

**J.JILL, INC.**

**CORPORATE GOVERNANCE GUIDELINES**

**(adopted by the Board of Directors on March 8, 2017)**

**I. Board Membership**

1. Size of Board. The Board's optimum size is eight members, but may be adjusted from time to time by the Board in accordance with the requirements of the Company's governing documents including increases in size to accommodate additional independent directors in order to comply with applicable listing standards of the New York Stock Exchange.
2. Majority of Independent Directors. To the extent required by the New York Stock Exchange, the Board will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange, subject to applicable phase-in rules and regulations and other permitted exceptions.

The Board shall not be required to meet the independence requirements of the New York Stock Exchange during any period in which the Company is a "controlled company" within the meaning of the New York Stock Exchange's listing standards, unless the Board otherwise determines not to rely on the New York Stock Exchange "controlled company" exemption. If the Company ceases to be a "controlled company" or the Board determines not to rely on the New York Stock Exchange's "controlled company" exemption, the Board shall meet the independence requirements of the New York Stock Exchange within the periods required by the New York Stock Exchange's phase-in rules applicable to companies who cease to be "controlled companies."

In addition to the foregoing requirements, Audit and Compensation Committee members are subject to heightened independence requirements pursuant to the rules of the Securities and Exchange Commission and the New York Stock Exchange. The Board shall determine, annually or more frequently as the Board may so desire, based on all of the relevant facts and circumstances, whether each director satisfies these criteria for independence and will disclose each of these determinations.

Each independent director of the Board shall promptly notify the Chairman of the Board of any developments that may impair such director's independence. If a conflict exists and cannot be resolved, such director should submit to the Board written notification of such conflict of interest and an offer of resignation from the Board and each of the committees on which such director serves. The Board need not accept such offer of resignation; however, the submission of such offer of resignation provides the opportunity for the Board to review the appropriateness of the continuation of such individual's membership on the Board or any Board Committee.

3. Director Selection and Board Membership Criteria.

The Nominating and Corporate Governance Committee has, as one of its responsibilities, the recommendation of director candidates to the full Board. Nominees for directorship will be identified by the Nominating and Corporate Governance Committee in accordance with the criteria set forth below and any other criteria that may be identified by the Board or a Board Committee, if appropriate, and in accordance with the procedures set forth in the Nominating and Corporate Governance Committee's charter.

- (a) Background. The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. This assessment will include an individual's independence, as well as consideration of age, skills and experience, and a policy of promoting diversity, in the context of the needs of the Company.
- (b) Simultaneous Service. No director should serve on more than three other public company boards. No member of the Audit Committee should serve on more than two other public company audit committees. No director who is the Chief Executive Officer of another public company should serve on more than one other public company board, aside from the board of his/her own company. Directors should advise the Chairman of the Board and the chair of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board or audit committee.
- (c) Financial Literacy. Directors should know how to read and understand fundamental financial statements and understand the use of financial ratios and information in evaluating the financial performance of the Company.
- (d) Character. Directors should be persons of good character and thus should possess all of the following personal characteristics:
  - *Integrity:* Directors should demonstrate high ethical standards and integrity in their personal and professional dealings;
  - *Accountability:* Directors should be willing to be accountable for their decisions as directors;
  - *Judgment:* Directors should possess the ability to provide wise and thoughtful counsel on a broad range of issues;
  - *Responsibility:* Directors should interact with each other in a manner which encourages responsible, open, challenging and inspired discussion;

- *High Performance Standards:* Directors should have a history of achievements which reflects high standards for themselves and others;
  - *Commitment and Enthusiasm:* Directors should be committed to, and enthusiastic about, their performance for the Company as directors, both in absolute terms and relative to their peers; and
  - *Courage:* Directors should possess the courage to express views openly, even in the face of opposition.
- (e) Expectations. Each Director will be expected to:
- dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties;
  - comply with the duties and responsibilities set forth herein and in the By-laws of the Company;
  - comply with all duties of care, loyalty and confidentiality applicable to directors of publicly traded corporations organized in our jurisdiction of incorporation; and
  - adhere to the Company's Code of Conduct and Ethics, including, but not limited to, the policies on conflicts of interest expressed therein and any other Company policies that apply to Directors.

#### 4. Retirement.

- (a) Term Limits. The Board does not favor term limits for directors, but believes that it is important to monitor overall Board performance. Therefore, the Nominating and Corporate Governance Committee shall review each director's continuation on the Board annually. This review will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.
- (b) Retirement Age. No person shall be nominated by the Board to serve as a director after he or she has passed his or her 72nd birthday, unless the Nominating and Governance Committee has voted, on an annual basis, to waive the mandatory retirement age for such director.
- (c) Resignation Policy – Management Directors. Management directors shall offer to resign from the Board upon their resignation, removal or retirement as an employee of the Company, unless their contractual agreements with the Company provide otherwise.

- (d) Change in Job Responsibilities. The Board expects directors to notify the Board promptly and offer to resign from the Board upon a significant change in their business position including, without limitation, retirement from the position on which their original nomination was based. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they joined the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under the circumstances.

## **II. Board Leadership:**

1. Chairman of the Board. The Chairman of the Board shall be elected by the Board. Currently, the Company's Chairman is Michael Rahamim, and the Chairman is not also the Company's Chief Executive Officer. However, the Board believes that the Company and its stockholders are best served by maintaining flexibility to have any director serve as Chairman and therefore believes that a permanent policy on whether the Chairman and Chief Executive Officer positions should be separated or combined is not appropriate.
2. Lead Director. At any time the Company is not availing itself of the "controlled company" exceptions under the rules of the New York Stock Exchange, in order to maintain the independent integrity of the Board, if the Chairman is not an independent director, the Board shall appoint a Lead Director who must be independent. The Lead Director's responsibilities shall include: (a) presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors; (b) serving as liaison between the Chairman and the independent directors; (c) reviewing and approving materials to be sent to the Board; (d) approving the meeting agendas for the Board; (e) approving meeting schedules to assure that there is sufficient time for discussion of all agenda items; (f) having the authority to call meetings of the independent directors; and (g) if requested by major shareholders, ensuring that he or she is available for consultation and direct communication. If the Chairman is an independent director, than the foregoing responsibilities will be handled by the Chairman.

## **III. Board Roles, Procedures and Practices:**

1. Directors' Duties. The Board is elected by stockholders to provide oversight and strategic guidance to senior management. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's officers, employees, outside advisors and independent auditors. The Board selects and oversees senior management, to whom the Board delegates the authority and responsibility for the conduct of the day-to-day operations of the

business. The Board will adopt a strategic planning process to establish objectives and goals for the Company and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, as appropriate, a strategic plan that takes into account, among other things, the opportunities and risks of the Company's business and affairs.

Directors are expected to attend the annual meeting of stockholders. Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to review meeting materials prior to Board and committee meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address the same. Each director's attendance at, and preparation for, Board meetings and meetings of committees on which they serve, shall be considered by the Nominating and Corporate Governance Committee when recommending director nominees.

2. Board Meetings.

(a) Selection of Agenda Items and Executive Sessions. The Chairman of the Board (in consultation with the Lead Director, if any) establishes the agenda for Board meetings although each Board member is free to suggest the inclusion of items on the agenda. The Board will meet at least quarterly in executive session without management directors and any other members of the Company's management present. In addition, at least annually, all independent directors shall meet in executive session. Non-management directors of each listed company must meet at regularly scheduled executive sessions without management.

(b) Distribution of Materials. The Company shall distribute written materials sufficiently in advance of meetings to permit a meaningful review by the directors.

(c) Number of Meetings. The Board shall hold a minimum of four meetings per year.

3. Director Compensation. The form and amount of non-management director compensation will be determined by the Board upon the recommendation of the Compensation Committee. The Board is aware that questions as to directors' independence may be raised when directors' fees and emoluments exceed what is customary. Similar concerns may be raised when the Company makes substantial charitable contributions to organizations in which a director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a director. The Board will critically evaluate each of these matters when determining the form and amount of director compensation and will ensure that

such payments do not violate the applicable independence requirements of the New York Stock Exchange.

4. Director Orientation and Continuing Education. The Nominating and Corporate Governance Committee develops and oversees the Company's orientation programs for new directors and continuing education programs for directors.

Each new director, upon joining the Board, is provided with an orientation session regarding the Board and the Company's operations. As part of this orientation, each new director shall have an opportunity to meet with members of senior management of the Company.

Directors are also provided with continuing education on various subjects that will assist them in discharging their duties, which may include presentations by Company management or the Board's advisors on the Company's business, compliance efforts, applicable legal, regulatory or other developments or other matters as the Board, or the Nominating and Corporate Governance in its oversight of the Board's continuing education program, may deem appropriate.

5. Assessing Board Performance. The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive comments from all directors as to the Board's performance and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board.
6. Access to Officers, Employees and Advisors. Board members have complete and open access to the Company's senior management, any other employees and any Company advisors. Board members who wish to have access to such persons may coordinate such access through the Chairman or Lead Director or may contact such persons directly.
7. Board Communication Policy. The Board believes that management should speak for the Company and that the Chairman should speak for the Board. In order to ensure compliance with applicable securities laws and to avoid the potential detriment to the interests of the Company, its stockholders and other constituencies that could result from inconsistent communications, the members of the Board will not respond to media inquiries or make statements to the media regarding the Company and its business without consultation with, and approval by, the Chairman of the Board or the Board.

Notwithstanding the foregoing, the Audit Committee and the independent directors have established procedures to enable anyone who has a concern about the Company's conduct or about the Company's accounting, internal accounting controls or auditing matters to communicate those concerns directly to the Audit Committee, the Lead Director or the independent directors as a group. Such communications may be confidential or anonymous and may be submitted in

writing or by phone to 4 Batterymarch Park, Quincy, MA 02169 or (617) 376-4300.

8. Board Authority. The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.
9. Confidentiality. The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidentially and used solely in furtherance of the Company's business.
10. Code of Conduct and Ethics and Other Company Policies. The Company has adopted a Code of Conduct and Ethics and other internal policies and guidelines designed to support these guidelines and to comply with applicable law. The directors are expected to comply fully with that Code and any other applicable policies and guidelines. The Board will adopt and review, as appropriate, policies and procedures designed to ensure that the Company, its directors, officers and employees comply, in all material respects, with all applicable regulatory requirements and conduct the Company's business ethically and with honesty and integrity. Principal policies consist of:
  - (a) Code of Conduct and Ethics;
  - (b) Securities Trading Policy;
  - (c) Related Person Transactions Policy;
  - (d) Procedure for Investigating Associate Complaints; and
  - (e) Statement on Reporting Ethical Violations.

#### **IV. Board Committees**

1. Board Committees. The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. To the extent required by the New York Stock Exchange, each of these Committees shall consist solely of independent directors, subject to applicable phase-in rules and regulations and other permitted exceptions.

Members of the Compensation Committee and Nominating and Corporate Governance Committee shall not be required to meet the independence requirements of the New York Stock Exchange during any period in which the Company is a "controlled company" within the meaning of the New York Stock Exchange's listing standards, unless the Board otherwise determines not to rely on the New York Stock Exchange "controlled company" exemption. If the Company ceases to be a "controlled company" or the Board determines not to rely on the

New York Stock Exchange’s “controlled company” exemption, the Compensation Committee and Nominating and Corporate Governance Committee shall meet the independence requirements of the New York Stock Exchange within the periods required by the New York Stock Exchange’s phase-in rules applicable to companies who cease to be “controlled companies.”

Committee members will be appointed by the Board upon the recommendation of the Nominating and Corporate Governance Committee with consideration of the desires of individual directors. Each committee shall have its own charter, which will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its own performance and will be posted on the Company’s website.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

2. Rotation of Committee Assignments and Chairs. Committee assignments and the designation of committee chairs should be based on the director’s knowledge, interests and areas of expertise as well as the needs of the Company and the Board. The Board generally does not favor mandatory rotation of committee assignments or chairs because of its belief that experience and continuity are more important than rotation.

## **V. Executive Officer Evaluation, Compensation and Management Succession**

1. Executive Officer Evaluation and Compensation. The Compensation Committee reviews and makes recommendations to the Board with respect to the Company’s compensation philosophy, policies and programs so as to support the Company’s overall business strategy. On an annual basis, the Compensation Committee will review and approve corporate goals and objectives relevant to the compensation of the Company’s Chief Executive Officer, evaluate Chief Executive Officer performance in light of those goals and objectives and determine and approve Chief Executive Officer compensation levels based on this evaluation. The Compensation Committee shall also oversee the compensation of other executive officers.
2. Succession. The Nominating and Corporate Governance Committee oversees the Company’s management succession planning. The Nominating and Corporate Governance Committee will develop and recommend to the Board for approval a Chief Executive Officer and executive officer succession plan as well as an interim Chief Executive Officer succession plan in the event of an unexpected occurrence, and will also review such plan from time to time as appropriate.