any cash common equity contribution to the Borrower following the Closing Date to the extent such cash equity contribution shall not be counted for purposes of the Available Amount Basket (as defined below);

(b) limitation on incurrence of liens (which shall permit, among other things, liens securing (i) the Term Facility, ABL Facility (including any incremental facilities and any refinancing facilities permitted as of the Closing Date thereunder) and Incremental Facilities, (ii) any secured Incremental Equivalent Debt, (iii) Refinancing Indebtedness, (iv) debt assumed in connection with a Permitted Acquisition or similar investment (provided that, such liens extend only to the same assets that such liens extended to, and/or secure the same indebtedness, that such liens secured, immediately prior to such assumption and were not created in contemplation thereof), (v) permitted purchase money indebtedness or financing leases, (vi) obligations under a general lien basket in an amount to be agreed (which in the case of consensual liens on Collateral shall rank junior to the liens securing the Term Loan Documents and junior to the liens

securing the ABL Facility), (vii) the Seller Note and (viii) obligations under a non-Guarantor subsidiary lien basket (limited to liens on assets of non-guarantor subsidiaries) equal to the size of the non-Guarantor subsidiary debt basket);

(c) limitations on fundamental changes, mergers, liquidations and dissolutions;

(d) sales of assets (including sale and leasebacks) (which shall be permitted on the terms set forth below (regarding asset sales));

(e) dividends, distributions and other payments (which shall permit, among other things, (i) dividends, distributions or redemptions with the Available Amount Basket as set forth and defined in below, (ii) dividends, distributions or redemptions in connection with the Transactions, and (iii) additional dividends, distributions or redemptions when the Free and Clear RP Basket (as defined below) conditions are satisfied);

(f) investments, acquisitions (which shall be permitted on the terms set forth in below regarding Permitted Acquisitions), loans and advances (which, in addition, shall permit (i) unlimited investments in the Borrower and in any Guarantor or by any non-Guarantor in any other non-Guarantor, (ii) investments in restricted subsidiaries that are not Guarantors subject to an aggregate amount to be agreed, (iii) investments in connection with the Transactions and (iv) unlimited investments when the Free and Clear Investment/Prepayment Basket (as defined below) conditions are satisfied);

(g) transactions with affiliates;

(h) prepayments, redemptions or repurchases of subordinated, junior lien or unsecured "third-party" debt for borrowed money (collectively, "Junior Debt") and amending or otherwise modifying any documents related thereto in a manner materially adverse to the Lenders;

(i) amending or otherwise modifying any organizational documents in a manner materially adverse to the Lenders;

(j) negative pledge clauses;

(k) changes in fiscal year;

(l) restrictive agreements; and

(m) changes in lines of business.

The Borrower and its restricted subsidiaries will be permitted to make acquisitions of persons that become restricted subsidiaries or of assets (including assets constituting a business unit, line of business or division) (each, a "Permitted Acquisition") and incur or assume

indebtedness in connection therewith subject to: (a) pro forma compliance, after giving effect to any such transaction, with either (i) a Total Net Leverage Ratio that is less than or equal to 3.75 to 1.00 or (ii) a Total Net Leverage Ratio that is no greater than the Total Leverage Ratio immediately prior to giving effect to any such acquisition (the "Permitted Acquisition Leverage Ratios"); (b) no event of default shall have occurred and be continuing or would result therefrom; (c) the acquired entity or business is in the same line of business or carries on, or is, a business complementary to that carried on by the Borrower and its restricted subsidiaries; (d) the Loan Parties comply with the applicable covenants to provide Collateral and guarantees; and (e) acquisitions of entities that do not become Guarantors (or of assets that do not become Collateral) will be subject to the applicable limitations on investments in non-Guarantor subsidiaries to be mutually agreed.

The Borrower or any restricted subsidiary will be permitted to make non-ordinary course of business asset sales or dispositions without limit so long as (a) such sales or dispositions are for fair market value, (b) at least 75% of the consideration for asset sales and dispositions shall consist of cash or cash equivalents, subject to customary terms and limitations and (c) such asset sale or disposition is subject to the terms set forth in the section entitled "Mandatory Prepayments" hereof and subject to other customary terms and conditions to be agreed (the "Asset Sale Exception").

The negative covenants will be subject, in the case of each of the foregoing covenants, to exceptions, qualifications and "baskets" to be set forth in the Term Loan Documents that will reflect the Documentation Considerations and the monetary baskets included therein will include basket builders based on a percentage of the Company and its subsidiaries' consolidated total assets equivalent to the initial monetary amount of each such basket and in addition shall include:

(1) an Available Amount Basket based on (i) $35.0 million, plus (ii) the retained portion of excess cash flow (i.e., the portion not required to be applied to prepay the Term Loans under the excess cash flow sweep), *plus* (iii) permitted equity proceeds, which may be used (without duplication) for restricted payments, investments and the prepayment or redemption of Junior Debt; provided that the ability to utilize the Available Amount Basket in connection with restricted payments and payments or redemptions of Junior Debt shall be subject to (x) pro forma compliance with a Total Net Leverage Ratio of 3.75 to 1.00 and (y) no event of default shall have occurred and be continuing or would result therefrom; and

(2) an additional basket to make restricted payments or payments in respect of Junior Debt if the Total Net Leverage Ratio does not exceed 3.00 to 1.00 and no event of default is then continuing or would result therefrom (the "Free and Clear RP Basket"); and

(3) an additional basket to make investments if the Total Net Leverage Ratio does not exceed 3.25 to 1.00 and no event of default is then continuing or would result therefrom (the "Free and Clear Investment Basket").

Financial Covenant:	None.
Limited Conditionality Acquisition:	For purposes of (i) determining compliance with any provision of the Term Loan Documents that requires the calculation of a financial ratio (ii) determining compliance with representations and warranties or the absence of defaults or events of default or (iii) testing availability under baskets set forth in the Term Loan Documents, in each case, in connection with an acquisition by one or more of Borrower and its restricted subsidiaries of any assets, business or person permitted to be acquired under the Term Loan Documents, in each case whose consummation is not conditioned on the availability of, or on obtaining, third party financing (any such acquisition, a "Limited Condition Acquisition"), at the option of the Borrower (Borrower's election to exercise such option in connection with any Limited Condition Acquisition, an "LCA Election"), the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreements for such Limited Condition Acquisition are entered into (the "LCA Test Date"), and if, after giving pro forma effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith as if they had occurred at the beginning of the most recent test period ending prior to the LCA Test Date, the Borrower could have taken such action on the relevant LCA Test Date in compliance with such financial ratio or basket, representation, warranty and absence of such default or event of default, such financial ratio or basket, representation, warranty, absence of default or event of default shall be deemed to have been complied with. For the avoidance of doubt, if the Borrower has made an LCA Election and any of the financial ratios or baskets for which compliance was determined or tested as of the LCA Test Date are exceeded as a result of fluctuations in any such financial ratio or basket (including due to fluctuations of the target of any Limited Condition Acquisition) solely as a result of fluctuations in Consolidated EBITDA (as opposed to any incurrence, disposition or restricted payment) at or prior to the consummation of the relevant transaction or action, such baskets or financial ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Borrower has made an LCA Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any financial ratio or basket availability on or following the relevant LCA Test Date and prior to the earlier of (i) the date on which such Limited Condition Acquisition is consummated or (ii) the date that the definitive agreement for such Limited Condition Acquisition is

terminated or expires without consummation of such Limited Condition Acquisition, any such financial ratio or basket availability shall be calculated (and tested) on a pro forma basis assuming that such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of debt and the use of proceeds thereof) had been consummated (the provisions of the foregoing two paragraphs, the "Limited Condition Acquisition Provisions"). For the further avoidance of doubt, in the absence of an LCA Election, unless specifically stated in the Term Loan Documents to be otherwise, all determinations of compliance with (x) any Senior Secured Net Leverage Ratio or Total Net Leverage Ratio test, (y) any representations and warranties, or any requirement regarding the absence of defaults or events of default or (z) any availability tests under baskets shall be made as of the applicable date of incurrence of indebtedness, making of payment or consummation of acquisitions, as applicable.

Events of Default: Consisting solely of the following (each an "Event of Default"): nonpayment of principal when due; nonpayment of interest, fees or other amounts after five (5) business days; material inaccuracy of representations and warranties when made or deemed made; violation of other covenants (subject, in the case of all affirmative covenants other than notices of default and maintenance of existence of the Borrower, to a grace period of thirty (30) days); cross-default and cross-acceleration to other material debt (provided that, a breach of the ABL Financial Covenant (as defined in Exhibit C) of the ABL Facility will not constitute an event of default under the Term Loan Documents unless and until all of the commitments and loans under the ABL Facility have been accelerated and permanently terminated); bankruptcy, insolvency, and/or similar related events of any Loan Party or other material restricted subsidiary thereof; material monetary judgments defaults; material ERISA events; actual or asserted invalidity repudiation or rescission by a Loan Party of a Term Loan Document (including the intercreditor agreement referred to under the heading "Intercreditor Matters") or any material guarantees or security documents; failure to deliver the QoE Reports prior to the Closing Date, subject to a grace period of thirty (30) days (which Event of Default shall be waivable by the Arrangers in their sole discretion (without the consent of any Lenders)); and change of control. While the accuracy of any representation and warranty other than as set forth in Exhibit D is not a condition precedent to the availability of the Facilities on the Closing Date, all other representations and warranties shall be made on the Closing Date (subject to "Clean-up Period" provisions (not to exceed 60 days after the Closing Date) for defaults which are subject to cure).

Conditions Precedent to Effectiveness and Borrowings On the Closing Date: The several obligations of the Lenders to make, or cause one of their respective affiliates to make, loans under the Term Facility on the Closing Date will be subject to only the following conditions: (i) prior

written notice of borrowing and (ii) the conditions set forth or referred to in Section 2 of this Commitment Letter (including those specified in Exhibit D thereto).

Assignments and Participations:

The Lenders will be permitted to assign loans and commitments with the consent of the Borrower (not to be unreasonably withheld, delayed or conditioned and deemed to be given if no response is received within 10 business days of the date of the request) (unless (x) a payment or bankruptcy event of default has occurred and is continuing, (y) such assignment is to a Lender, an affiliate of a Lender or a related fund or (z) such assignment is by the Term Loan Arrangers during primary syndication of the Term Facility pursuant to a pre-approved syndication strategy) and the Term Administrative Agent (unless such assignment is an assignment to a Lender, an affiliate of a Lender or an approved fund), in each case such consent not to be unreasonably withheld or delayed. Each assignment (except to other Lenders or their affiliates or approved funds) will be in a minimum amount of $1.0 million. The Administrative Agent will receive a processing and recordation fee of $3,500, payable by the assignor and/or the assignee, with each assignment.

The Lenders will be permitted to participate loans and commitments without restriction. Voting rights of participants shall be limited to matters in respect of (a) increases in commitments, (b) reductions of principal, interest, premium or fees, (c) extensions of scheduled amortization or final maturity or the due date of any interest, premium or fee payment and (d) releases of all or substantially all of the Collateral or all or substantially all of the value of the Guarantees.

In addition, subject to the provisions below, non-pro rata distributions and commitment reductions will be permitted in connection with loan buy-back or similar programs on terms to be mutually agreed.

The Term Loan Documents shall provide that (a) loans under the Term Facility or under any Incremental Facilities may be purchased and assigned on a non-pro rata basis through (i) open market purchases and/or (ii) Dutch auction or similar procedures to be agreed that are offered to all Lenders on a pro rata basis in accordance with customary procedures to be agreed and, in each case, subject to customary restrictions to be agreed and (b) the Borrower and any other affiliates of the Borrower shall be eligible assignees of loans under the Term Facility or under any Incremental Facilities; provided that (i) any such loans under the Term Facility or under any Incremental Facilities acquired by the Borrower or any of its subsidiaries shall be cancelled (and be deemed automatically cancelled) promptly upon acquisition thereof, (ii) no loan purchases shall be permitted by the Borrower or any of its subsidiaries if a default or event of default has occurred and is continuing and (iii) all parties to the relevant transactions shall render customary "big boy" disclaimer letters and the Borrower (or such subsidiary, as applicable)

shall have executed and delivered to the Term Administrative Agent an Affiliated Lender assignment and assumption agreement.

No assignments or participations may be made to Disqualified Lenders. The Term Administrative Agent shall have the right to (a) post the list of Disqualified Lenders provided by the Borrower and any updates thereto from time to time (collectively, the "DQ List") on IntraLinks, SyndTrak Online or similar electronic means (the "Platform"), including that portion of the Platform that is designated for "public side" Lenders and/or (b) provide the DQ List to each Lender requesting the same. The Term Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions of the Term Loan Documents relating to Disqualified Lenders.

Voting:

Amendments and waivers of the Term Loan Documents will require the approval of Lenders (the "Required Lenders") holding more than 50.0% of the aggregate amount of loans and commitments under the Term Facility and under any Incremental Facilities, except that: (a) the consent of each Lender directly and adversely affected thereby shall be required with respect to (i) increases in or extensions of commitments of such Lender, (ii) reductions of principal, interest (other than default interest), premium or fees, (iii) reductions in the amount of or extensions of scheduled amortization or final maturity or the due date of any interest, premium or fee payment and (iv) changes to the "default waterfall" and certain pro rata sharing and payment provisions; (b) the consent of 100% of the Lenders will be required with respect to (i) modifications to any of the voting percentages applicable thereto and (ii) releases of liens on all or substantially all of the Collateral or all or substantially all of the value of the Guarantees (other than in connection with any sale of Collateral or of the relevant Guarantor permitted by the Loan Documents); and (c) the consent of the Term Administrative Agent will be required to amend, modify or otherwise affect the rights and duties of the Term Administrative Agent. Notwithstanding the foregoing, amendments and waivers of the Term Loan Documents that affect solely the Lenders under the Term Facility or any Incremental Facility, will require only the consent of Lenders holding more than 50% of the aggregate commitments or loans, as applicable, under such Term Facility or Incremental Facility.

The Term Loan Documents shall contain customary provisions for replacing non-consenting Lenders in connection with amendments and waivers requiring the consent of all relevant Lenders or of all relevant Lenders directly affected thereby so long as relevant Lenders holding at least 50% of the aggregate amount of the loans and commitments under the Term Facility and Incremental Facility have consented thereto.

In addition, if the Term Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a

technical nature in the Term Loan Documents, then the Term Administrative Agent and the Borrower shall be permitted to amend such provision without any further action or consent of any other party if the same is not objected to in writing by the Required Lenders to the Term Administrative Agent within five (5) business days following receipt of notice thereof.

Yield Protection and Increased Costs:

Usual for facilities and transactions of this type, including customary tax gross-up provisions (including customary provisions relating to the implementation of regulations related to Basel III and Dodd-Frank regardless of the date enacted subject to agreed caveats); provided that any U.S. federal withholding taxes imposed on any Lender under current Sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) shall be solely for the account and expense of such Lenders.

Indemnity and Expenses:

Provided that the Closing Date occurs, the Borrower shall pay (a) (i) all reasonable and documented or invoiced out-of-pocket expenses of the Term Administrative Agent and each Term Facility Arranger associated with the syndication of the Term Facility and the preparation, execution, delivery and administration of the Term Loan Documents and (ii) all reasonable and documented or invoiced out-of-pocket expenses of the Term Administrative Agent and each Term Facility Arranger, if applicable, associated with and any amendment or waiver with respect to the Term Loan Documents (including, without limitation, the reasonable and documented fees, disbursements and other charges of counsel identified herein, one local counsel in each relevant material jurisdiction and, solely in the case of an actual or perceived conflict of interest, one additional counsel in each applicable material jurisdiction) and (b) all reasonable and documented or invoiced out-of-pocket expenses of the Term Administrative Agent, each Term Facility Arranger, if applicable, and the Lenders (including, without limitation, the reasonable and documented fees, disbursements and other charges of counsel) in connection with the enforcement of the Term Loan Documents.

The Loan Parties will indemnify the Term Administrative Agent, each Term Facility Arranger, and the Lenders and their respective affiliates, and the officers, directors, employees, affiliates and agents of the foregoing, and hold them harmless from and against all costs, expenses (including, without limitation, reasonable and documented fees, disbursements and other charges of counsel), losses, claims, damages and liabilities of any such Indemnified Person arising out of or relating to any claim or any litigation or other proceedings (regardless of whether any such Indemnified Person is a party thereto or whether such claim, litigation, or other proceeding is brought by a third party or by the Borrower or any of its affiliates, creditors or shareholders) that relate to the Transactions; provided that no Indemnified Person will be indemnified for its gross negligence, bad faith or willful misconduct as determined by a court of competent

	jurisdiction in a final non-appealable decision or for any dispute that is solely among Indemnified Persons and does not arise from any act or omission by the Borrower or any of its affiliates (other than a dispute involving claims against the Term Administrative Agent in its capacity as such, or any Term Facility Arranger or any of its affiliates solely in connection with its syndication activities contemplated hereunder); provided, further that no Indemnified Person or Borrower shall be liable for any indirect, special, punitive or consequential damages (other than in respect of any such damages incurred or paid by an Indemnified Person to a third party).
Bail-In Provisions:	The Term Facility shall contain customary European Union "bail-in" provisions substantially in the form of the Loan Syndications and Trading Association proposed standard form.
Governing Law and Forum:	New York.
Counsel to the Administrative Agent and Arrangers:	Latham & Watkins LLP.

Exhibit C

Project Brand II
Summary of Terms and Conditions of the ABL Facility

Capitalized terms used but not defined herein have the meanings assigned to such terms as set forth in the Existing ABL Facility and if not defined therein, in the Commitment Letter (including Exhibits A, B and D thereto) to which this Exhibit C is attached.

Borrowers:	G-III Leather Fashions, Inc., the other subsidiaries that are Borrowers under the Existing ABL Facility and such other subsidiaries of the Company, including the Target and certain of its subsidiaries, as may be determined by the Company and, with respect to any foreign subsidiaries, approved by the ABL Administrative Agent and the Lenders (collectively, the "Borrowers"); provided that, the terms and conditions on which any subsidiaries may be added as Borrowers shall be mutually agreed upon in the ABL Loan Documents (as defined below).
Guarantors:	All obligations of (i) the Borrowers under the ABL Facility and (ii) the Borrowers or any of their subsidiaries under each interest rate swap, currency or other hedging obligations and banking services obligations owing to any Lender or any affiliate thereof will be unconditionally guaranteed by the Company, the Borrowers (with respect to obligations described in the preceding clause (ii)) and each existing and each subsequently acquired or organized direct or indirect wholly-owned domestically organized restricted subsidiary of the Company (other than the Borrowers as to their own primary obligations), subject to customary exceptions (including, without limitation, (a) no Guarantee from any Excluded Subsidiary (as such term is defined in the Existing ABL Facility) and (b) where the Company and the ABL Administrative Agent reasonably determine that the costs of obtaining such a Guarantee are excessive in relation to the value afforded thereby). The Company, the Borrowers and any such subsidiary guarantors are each herein referred to as a "Loan Party". Notwithstanding the foregoing, if any foreign borrowers are added to the ABL Facility, such foreign borrowers and certain foreign subsidiaries may be added as guarantors pursuant to terms and conditions to be mutually agreed upon.
ABL Facility Arrangers:	JPMorgan and Barclays, together with any financial institution appointed as an Additional Commitment Party, will act as the ABL Facility Arrangers for the ABL Facility and will perform the duties customarily associated with such role.
ABL Administrative Agent:	JPMorgan will act as sole and exclusive administrative agent and collateral agent (in such capacities, the "ABL Administrative Agent") for the Lenders and will perform the duties customarily associated with such role.
Syndication Agents:	Barclays and each Additional Commitment Party will act as the sole and exclusive syndication agents for the ABL Facility and will perform the duties customarily associated with such role.

Documentation Agents:	One or more financial institutions appointed by the Company in consultation with the ABL Facility Arrangers.
Lenders:	Banks, financial institutions and institutional lenders initially selected by the ABL Facility Arrangers with the consent of the Company (not to be unreasonably withheld, delayed or conditioned).
Transactions:	As described in Exhibit A.
ABL Facility:	A senior secured asset-based revolving credit facility (the "ABL Facility") in an aggregate principal amount of $525.0 million. Commitments under the ABL Facility are referred to as "ABL Commitments".
Purpose/Use of Proceeds	The proceeds of loans under the ABL Facility and of Letters of Credit (as defined below) issued under the ABL Facility will be used by the Borrowers and their subsidiaries for working capital and for other general corporate purposes (including to finance the Transactions and any other transactions not prohibited by the ABL Loan Documents (as defined below)).
Letter of Credit Sub-Facility:	No less than $100.0 million of the ABL Facility will be available to the Borrowers for the purpose of issuing Letters of Credit and each Commitment Party agrees to be an Issuing Lender (as defined below) in a fronting capacity for at least $33.3 million of Letters of Credit. Letters of Credit will be issued by the ABL Administrative Agent and other Lenders (reasonably acceptable to the Borrower and the ABL Administrative Agent) who agree to issue Letters of Credit (each, an "Issuing Lender") (provided that Barclays, in its capacity as an Issuing Lender, shall not be required to issue commercial or trade letters of credit or bank guarantees). Each Letter of Credit shall expire not later than the earlier of (a) 12 months after its date of issuance or such longer period of time as may be agreed by the applicable Issuing Lender and (b) the fifth business day prior to the final maturity of the ABL Facility; provided that any Letter of Credit may provide for automatic renewal thereof for additional periods of up to 12 months or such longer period of time as may be agreed by the applicable Issuing Lender (which in no event shall extend beyond the date referred to in clause (b) above, except to the extent cash collateralized or backstopped pursuant to arrangements reasonably acceptable to the relevant Issuing Lender). Except as otherwise set forth in the preceding paragraph, Letters of Credit shall be issued on terms and conditions (including with respect to defaulting lenders) consistent with Existing ABL Facility after giving effect to the Documentation Considerations (as defined below).
Incremental Facilities:	The ABL Loan Documents will permit the Borrowers to increase commitments under the ABL Facility (any such increase, an "Incremental ABL Facility") such that the aggregate commitments under the ABL Facility (including any Incremental ABL Facility) do not exceed $700.0 million; provided that (i) no default or event of default shall have occurred and be continuing or would result therefrom, (ii) the representations and warranties in the ABL Facility shall be true and correct in all material respects (or in all respects if qualified by materiality) prior to, and immediately after giving

effect to, the incurrence of such Incremental ABL Facility, (iii) to the extent requested by the ABL Administrative Agent, the ABL Administrative Agent shall have received legal opinions and certain customary closing deliverables consistent with those delivered on the Closing Date and (iv) any Incremental ABL Facility shall be on terms and pursuant to documentation applicable to the ABL Facility, except with respect to any customary commitment, arrangement, upfront or similar fees that may be agreed to among the Borrowers and the lenders providing such additional commitments.

The Borrower may, but shall not be required to, seek commitments in respect of the Incremental ABL Facilities from existing ABL Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) and additional banks, financial institutions and other institutional lenders who will become ABL Lenders in connection therewith (an "ABL Additional Lender"); provided that the ABL Administrative Agent and the Issuing Banks shall have consent rights (not to be unreasonably withheld) with respect to such ABL Additional Lender, if such consent would be required under the heading "Assignments and Participations" for an assignment of loans or commitments, as applicable, to such ABL Additional Lender.

Availability: Loans under the ABL Facility (exclusive of Letter of Credit usage) may be made available on the Closing Date to (i) fund working capital, (ii) to pay Acquisition Funds and (iii) fund any OID or upfront fees required to be funded on the Closing Date due to the exercise of the "Market Flex Provisions" under the Fee Letter; provided that, notwithstanding the foregoing, the aggregate principal amount of borrowings under the ABL Facility (exclusive of Letter of Credit usage, the Refinancings and amounts used to fund any OID or upfront fees required to be funded on the Closing Date due to the exercise of the "Market Flex Provisions" under the Fee Letter) on the Closing Date to pay the Acquisition Funds shall not exceed $150.0 million. Additionally, Letters of Credit may be issued on the Closing Date in order to backstop or replace letters of credit outstanding on the Closing Date under the Existing ABL Facility or under any other facilities no longer available to the Target and its subsidiaries (and such existing letters of credit may be deemed Letters of Credit outstanding under the ABL Facility). Otherwise, subject to Availability (as defined below), loans under the ABL Facility will be available at any time prior to the final maturity of the ABL Facility, in minimum principal amounts to be agreed upon. Amounts repaid under the ABL Facility may be reborrowed.

Maturity Date: 5 years from the Closing Date. The ABL Loan Documents shall contain "amend and extend" provisions pursuant to which individual Lenders may agree to extend the maturity date of their outstanding commitments (which may include, among other things, an increase in the interest rates payable with respect of the related loans and/or an increase in the undrawn fees payable with respect to such commitments, with such extensions not subject to any "most favored nation" pricing provisions upon the request of the Company and without the consent of any other Lender (it is understood that (i) no existing Lender will have any obligation to commit to any such extension and (ii) each Lender under the class being extended

shall have the opportunity to participate in such extension on the same terms and conditions as each other Lender under such class)); provided that (i) no default or event of default shall have occurred and be continuing at the time of any such extension or would result therefrom and (ii) the representations and warranties in the ABL Facility shall be true and correct in all material respects (or in all respects if qualified by materiality) prior to, and immediately after giving effect to, any such extension.

Amortization: None.

Interest Rates: All amounts outstanding under the ABL Facility will bear interest, at the Borrower's option, at a rate *per annum* equal to:

(a) the Base Rate plus the Applicable Margin *per annum*; or

(b) the Adjusted LIBOR Rate plus the Applicable Margin *per annum*;

There shall be no LIBOR or ABR floors for the ABL Facility.

The Applicable Margin shall mean, (i) with respect to Base Rate Loans, 0.50% and (ii) with respect to Adjusted LIBOR Rate Loans, 1.50%, which margins shall be subject to one step-down of 0.25% and one step-up of 0.25% commencing at the completion of the first full fiscal quarter completed after the Closing Date based on average historical Excess Availability during the preceding quarter greater than $66\frac{2}{3}\%$ and less than $33\frac{1}{3}\%$, respectively; provided that, if at the end of any four-fiscal quarter test period, the Company's Total Net Leverage Ratio for such period is no greater than 2.00 to 1.00, then the Applicable Margin referred to above, and each step-up and step-down percentage, shall be reduced by 0.125% (the "ABL Facility Margin Step-Down")

"Base Rate" and "Adjusted LIBOR Rate" shall be defined using the ABL Administrative Agent's customary definitions for transactions of this kind.

Commitment Fee Rate: 0.25% per annum on the undrawn portion of the ABL Commitments, payable to non-defaulting Lenders quarterly in arrears after the Closing Date and upon the termination of the ABL Commitments, calculated based on the number of days elapsed in a 360-day year.

Letter of Credit Fees:	A per annum fee equal to the spread over the Adjusted LIBOR Rate under the ABL Facility will accrue for the account of Lenders (other than defaulting Lenders) on the aggregate face amount of outstanding standby Letters of Credit, payable in arrears at the end of each quarter and upon the termination of the ABL Facility, in each case for the actual number of days elapsed over a 360-day year. A per annum fee equal to 50% of the Applicable Margin for Adjusted LIBOR Rate loans under the ABL Facility will accrue for the account of Lenders (other than defaulting Lenders) on the aggregate face amount of outstanding commercial Letters of Credit, payable in arrears at the end of each quarter and upon the termination of the ABL Facility, in each case for the actual number of days elapsed over a 360-day year. Such fees shall be distributed to such Lenders pro rata in accordance with the amount of each such Lender's ABL Commitment. In addition, the Borrowers shall pay to the relevant Issuing Lender, for its own account, (a) a fronting fee equal to 0.125% of the aggregate face amount of outstanding Letters of Credit or such other amount as may be agreed by the Company and such Issuing Lender, payable in arrears at the end of each quarter and upon the termination of the ABL Facility, calculated based upon the actual number of days elapsed over a 360-day year, and (b) customary issuance and administration fees.
Default Interest:	Upon and during the continuance of any payment or bankruptcy event of default, and solely with respect to any overdue amounts, the applicable interest rate plus 2.00% per annum.
Borrowing Base:	The borrowing base (the "Borrowing Base") at any time shall equal the sum of: (i) 90% of book value of eligible credit card receivables of the Borrowers, (ii) 85% of book value eligible accounts receivable of the Borrowers, (iii) the lesser of (a) 70% of cost (FIFO basis) of eligible wholesale inventory, and (b) 85% of the net orderly liquidation value of eligible wholesale inventory of the Borrowers, (iv) 90% of the net orderly liquidation value of eligible retail inventory of the Borrowers (increased to 92.5% during a 4-month period each year); and (v) 100% of the Borrowers' unrestricted cash and cash equivalents (to the extent held in accounts maintained at JPMorgan or its affiliates and subject to the control of, the ABL Administrative Agent or subject to customary control agreements in favor of the ABL Administrative Agent), less (vi) customary reserves including royalty and dilution reserves and reserves for inventory held in leased locations or bailees without a landlord waiver, bailee letter or other collateral access agreement and other reserves consistent with the Existing ABL Facility. Eligibility criteria for eligible wholesale inventory, eligible retail inventory, eligible accounts receivable and eligible credit card receivables shall be set

forth in the ABL Loan Documents in a manner consistent with the Documentation Considerations, subject to the inclusion in the calculation of eligible wholesale inventory of eligible in-transit inventory in amount not to exceed 15% to the Borrowing Base.

The Borrowing Base will be computed by the Company monthly (or more frequently as the Company may elect; provided that if such election is exercised, it must be continued until the date that is 60 days after the date of such election), and a certificate (the "Borrowing Base Certificate") presenting the Company's computation of the Borrowing Base will be delivered to the ABL Administrative Agent promptly, but in no event later than the 20th day following the end of each calendar month; provided, however, that, during any Cash Dominion Period, the Company will be required to compute the Borrowing Base and deliver a Borrowing Base Certificate on a weekly basis.

The ABL Administrative Agent will have the right to establish and modify reserves against the Borrowing Base assets in its Permitted Discretion with prior written notice to the Borrowers. For purposes of the foregoing, "Permitted Discretion" shall have a meaning substantially consistent with that set forth in the Existing ABL Facility.

The amount of any reserve established or modified by the ABL Administrative Agent shall have a reasonable relationship to circumstances, conditions, events or contingencies which are the basis for such reserve, without duplication, as determined by the ABL Administrative Agent in its Permitted Discretion.

The Borrowing Base shall not include any amounts attributable to the inventory and receivables of the Target and its subsidiaries until such time as a field examination and inventory appraisal with respect thereto have been completed.

Cash Management and Cash Dominion:

The Loan Parties shall use commercially reasonable efforts to obtain and/or maintain account control agreements on the concentration accounts ("DDAs") where the proceeds of sales of ABL Priority Collateral of the Loan Parties (including those of the Target and its subsidiaries that are to become Loan Parties under the ABL Facility) are deposited. The Loan Parties shall use commercially reasonable efforts to obtain and/or maintain account control agreements on all other deposit accounts (but in any event excluding accounts that are (i) solely used for the purposes of making payments in respect of payroll, workers' compensation, pension benefits, taxes and employees' salaries and wages and benefits and similar expenses, (ii) accounts where solely non-ABL Priority Collateral deposited, (iii) any zero balance payables accounts and (iv) other accounts with funds on deposit averaging less than an amount to be agreed (collectively, "Excluded Accounts") as soon as possible and in any event within 60 days after the Closing Date (or such later date as the ABL Administrative Agent shall reasonably agree)). If such arrangements are not obtained within 60 days after the Closing Date (or such later date as the ABL Administrative Agent shall reasonably agree), the Loan Parties shall be required to move their bank

accounts to the ABL Administrative Agent or another bank that will provide such control agreements. During a Cash Dominion Period (as defined below), all amounts in controlled DDAs will be swept into a collection account (or accounts) maintained with the ABL Administrative Agent and used to repay borrowings under the ABL Facility, subject to customary exceptions, limitations and thresholds to be agreed. It is understood that accounts exclusively holding the proceeds of any indebtedness, including the proceeds of the loans under the ABL Facility, shall not be swept during any Cash Dominion Period.

"Cash Dominion Period" means (a) the period from the date that Excess Availability shall have been less than the greater of (x) 12.5% of the Maximum Borrowing Amount and (y) $52.5 million for five consecutive business days to the date Excess Availability shall have been at least the greater of (i) 12.5% of the Maximum Borrowing Amount and (ii) $52.5 million for five consecutive calendar days (a "Liquidity Condition") or (b) upon the occurrence of an Event of Default and shall continue until the date on which, as applicable, in the case of clause (b), such Event of Default is cured or waived or no longer continuing, or in the case of clause (a), Excess Availability under the ABL Facility has been at least the greater of (i) $52.5 million and (ii) 12.5% of the Maximum Borrowing Amount for at least 30 consecutive calendar days. Notwithstanding the foregoing, if at any time four separate Cash Dominion Periods shall have commenced and ended, then, any subsequent Cash Dominion Period shall be permanently in effect for the remainder of the term of the ABL Facility.

"Maximum Borrowing Amount" shall mean, at any time, an amount equal to the lesser of (i) the ABL Commitments and (ii) the Borrowing Base.

"Availability" shall mean, at any time, the remainder of (a) the Maximum Borrowing Amount at such time over (b) the sum of (i) aggregate principal amount of all loans outstanding under the ABL Facility and (ii) all amounts outstanding under Letters of Credit (including issued and undrawn Letters of Credit) at such time.

"Excess Availability" shall mean, at any time, the remainder of (a) the sum of (i) Maximum Borrowing Amount at such time and (ii) for purposes of calculating Excess Availability for determining whether additional appraisals or field exams are required, whether the Company shall be required to deliver monthly financial statements or weekly Borrowing Base certificates and in the Payment Conditions, the lesser of (x) Suppressed Availability (as defined below) and (y) an amount equal to 5.0% of the Maximum Borrowing Amount over (b) the sum of (i) aggregate principal amount of all loans outstanding under the ABL Facility and (ii) all amounts outstanding under Letters of Credit (including issued and undrawn Letters of Credit) at such time.

"Suppressed Availability" shall mean the excess (if any) of (i) the Borrowing Base over (ii) the ABL Commitments.

Voluntary Prepayments and Reductions in Commitments: Voluntary reductions of the unutilized portion of the ABL Commitments and prepayments of borrowings under the ABL Facility will be permitted at any time, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' "breakage costs" incurred in the case of a prepayment of Adjusted LIBOR Rate borrowings other than on the last day of the relevant interest period.

Mandatory Prepayments: If at any time, the aggregate amount of outstanding loans, unreimbursed Letter of Credit drawings and undrawn letters of credit under the ABL Facility exceeds the Maximum Borrowing Amount, then the Borrowers will repay outstanding loans and cash collateralize outstanding letters of credit in an aggregate amount equal to such excess, with no reduction of the ABL Commitments.

Collateral and Intercreditor Matters: As described under each the sections entitled "Collateral" and "Intercreditor Matters" in Exhibit B to the Commitment Letter. It is understood, that, except as described under the first paragraph of the section entitled "Cash Management/Cash Dominion" above, control agreements shall not be required with respect to any deposit accounts or securities accounts or commodities accounts, and in the case of securities accounts and commodities accounts with average amounts therein less than an amount to be agreed.

Loan Documents: The definitive credit documentation for ABL Facility (the "ABL Loan Documents" and, together with the Term Loan Documents, the "Loan Documents") shall contain the terms set forth in this Exhibit C and, to the extent any other terms are not expressly set forth in this Exhibit C, will (i) be negotiated in good faith within a reasonable time period to be determined based on the expected Closing Date and taking into account the timing of the syndication of the ABL Facility and the pre-closing requirements of the Acquisition Agreement and, if applicable, (ii) contain such other terms as the Borrower and the ABL Facility Arrangers shall reasonably agree; it being understood and agreed that the ABL Loan Documents shall be consistent with the Existing ABL Facility and the related security, pledge, collateral and guarantee agreements executed and/or delivered in connection therewith; and as such documentation shall be further modified by the terms set forth herein and subject to (i) materiality qualifications and other exceptions that give effect to and/or permit the Transactions, (ii) baskets, thresholds and exceptions that are to be agreed in light of the Consolidated EBITDA, total assets and leverage level of the Company and its subsidiaries, after giving effect to the Transactions, (iii) modifications to the eligibility criteria and reserves in light of the addition of assets of the Target and/or any of its subsidiaries in the Borrowing Base, (iv) such other modifications to reflect the operational and strategic requirements of the Restricted Group (after giving effect to the Transactions) in light of its increased size and geographic locations and (v) modifications to reflect changes in law or accounting standards since the date of the Existing ABL Facility (collectively, the "Documentation Considerations").

Unrestricted Subsidiaries: As described under the section entitled "Unrestricted Subsidiaries" in Exhibit B to the Commitment Letter, with (i) corresponding changes to

reference the ABL Facility, (ii) a requirement to deliver an updated Borrowing Base Certificate if the designation of any "restricted subsidiaries" as "unrestricted subsidiaries" since the last delivery of a Borrowing Base Certificate results (on a pro forma basis) in a reduction of the Borrowing Base by the lesser of 5% or more of the Borrowing Base and $25.0 million and (iii) a requirement to satisfy the Payment Conditions at the time of such designation.

Representations and Warranties: Limited to the representations and warranties (to be applicable to the Company and its restricted subsidiaries only) expressly set forth in Exhibit B, with corresponding changes to reference the ABL Facility.

Affirmative Covenants: Limited to the covenants expressly set forth in Exhibit B under "Affirmative Covenants" (to be applicable to the Company and its restricted subsidiaries only) with corresponding changes to reference the ABL Facility and to add requirements (i) to deliver consolidating financial statements, (ii) to deliver the Borrowing Base Certificates, (iii) to provide other collateral-related reporting consistent with the Existing ABL Facility, (iv) referenced in the first paragraph under "Cash Management/Cash Dominion", (v) to require the delivery of monthly financial statements during any Cash Dominion Period and (vi) to maintain the ABL Administrative Agent as its primary depositary bank.

In addition, the ABL Administrative Agent may conduct up to one (1) inventory appraisal (at the expense of the Borrowers) during any calendar year; provided that (X) at any time after the date on which Excess Availability has been less than the greater of $60.0 million and 15% of the Maximum Borrowing Amount for five consecutive business days, inventory appraisals may each be conducted (at the expense of the Borrowers) two (2) times during such calendar year or (Y) at any time during the continuation of any Event of Default, field examinations and inventory appraisals, may be conducted (at the expense of the Borrowers) as frequently as determined by the ABL Administrative Agent in its Permitted Discretion; provided, further, that no such inventory appraisal shall be required if inventory included in the Borrowing Base would not have had to be relied upon for borrowings under the ABL Facility for the preceding twelve month period.

In addition, the ABL Administrative Agent may conduct up to one (1) field examination (at the expense of the Borrowers) during any calendar year; provided that (X) at any time after the date on which Excess Availability has been less than the greater of $60.0 million and 15% of the Maximum Borrowing Amount for five consecutive business days, field examinations may each be conducted (at the expense of the Borrowers) two (2) times during such calendar year or (Y) at any time during the continuation of any Event of Default, field examinations, may be conducted (at the expense of the Borrowers) as frequently as determined by the ABL Administrative Agent in its Permitted Discretion; provided, further, that no such field exam shall be required if, during the preceding twelve month period, there are no borrowings under the ABL Facility (other than Letter of Credit usage) and the Letter of Credit usage does not at any time exceed $45.0 million.

Notwithstanding the foregoing, for purposes of clarity, the initial inventory appraisal and field examination for the Target and its subsidiaries and inventory appraisals and field examination of any Borrower added after the Closing Date shall not reduce the number of inventory appraisals and field examinations otherwise permitted.

Negative Covenants: Limited to the covenants expressly set forth in Exhibit B under "Negative Covenants" (to be applicable to the Company and its restricted subsidiaries only) with only corresponding changes to reference the ABL Facility; provided that the ABL Facility shall not include, (i) the Free and Clear RP Basket and the Free and Clear Investment/Prepayment Basket and (ii) the Available Amount Basket. In addition, if the disposition of assets under the Asset Sale Exception since the delivery of the preceding Borrowing Base Certificate results (in a pro forma basis) in a reduction of 10% or more of the Borrowing Base, the Company shall be required to deliver an updated Borrowing Base Certificate to the ABL Administrative Agent.

Payment Conditions: The ABL Facility will permit unlimited (i) dividends, other payments in respect of capital stock and other restricted payments, (ii) prepayments and voluntary redemptions of Junior Debt and (iii) acquisitions and other investments so long as, in each case, the Payment Conditions are satisfied at the time of such dividend, prepayment, investment or incurrence.

"Payment Conditions" shall mean the following: (i) no Event of Default exists or would arise after giving effect to the relevant transactions, (ii) pro forma compliance for the four fiscal quarters most recently preceding such transaction or payment for which financial statements are available with a Fixed Charge Coverage Ratio of 1.10:1.00 and (iii) the Borrowers' having Excess Availability in excess of the greater of (x) 15% of the Maximum Borrowing Amount and (y) $62.5 million on a pro forma basis immediately after giving effect to such transaction and over 60 consecutive days immediately prior to such transaction, also on a pro forma basis; *provided however* that the condition set forth in clause (ii) shall not be applicable if the Borrowers have Excess Availability in excess of the greater of (x) 22.5% of the Maximum Borrowing Amount and (y) $90.0 million (except for permitted acquisitions, investments and the incurrence of indebtedness, which shall be (x) 20% of the Maximum Borrowing Amount and (y) $80.0 million), in each case, on a pro forma basis immediately after giving effect to such transaction and over the 360-day period immediately prior to such transaction, also on a pro forma basis.

ABL Financial Covenant: If Excess Availability shall be less than the greater of (A) 10.0% of the Maximum Borrowing Amount or (B) $42.5 million (such greater amount, the "ABL Financial Covenant Trigger") and until Excess Availability is greater than or equal to the ABL Covenant Trigger for 30 consecutive calendar days (such period, a "Compliance Period") the Company shall comply on a monthly basis with a minimum ratio (the "Fixed Charge Coverage Ratio") as defined in the Existing ABL Facility, (but (i) with Consolidated EBITDA (as defined in Exhibit B) used for the numerator (instead of "EBITDAR"), (ii) with the definition of "Fixed Charges" modified to exclude (A) prepayments of indebtedness, (B) rent and common

area maintenance payments under operating leases and (C) dividends, distributions and other restricted payments (other than regularly scheduled cash dividends paid by the Company (in accordance with the Company's dividend policy, as amended from time to time)), (iii) when determining whether the condition set forth in clause (ii) in the definition of "Payment Conditions" above is satisfied in connection with making restricted payments, the denominator of the Fixed Charge Coverage Ratio shall also include on a pro forma basis, without duplication, the actual amount of restricted payments actually being made at such time and the actual amount of restricted payments made during the relevant four quarter test period and (iv) calculated on a consolidated basis in accordance with GAAP) and tested (i) immediately upon the trigger based on the most recently completed fiscal month for which financial statements have been delivered and (ii) on the last day of each subsequently completed fiscal month of the Company ending during a Compliance Period for which financial statements have been delivered. Notwithstanding the foregoing, for incurrence based tests when no Cash Dominion Period is in effect, compliance with the Fixed Charge Coverage Ratio shall be determined on a quarterly basis.

For purposes of determining compliance with the ABL Financial Covenant, any cash equity contribution (which shall be common equity or otherwise in a form reasonably acceptable to the ABL Administrative Agent) made to the Company after the last day of the relevant fiscal quarter and on or prior to the day that is 10 business days after the day on which financial statements are required to be delivered for such fiscal quarter will, at the request of the Company, be included in the calculation of Consolidated EBITDA solely for the purposes of determining compliance with such ABL Financial Covenant at the end of such fiscal quarter and applicable subsequent periods which include such fiscal quarter (any such equity contribution so included in the calculation of Consolidated EBITDA, a "Specified Equity Contribution"); provided that, (a) there shall be no more than two quarters in each four consecutive fiscal quarter period in respect of which a Specified Equity Contribution is made, (b) the amount of any Specified Equity Contribution shall be no more than the amount expected to be required to cause the Company to be in pro forma compliance with the ABL Financial Covenant specified above, (c) no more than five Specified Equity Contributions shall be made during the term of the ABL Facility, (d) all Specified Equity Contributions shall be disregarded for purposes of any financial ratio determination under the ABL Loan Documents other than for determining compliance with the ABL Financial Covenant and (e) there shall be no pro forma or other reduction in indebtedness with the proceeds of any Specified Equity Contribution for determining compliance with the ABL Financial Covenant.

Events of Default: Consisting of the following (each, an "Event of Default"): nonpayment of principal when due; nonpayment of interest, fees or other amounts after five (5) business days; material inaccuracy of representations and warranties when made or deemed made; violation of other covenants (subject in the case of all affirmative covenants, other than (i) notices of default, maintenance of existence of the Company or any Borrower and use of proceeds (each of which will result in an immediate event of default); (ii)

failure to comply with cash management provisions for a period of more than 5 consecutive business days; (iii) failure to deliver a Borrowing Base Certificate after 5 business days (or 2 business days in the case of a weekly Borrowing Base Certificate); (iv) notices of all other material events (which shall be subject to a grace period of five (5) days) and (v) failure to comply with collateral requirement provisions (which shall be subject to a grace period of fifteen (15) days), to a grace period of thirty (30) days; cross default and cross acceleration to other material debt; bankruptcy, insolvency and/or other similar related events of any material Loan Party or other material restricted subsidiary thereof; material monetary judgments; ERISA events; actual or asserted invalidity or rescission by a Loan Party of an ABL Facility Document (including the intercreditor agreement refereed to under the heading "Collateral and Intercreditor Matters") or any material guarantees or security documents; failure to deliver the QoE Reports prior to the Closing Date, subject to a grace period of thirty (30) days (which Event of Default shall be waivable by the Arrangers in their sole discretion (without the consent of any Lenders)) and change of control. While the accuracy of any representation and warranty other than as set forth in Exhibit D is not a condition precedent to the availability of the ABL Facility on the Closing Date, all other representations and warranties shall be made on the Closing Date (subject to "Clean-up Period" provisions (not to exceed 60 days after the Closing Date) for defaults which are subject to cure).

Conditions Precedent to Effectiveness and Borrowing under ABL Facility on Closing Date only:

The several obligations of the Lenders to make, or cause one of their respective affiliates to make, loans under the ABL Facility on the Closing Date will be subject to only the following conditions: (i) prior written notice of borrowing and (ii) the conditions set forth or referred to in Section 2 of this Commitment Letter (including those specified in Exhibit D thereto).

Assignments and Participations:

The Lenders will be permitted to assign loans and ABL Commitments with the consent of (i) the Company (not to be unreasonably withheld or delayed) (unless a payment or bankruptcy event of default has occurred and is continuing) and (ii) the ABL Administrative Agent and the Issuing Lenders (in each case not to be unreasonably withheld or delayed). Each assignment (except to other Lenders or their affiliates or approved funds) will be in a minimum amount of $5.0 million. The ABL Administrative Agent will receive a processing and recordation fee of $3,500, payable by the assignor and/or the assignee, with each assignment.

The Lenders will be permitted to participate loans and ABL Commitments without restriction. Voting rights of participants shall be limited to matters in respect of (a) increases in commitments, (b) reductions of principal, interest, premium or fees, (c) extensions of final maturity or the due date of any interest, premium or fee payment and (d) releases of all or substantially all of the Collateral or all or substantially all of the value of the Guarantees.

No assignments or participations may be made to Disqualified Lenders. The ABL Administrative Agent shall have the right to (a) post the list of Disqualified Lenders provided by the Company and any updates thereto from time to time (collectively, the "DQ List") on IntraLinks, SyndTrak

Online or similar electronic means (the "Platform"), including that portion of the Platform that is designated for "public side" Lenders and/or (b) provide the DQ List to each Lender requesting the same. The ABL Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions of the ABL Loan Documents relating to Disqualified Lenders.

Voting:

Amendments and waivers of the ABL Loan Documents will require the approval of Lenders (the "Required Lenders") holding more than 50.0% of the aggregate amount of ABL Commitments (or, if the ABL Commitments have been terminated, outstanding loans under the ABL Facility) under the ABL Loan Documents, except that: (a) the consent of each Lender directly and adversely affected thereby shall be required with respect to (i) increases in or extensions of commitments of such Lender, (ii) reductions of principal, interest (other than default interest), premium or fees and (iii) reductions in the amount of or extensions of final maturity or the due date of any interest, premium or fee payment; (b) the consent of 100% of the Lenders will be required with respect to (i) modifications to any of the voting percentages applicable thereto, (ii) changes to the waterfall or pro rata sharing provisions in a manner that would alter the manner in which payments are shared and (iii) releases of liens on all or substantially all of the Collateral or all or substantially all of the value of the Guarantees (other than in connection with any sale of Collateral or of the relevant Guarantor permitted by the Loan Documents); and (c) the consent of the ABL Administrative Agent and Issuing Lenders will be required to amend, modify or otherwise affect the rights and duties of the ABL Administrative Agent or the Issuing Lenders, as applicable. In addition, the consent of a supermajority (66.7%) of the aggregate amount of ABL Commitments (or, if the ABL Commitments have been terminated, outstanding loans under the ABL Facility) shall be required for increases in advance rates under the definition of Borrowing Base (provided that the foregoing shall not impair the ability of the ABL Administrative Agent to add, remove, reduce or increase reserves against the Borrowing Base assets in its Permitted Discretion) and the consent of a supermajority (66.7%) of the aggregate amount of ABL Commitments (or, if the ABL Commitments have been terminated, outstanding loans under the ABL Facility) shall be required for any changes to the Borrowing Base definition or the component definitions thereof which result in increased borrowing availability.

The ABL Loan Documents shall contain customary provisions for replacing (i) non-consenting Lenders in connection with amendments and waivers requiring the consent of all relevant Lenders or of all relevant Lenders directly affected thereby so long as relevant Lenders holding at least 50% (or, the relevant required percentage) of the aggregate amount of ABL Commitments have consented thereto and (ii) defaulting Lenders. The ABL Facility shall also contain usual and customary provisions regarding defaulting lenders to be based on the ABL Administrative Agent's customary form.

In addition, if the ABL Administrative Agent and the Company shall have jointly identified an obvious error or any error or omission of a technical

	nature in the ABL Loan Documents, then the ABL Administrative Agent and the Company shall be permitted to amend such provision without any further action or consent of any other party if the same is not objected to in writing by the Required Lenders to the ABL Administrative Agent within five (5) business days following receipt of notice thereof.
Yield Protection and Increased Costs:	The ABL Loan Documents will include customary tax gross-up, cost and yield protection provisions substantially consistent with those set forth in the Term Loan Documents.
Indemnity and Expenses:	The ABL Loan Documents will include customary expense reimbursement and indemnification provisions substantially consistent with those set forth in the Term Loan Documents; provided that, in connection with the Closing Date and only to the extent that the Closing Date occurs, one appraisal and one field examination shall be included within the scope of this paragraph and thereafter, expense reimbursements with respect to field examinations and inventory appraisals shall be limited as described in the section entitled "Affirmative Covenants" above in this Exhibit C.
Bail-In Provisions:	The ABL Loan Documents shall contain the ABL Administrative Agent's customary provisions in respect of European Union "Bail-In" matters (but no representation) to be based on the ABL Administrative Agent's customary form.
Governing Law and Forum:	New York.
Counsel to ABL Administrative Agent and ABL Arrangers:	Latham & Watkins LLP.

Exhibit D

Project Brand II
Summary of Conditions Precedent to the Facilities[1]

The availability of the Facilities is subject to the following conditions precedent:

1. Concurrent Transactions: The Acquisition shall have been consummated or will be consummated substantially concurrently with the initial funding under the Facilities in accordance with the Acquisition Agreement, after giving effect to any amendments, modifications or waivers thereto; provided that no such amendment, modification or waiver by you (or your affiliates) of any term thereof that is materially adverse to any interest of the Commitment Parties or the Lenders (it being understood that any amendment, modification or waiver by you (or your affiliates) that results in a decrease of up to 10% of the Cash Consideration (as defined in the Acquisition Agreement) shall not be deemed to be materially adverse to any interest of the Commitment Parties or the Lenders so long as the Term Facility is reduced by the amount of any such decrease in the Cash Consideration), will be made or granted, as the case may be, without the prior written consent of the Commitment Parties.

2. Historical Financial Statements. The Arrangers shall have received (i) audited consolidated financial statements of the Company and its consolidated subsidiaries consisting of audited consolidated balance sheets as of January 31, 2015 and January 31, 2016 and audited consolidated income statements and statements of stockholders' equity and cash flows for each of the fiscal years of the Company ended January 31, 2014, January 31, 2015 and January 31, 2016, (ii) audited consolidated financial statements of the Target and its subsidiaries consisting of audited consolidated balance sheets as of December 31, 2014 and December 31, 2015 and audited consolidated statements of operations and comprehensive income (loss), statements cash flows and statements of stockholders' equity for each of the fiscal years of the Target and its subsidiaries ended December 31, 2013, December 31, 2014 and December 31, 2015, (iii) unaudited interim consolidated financial statements of the Company and its consolidated subsidiaries consisting of (A) an unaudited interim consolidated balance sheet of the Company and its consolidated subsidiaries as of the last day of the most recent fiscal quarter (other than the fourth fiscal quarter of any fiscal year) of the Company and its consolidated subsidiaries that has been completed prior to the Closing Date that has ended at least 45 days before the Closing Date and (B) an unaudited interim consolidated income statement, statement of cash flows and statement of stockholder's equity of the Company and its consolidated subsidiaries for the most recent six or nine month, as applicable, fiscal period (other than the fourth fiscal quarter of any fiscal year) of the Company and its consolidated subsidiaries that has been completed prior to the Closing Date and that has ended at least 45 days before the Closing Date and (iv) unaudited interim consolidated financial statements of the Target and its subsidiaries consisting of (A) an unaudited interim consolidated balance sheet of the Target and its subsidiaries as of the last day of the most recent fiscal quarter (other than the fourth fiscal quarter of any fiscal year) of the Target and its subsidiaries that has been completed prior to the Closing Date and that has ended at least 45 days before the Closing Date and (B) an unaudited interim consolidated statement of operations and comprehensive income (loss), statement of cash flows and statement of stockholders' equity of the Target and its subsidiaries for the most recent six or nine month, as

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1 Capitalized terms used in this Exhibit D shall have the meanings set forth in the other Exhibits attached to the Commitment Letter to which this Exhibit D is attached (the "Commitment Letter"). In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit D shall be determined by reference to the context in which it is used.

applicable, fiscal period (other than the fourth fiscal quarter of any fiscal year) of the Target and its subsidiaries that has been completed prior to the Closing Date and that has ended at least 45 days before the Closing Date. The Arrangers hereby acknowledge receipt of the audited consolidated financial statements referred to in clause (i) above for the fiscal years ended January 31, 2014, January 31, 2015 and January 31, 2016.

3. Pro Forma Financial Statements. The Arrangers shall have received a *pro forma* consolidated balance sheet and related *pro forma* consolidated statement of income of the Company as of, and for the twelve-month period ending on, the last day of the most recently completed four-fiscal quarter period for which financial information pursuant to paragraph 2(i) and (iii) above has been delivered, prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such income statements), which need not be prepared in compliance with Regulation S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting (including adjustments of the type contemplated by Financial Accounting Standards Board Accounting Standards Codification 805, Business Combinations (formerly SFAS 141R)).

4. Payment of Fees and Expenses. The Company shall have paid, or will substantially simultaneously with the initial borrowing under the Facilities pay, all fees and reasonable expenses (including, without limitation, legal fees and expenses) of the Arrangers, the Administrative Agents and the Lenders as and to the extent (a) required pursuant to the terms of this Commitment Letter and the Fee Letter relating to the Facilities and (b) invoiced to the Company at least two business days prior to the Closing Date (which amounts may be offset against the proceeds of the Facilities).

5. Definitive Documents; Customary Closing Conditions. Subject in all respects to the Limited Conditionality Provisions, (a) with respect to the Term Facility (i) the Term Loan Documents (as defined in Exhibit B and including guarantees, security agreements and other related definitive documents), which shall be in accordance with the terms set forth in this Commitment Letter, Exhibit B (as modified to reflect any exercise of the "Market Flex Provisions" under the Fee Letter) and the Documentation Considerations (as defined in Exhibit B) shall have been executed and delivered by the Borrowers and each Guarantor and (ii) the Company shall have delivered the following other customary closing deliverables with respect to the Borrower and the Guarantors: (A) customary officer's closing and secretary certificates, legal opinions (in each relevant jurisdiction), corporate authority or organizational documents, good standing certificates in jurisdictions of formation/organization, and officer's certificates evidencing authority and (B) a solvency certificate, dated as of the Closing Date and after giving effect to the Transactions, substantially in the form of Annex I attached to this Exhibit D, of the chief financial officer of the Company;

(b) with respect to the ABL Facility (i) the ABL Loan Documents (as defined in Exhibit C and including guarantees, security agreements and other related definitive documents), which shall be in accordance with the terms set forth in this Commitment Letter, Exhibit C and the Documentation Considerations (as defined in Exhibit C) shall have been executed and delivered by the Borrowers and each Guarantor and (ii) the Company shall have delivered the following other customary closing and secretary deliverables with respect to the Borrowers and the Guarantors: (A) customary officer's closing certificates, legal opinions (in each relevant jurisdiction), corporate authority or organizational documents, good standing certificates in jurisdictions of formation/organization, and officer's certificates evidencing authority, (B) the Initial Borrowing Base Certificate and (C) a solvency certificate, dated as of the Closing Date and

after giving effect to the Transactions, substantially in the form of Annex I attached to this Exhibit D, of the chief financial officer of the Company;

6. Refinancings. The Refinancings shall have been consummated, or substantially simultaneously with the initial borrowing under the Facilities, shall be consummated.

7. Liens. Subject in all respects to the Limited Conditionality Provisions, (a) with respect to the Term Facility, all documents and instruments required to create and perfect the Term Administrative Agent's security interest in the Collateral (as defined in Exhibit B) shall have been executed and delivered and, if applicable, be in proper form for filing and (b) with respect to the ABL Facility, all documents and instruments required to create and perfect the ABL Administrative Agent's security interest in the Collateral shall have been executed and delivered and, if applicable, be in proper form for filing.

8. Patriot Act. Each Commitment Party shall have received, at least three business days prior to the Closing Date, all documentation and other information about the Loan Parties that the Commitment Parties have reasonably determined is required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, and that was reasonably requested from the Company in writing at least 10 business days prior to the Closing Date.

9. Representations and Warranties. The Acquisition Agreement Representations shall be true and correct, but only to the extent that the Company or its subsidiaries have the right (taking into account any applicable cure periods) to terminate its or their obligations under the Acquisition Agreement or decline to consummate the transactions thereunder as a result of the failure of such representations to be true and correct and the Specified Representations shall be true and correct in all material respects (provided that Specified Representations already qualified by materiality or material adverse effect shall be true and correct in all respects) on the Closing Date, except to the extent that any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct on and as of such earlier date.

10. Closing Date. The Closing Date shall occur no earlier than September 30, 2016.

Form of Solvency Certificate

To the Administrative Agent and each of the Lenders party to the Credit Agreement referred to below:

I, the undersigned, the Chief Financial Officer of [*Borrower*], a [ ] (the "Borrower"), in that capacity only and not in my individual capacity (and without personal liability), do hereby certify as of the date hereof, and based upon facts and circumstances as they exist as of the date hereof (and disclaiming any responsibility for changes in such fact and circumstances after the date hereof), that:

1. This certificate is furnished to the Administrative Agent and the Lenders pursuant to Section [___] of the [Credit Agreement], dated as of____, 201[ ], among [_____] (the "Credit Agreement"). Unless otherwise defined herein, capitalized terms used in this certificate shall have the meanings set forth in the Credit Agreement.

2. For purposes of this certificate, the terms below shall have the following definitions:

(a) "Fair Value"

The amount at which the assets (both tangible and intangible), in their entirety, of the Borrower and its subsidiaries taken as a whole would change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under any compulsion to act.

(b) "Present Fair Salable Value"

The amount that could be obtained by an independent willing seller from an independent willing buyer if the assets (both tangible and intangible) of the Borrower and its subsidiaries taken as a whole are sold on a going concern basis with reasonable promptness in an arm's-length transaction under present conditions for the sale of comparable business enterprises insofar as such conditions can be reasonably evaluated.

(c) "Stated Liabilities"

The recorded liabilities (including contingent liabilities that would be recorded in accordance with GAAP) of the Borrower and its subsidiaries taken as a whole, as of the date hereof after giving effect to the consummation of the Transactions (including the execution and delivery of the Credit Agreement, the making of the loans under the Credit Agreement and the use of proceeds of such loans on the date hereof), determined in accordance with GAAP consistently applied.

(d) "Identified Contingent Liabilities"

The maximum estimated amount of liabilities reasonably likely to result from pending litigation, asserted claims and assessments, guaranties, uninsured risks and other contingent liabilities of the Borrower and its subsidiaries taken as a whole after giving effect to the Transactions (including the execution and delivery of the Credit Agreement, the making of the loans under the Credit Agreement and the use of proceeds of such loans on the date hereof) (including all fees and expenses related thereto but exclusive of such contingent liabilities to the extent reflected in Stated Liabilities), as identified and explained in terms of their nature and estimated magnitude by responsible officers of the Borrower.

(e) "Can pay their Stated Liabilities and Identified Contingent Liabilities as they mature"

Borrower and its subsidiaries taken as a whole after giving effect to the Transactions (including the execution and delivery of the Credit Agreement, the making of the loans under the Credit Agreement and the use of proceeds of such loans on the date hereof) have sufficient assets and cash flow to pay their respective Stated Liabilities and Identified Contingent Liabilities as those liabilities mature or (in the case of contingent liabilities) otherwise become payable.

(f) "Do not have Unreasonably Small Capital"

Borrower and its subsidiaries taken as a whole after giving effect to the Transactions (including the execution and delivery of the Credit Agreement, the making of the loans under the Credit Agreement and the use of proceeds of such loans on the date hereof) have sufficient capital to ensure that it is a going concern.

3. For purposes of this certificate, I, or officers of Borrower under my direction and supervision, have performed the following procedures as of and for the periods set forth below.

(a) I have reviewed the financial statements (including the pro forma financial statements) referred to in Section [ ] of the Credit Agreement.

(b) I have knowledge of and have reviewed to my satisfaction the Credit Agreement.

(c) As chief financial officer of Borrower, I am familiar with the financial condition of Borrower and its subsidiaries.

4. Based on and subject to the foregoing, I hereby certify on behalf of Borrower that after giving effect to the consummation of the Transactions (including the execution and delivery of the Credit Agreement, the making of the loans under the Credit Agreement and the use of proceeds of such loans on the date hereof), it is my opinion that (i) each of the Fair Value and the Present Fair Salable Value of the assets of Borrower and its subsidiaries taken as a whole exceed their Stated Liabilities and Identified Contingent Liabilities; (ii) Borrower and its subsidiaries taken as a whole do not have Unreasonably Small Capital; and (iii) Borrower and its subsidiaries taken as a whole can pay their Stated Liabilities and Identified Contingent Liabilities as they mature.* * *

IN WITNESS WHEREOF, Borrower has caused this certificate to be executed on its behalf by its Chief Financial Officer this [ ] day of 201[ ].

[ ]

By: _____
Name:
Title: Chief Financial Officer

Exhibit 10.2

BARCLAYS
745 Seventh Avenue
New York, New York 10019

JPMORGAN CHASE BANK, N.A.
383 Madison Avenue
New York, New York 10179

PERSONAL AND CONFIDENTIAL

August 25, 2016

G-III Apparel Group, LTD.
512 Seventh Avenue
New York, New York 10018
Attention: Wayne Miller, Chief Operating Officer

Project Brand II
$350,000,000 Senior Secured Term Loan Facility
$650,000,000 ABL Facility
Commitment Letter and Fee Letter Joinder

Ladies and Gentlemen:

Reference is made to (a) that certain Commitment Letter, dated July 22, 2016 (together with the exhibits attached thereto, the "Commitment Letter"), among Barclays Bank PLC (together with its affiliates, "Barclays"), JPMorgan Chase Bank, N.A. ("JPMorgan" and, together with Barclays, the "Initial Commitment Parties") and G-III Apparel Group, LTD. ("G-III" or "you") and (b) the Fee Letter referred to therein (the "Fee Letter").

This joinder agreement (this "Joinder Agreement") constitutes the "customary joinder documentation" contemplated by Section 1 of the Commitment Letter and sets forth the agreement of you and the Initial Commitment Parties regarding the joinder of Bank of America, N.A. ("BANA"), U.S. Bank National Association ("U.S. Bank"), HSBC Bank USA, National Association ("HSBC Bank"), HSBC Securities (USA) Inc. ("HSBC Securities"), Wells Fargo Bank, N.A. ("Wells Fargo Bank"), KeyBank National Association ("KeyBank") and Capital One, National Association ("Capital One", and together with BANA, U.S. Bank, HSBC Bank, HSBC Securities, Wells Fargo Bank and KeyBank, the "Additional Commitment Parties" and, together with the Initial Commitment Parties, the "Commitment Parties") to the Commitment Letter and the Fee Letter to act in the roles specified below and to provide a portion of the commitments under the Commitment Letter and be entitled to a portion of the fees under the Fee Letter. Each of BANA, U.S. Bank, HSBC Bank, HSBC Securities, Wells Fargo Bank, KeyBank and Capital One shall constitute an "Additional Commitment Party" under the Commitment Letter, and all references therein and in the Fee Letter to "we" or "us" shall also constitute references to all Commitment Parties (including the Additional Commitment Parties), and the execution of this Joinder Agreement constitutes the appointment of Additional Commitment Parties referred to in the Commitment Letter. Capitalized terms used but not defined herein are used with the meanings assigned to them in the Commitment Letter or Fee Letter, as applicable.

1. Appointment. You hereby appoint BANA as a joint lead arranger and joint bookrunner for the ABL Facility and BANA shall constitute an "ABL Facility Arranger" under the Commitment Letter. Additionally, you hereby appoint each of BANA, U.S. Bank, HSBC Securities, Wells Fargo Bank, KeyBank and Capital One to act (and each of BANA, U.S. Bank, HSBC Securities, Wells Fargo Bank, KeyBank and Capital One hereby agrees to act) as a co-syndication agent for the Term Facility and the ABL

Facility.

Each of BANA, U.S. Bank, HSBC Bank, Wells Fargo Bank, KeyBank and Capital One is pleased to commit to provide on a several, but not joint, basis (i) the percentage of the entire principal amount of the Term Facility set forth opposite such Additional Commitment Party's name on Schedule 1 hereto (and to provide the same percentage (as set forth on Schedule 1 hereto) of any increased amounts to fund any original issue discount or upfront fees required to be funded in connection with the exercise of "Market Flex Provisions" in the Fee Letter) and (ii) the principal amount of the ABL Facility set forth opposite such Additional Commitment Party's name on Schedule 2 hereto, in each case, subject to the terms and conditions set forth in the Commitment Letter. Each of BANA, U.S. Bank, HSBC Bank, Wells Fargo Bank, KeyBank and Capital One shall constitute an "Initial Lender," an "Initial Term Lender" (in respect of its commitment under the Term Facility) and an "Initial ABL Lender" (in respect of its commitment under the ABL Facility) under the Commitment Letter and Fee Letter. For the avoidance of doubt, the commitments of Barclays and JPMorgan with respect to each Facility set forth in the Commitment Letter shall be reduced by the amount of commitments of the Additional Commitment Parties in respect of such Facility upon execution of this Joinder Agreement by each of the parties hereto, such that, as of the date of this Joinder Agreement, (i) the percentage of the entire principal amount of the Term Facility representing each of Barclays' and JPMorgan's commitment in respect of the Term Facility is as set forth on Schedule 1 hereto (it being understood and agreed that each of Barclays and JPMorgan shall provide the same percentage (as set forth on Schedule 1 hereto) of any increased amounts to fund any original issue discount or upfront fees required to be funded in connection with the exercise of "Market Flex Provisions" in the Fee Letter) and (ii) the principal amount of each of JPMorgan's and Barclays' commitment in respect of the ABL Facility is as set forth on Schedule 2 hereto.

The parties hereto agree that, notwithstanding anything to the contrary in the Commitment Letter or Fee Letter, (i) the last sentence of the first paragraph of Section 2 of the Fee Letter is hereby amended and restated to read as follows: "The ABL Commitment Fees will be payable 42% to JPMorgan, 28% to Barclays, 5% to Bank of America, N.A., 5% to U.S. Bank National Association, 5% to HSBC Bank USA, National Association, 5% to Wells Fargo Bank, N.A., 5% to KeyBank National Association and 5% to Capital One, National Association", (ii) the phrase "The ABL Facility Arrangers holding (or whose affiliates hold) at least 50% in aggregate principal amount of ABL Facility Commitments shall be entitled, at any time prior to the Syndication Date of the ABL Facility, without your consent (but after consultation with you) and so long as such ABL Facility Arrangers reasonably determine" in Section 4 of the Fee Letter is hereby amended and restated to read as follows: "JPMorgan, in its capacity as an ABL Facility Arranger, shall be entitled, at any time prior to the Syndication Date of the ABL Facility, without your consent (but after consultation with you) and so long as JPMorgan, in its capacity as an ABL Facility Arranger, reasonably determines", (iii) a "Successful Syndication" of the ABL Facility shall be deemed to have occurred when the Commitment Parties, collectively, hold not more than $650.0 million of the ABL Commitments, (iv) the aggregate amount of the Term Facility is hereby decreased to $350.0 million and the aggregate amount of the ABL Facility is hereby increased to $650.0 million, and each reference in the Commitment Letter and Fee Letter to the aggregate amount of each Facility is hereby amended to reflect the applicable revised amount, (v) the proviso in the penultimate sentence of Section 6 of the Commitment Letter is hereby amended to add the following phrase as a new clause (iii) thereto (and to make any related punctuation and grammatical changes as a result thereof): "(iii) Bank of America, N.A. may, without notice to the Company, assign its rights and obligations under this Commitment Letter to any registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the date hereof", (vi) the ABL Facility Term Sheet is hereby amended to amend and restate the first sentence under the heading "Letter of Credit Sub-Facility" to read as follows: "$100.0 million (the "LC Sublimit") of the ABL Facility will be available to the Borrowers for the purpose of issuing Letters of Credit, and each Initial ABL Lender agrees to be an Issuing Lender (as

defined below) in a fronting capacity for an amount equal to the LC Sublimit divided by the number of Initial ABL Lenders (such amount, the "Initial ABL Lender LC Amount"); provided that each Initial ABL Lender shall, in its sole discretion and subject to the LC Sublimit, be permitted to increase its Initial ABL Lender LC Amount with the consent of the Company but without the consent of any other party", (vii) the ABL Facility Term Sheet is hereby amended to change the reference to "$700.0 million" under the heading "Incremental Facilities" therein to "$750.0 million", (viii) the ABL Facility Term Sheet is hereby amended to change the reference to "$150.0 million" under the heading "Availability" therein to "$250.0 million", (ix) the ABL Facility Term Sheet is hereby amended to add the proviso "provided that at no time shall the Base Rate or the Adjusted LIBOR Rate be less than zero" to the end of the sentence "There shall be no LIBOR or ABR floors for the ABL Facility" under the heading "Interest Rates" contained therein, (x) the ABL Facility Term Sheet is hereby amended to change the references to "$52.5 million" in the definition of "Cash Dominion Period" (under the heading "Cash Management and Cash Dominion") to $65.0 million, (xi) the ABL Facility Term Sheet is hereby amended to change the references to "$60.0 million" in the second and third paragraphs under the heading "Affirmative Covenants" to "$75.0 million", (xii) the ABL Facility Term Sheet is hereby amended to change the reference to "$62.5 million" in the definition of "Payment Conditions" (under the heading "Payment Conditions") to "$77.5 million", (xiii) the ABL Facility Term Sheet is hereby amended to change the reference to "$90.0 million" in the definition of "Payment Conditions" (under the heading "Payment Conditions") to "$112.5 million", (xiv) the ABL Facility Term Sheet is hereby amended to change the reference to "$80.0 million" in the definition of "Payment Conditions" (under the heading "Payment Conditions") to "$100.0 million", (xv) the ABL Facility Term Sheet is hereby amended to change the reference to "$42.5 million" under the heading "ABL Financial Covenant" therein to "$52.5 million", (xvi) the ABL Facility Term Sheet is hereby amended to add the words "of 1.00:1.00" immediately after the words "and (iv) calculated on a consolidated basis in accordance with GAAP)" in the first sentence under the heading "ABL Financial Covenant" therein and (xvii) paragraph 4 of Exhibit D of the Commitment Letter is hereby amended to insert the phrase ", the Additional Commitment Parties" immediately after the phrase "the Administrative Agents" appearing therein. For the avoidance of doubt, the parties hereto acknowledge and agree that, for purposes of the Term Commitment Fee and the ABL Commitment Fee payable pursuant to Section 1 and Section 2 of the Fee Letter, respectively, the aggregate principal amount of the Term Facility Commitments (as of the Acceptance Date) shall be $350,000,000 and the aggregate principal amount of the ABL Facility Commitments (as of the Acceptance Date) shall be $650,000,000.

The parties hereto acknowledge and agree that (i) the limitations set forth in the last paragraph of Section 1 of the Commitment Letter relating to the appointment of "Additional Commitment Parties" (as defined in the Commitment Letter) shall not restrict the appointment of the Additional Commitment Parties pursuant to this Joinder Agreement, (ii) notwithstanding the last sentence of the last paragraph of Section 1 of the Commitment Letter, none of the Additional Commitment Parties (nor any of their affiliates) shall constitute a Term Facility Arranger or ABL Facility Arranger, other than BANA, in its capacity as an ABL Facility Arranger, (iii) other than as contemplated in this Joinder Agreement, no "Additional Commitment Parties" (as defined in the Commitment Letter) may be appointed unless otherwise agreed to by you and the Arrangers and (iv) as of the date of this Joinder Agreement, "Successful Syndication" of the ABL Facility has been achieved.

2 . Agreement of Additional Commitment Parties to Be Bound; Titles; Etc. Each Additional Commitment Party acknowledges receipt of a copy of the Commitment Letter and the Fee Letter and agrees to be bound by the terms and conditions, subject to all commitments and obligations, and entitled to all of the rights and benefits (including, but not limited to, the titles, compensation and indemnity provisions) of a "Commitment Party" under the Commitment Letter and the Fee Letter (each, as amended by this Joinder Agreement). In addition, BANA, in its capacity as an ABL Facility Arranger, agrees to be bound by the terms and conditions, subject to all commitments and obligations, and entitled to all of the rights and benefits (including, but not limited to, the titles, compensation and indemnity provisions) of an "ABL

Facility Arranger" under the Commitment Letter and the Fee Letter (each, as amended by this Joinder Agreement). Notwithstanding the foregoing, except as set forth in the immediately preceding sentence, this paragraph will not apply to, and no Additional Commitment Party will have any rights or benefits with respect to, the provisions of the Commitment Letter or the Fee Letter applicable to the Term Administrative Agent, the ABL Administrative Agent, any Term Facility Arranger or any ABL Facility Arranger, in each case in its capacity as such. References in the Commitment Letter and the Fee Letter to the "parties hereto" and similar expressions include each Additional Commitment Party.

It is further understood that, other than as contemplated by the Commitment Letter and the Fee Letter (each, as amended by this Joinder Agreement), and as otherwise agreed to by you and the Arrangers, no other titles may be given, or compensation paid, to lenders in respect of the Facilities. Each Additional Commitment Party shall be entitled to share all or any portion of any fees payable thereunder with any affiliate or any other Lender.

3. Management of Syndication. The parties hereto acknowledge and agree that the Arrangers (and not any Additional Commitment Party, other than BANA, in its capacity as an ABL Facility Arranger) shall, subject to the terms and conditions set forth in the Commitment Letter, manage all aspects of the syndication.

4. Miscellaneous. This Joinder Agreement, together with the Commitment Letter and the Fee Letter, sets forth the entire understanding of the parties with respect to the Facilities and supersede any prior written or oral agreements among the parties hereto with respect to the Facilities. Each reference in the Commitment Letter and the Fee Letter to the Commitment Letter and the Fee Letter shall mean and be a reference to the Commitment Letter and Fee Letter as supplemented, modified and amended hereby. Except as set forth in this Joinder Agreement, the terms and conditions of each of the Commitment Letter and the Fee Letter are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The parties hereto agree that this Joinder Agreement is subject to the assignment provisions of the Commitment Letter, is intended to be solely for the benefit of the parties hereto and is not intended to and does not confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and, to the extent expressly provided in Section 5 of the Commitment Letter, the Indemnified Persons). This Joinder Agreement and, after giving effect hereto, the Commitment Letter (including the Term Sheets) and the Fee Letter, may not be amended or any term or provision thereof waived or modified except by an instrument in writing signed by each Commitment Party and you. This Joinder Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Joinder Agreement by facsimile or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof.

This Joinder Agreement will be governed by and construed in accordance with the laws of the State of New York. Subject to Section 2 herein, this Joinder Agreement and its contents are subject to the compensation, expense reimbursement, indemnification, jurisdiction, venue, service of process, waiver of jury trial, conflicting interests, absence of fiduciary duty and confidentiality provisions of the Commitment Letter, which shall be incorporated herein, *mutatis mutandis*, and apply hereto to the same extent as if more fully set forth herein. Each of the parties hereto acknowledge and agree that the commitments under the Commitment Letter (as amended by this Joinder Agreement) and the agreements of the Commitment Parties to provide the services described in the Commitment Letter (as amended by this Joinder Agreement) will automatically (and without further action) terminate upon the Termination Date unless the closing of the Facilities has been consummated on or before such date on the terms and subject to the conditions set forth in the Commitment Letter (as amended by this Joinder Agreement).

[Remainder of page intentionally left blank]

We are pleased to have been given the opportunity to assist you in connection with the financing for the Transactions.

Very truly yours,

BANK OF AMERICA, N.A.

By: /s/ Adam Seiden
Name: Adam Seiden
Title: SVP

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Lynne Ciaccia
Name: Lynne Ciaccia
Title: Authorized Officer

HSBC BANK USA, NATIONAL ASSOCIATION

By: /s/ Ashley Brenner
Name: Ashley Brenner
Title: Vice President

HSBC SECURITIES (USA) INC.

By: /s/ Nancy M. Del Genio
Name: Nancy M. Del Genio
Title: Managing Director

WELLS FARGO BANK, N.A., as Initial Term Lender

By: /s/ Erica Manoff
Name: Erica Manoff
Title: Vice President

WELLS FARGO BANK, N.A., as Initial ABL Lender

By: /s/ Sylvia Tran
Name: Sylvia Tran
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ J.E. Fowler
Name: J.E. Fowler
Title: Managing Director

CAPITAL ONE, NATIONAL ASSOCIATION

By: /s/ Joe A. Sacchetti
Name: Joe A. Sacchetti
Title: Director

AGREED TO AND ACCEPTED as of
the date first above written:

G-III APPAREL GROUP, LTD.

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Chief Financial Officer

BARCLAYS BANK PLC

By: /s/ Peter Toal
Name: Peter Toal
Title: Managing Director

JPMORGAN CHASE BANK, N.A.

By: /s/ Paul O'Neill
Name: Paul O'Neill
Title: SVP

SCHEDULE 1

TERM FACILITY COMMITMENTS

Commitment Party	Percentage
Barclays Bank PLC	42%
JPMorgan Chase Bank, N.A.	28%
Bank of America, N.A.	5%
U.S. Bank National Association	5%
HSBC Bank USA, National Association	5%
Wells Fargo Bank, N.A.	5%
KeyBank National Association	5%
Capital One, National Association	5%
Total	100%

SCHEDULE 2

ABL FACILITY COMMITMENTS

Commitment Party		Commitment
JPMorgan Chase Bank, N.A.	$	95,000,000
Barclays Bank PLC	$	95,000,000
Bank of America, N.A.	$	95,000,000
U.S. Bank National Association	$	73,000,000
HSBC Bank USA, National Association	$	73,000,000
Wells Fargo Bank, N.A.	$	73,000,000
KeyBank National Association	$	73,000,000
Capital One, National Association	$	73,000,000
Total	$	650,000,000

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a - 14(a) OR RULE 15d - 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Morris Goldfarb, certify that:

1. I have reviewed this quarterly report on Form 10-Q of G-III Apparel Group, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15(e) and 15d - 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a - 15(f) and 15d - 15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 1, 2016

/s/ Morris Goldfarb
Morris Goldfarb
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a - 14(a) OR RULE 15d - 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Neal S. Nackman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of G-III Apparel Group, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15(e) and 15d - 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a - 15(f) and 15d - 15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 1, 2016

/s/ Neal S. Nackman
Neal S. Nackman
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of G-III Apparel Group, Ltd. (the "Company") on Form 10-Q for the quarterly period ended July 31, 2016, as filed with the Securities and Exchange Commission (the "Report"), I, Morris Goldfarb, Chief Executive Officer of the Company, hereby certify that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Morris Goldfarb
Morris Goldfarb
Chief Executive Officer

Date: September 1, 2016

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of G-III Apparel Group, Ltd. (the "Company") on Form 10-Q for the quarterly period ended July 31, 2016, as filed with the Securities and Exchange Commission (the "Report"), I, Neal S. Nackman, Chief Financial Officer of the Company, hereby certify that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Neal S. Nackman
Neal S. Nackman
Chief Financial Officer

Date: September 1, 2016

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.