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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
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Check the appropriate box:

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

Express, Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):
[X] No fee required.
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1) Title of each class of securities to which transaction applies:

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3) Filing Party:

4) Date Filed:

Notice of

2018

Annual Meeting

of Stockholders

Columbus, Ohio

May 3, 2018

LETTER TO OUR STOCKHOLDERS

FROM THE BOARD OF DIRECTORS

Dear Fellow Stockholders,

We remain steadfast in our commitment to maximizing long-term value for our stockholders and acknowledge the critical role that corporate governance plays in carrying out our commitment to you.

I want to highlight a few corporate governance items that we are focused on.

Strategy and Performance. The Company is in the midst of executing its multi-year transformational strategy to position Express for long-term success as an omni-channel retailer. While 2017 financial performance fell short of expectations, the Company made significant progress against its strategic initiatives, which will serve as the foundation for value creation over the long-term. We saw these initiatives start to yield results as business performance began to improve as the year progressed. The Company's e-commerce business continues to be a strength with growth of 22% on a comparable sales basis and record sales of over $500 million in 2017. E-commerce sales accounted for 24% of the Company's total sales in 2017, up from 19% in 2016. The Company remains in a very strong financial position, generating significant cash flow and ending the 2017 fiscal year with more than $235 million in cash and no debt financing. As we look ahead, we are confident that continued execution of the strategy will lead to improved financial performance, continued strong cash flow generation, and in turn, increased value for our stockholders.

Capital Allocation. The Board, together with the management team, regularly evaluates the Company's capital use strategy. Given the Company's ability to generate strong cash flow, in November 2017 we approved a capital return plan for our stockholders in the form of a $150 million share repurchase program. In 2017, Express repurchased approximately 2.1 million shares of its common stock for $17.3 million. Subsequent to year end through April 4, 2018, Express used an additional $13.5 million to repurchase approximately 1.9 million shares of common stock. We remain committed to deploying capital in ways that will generate long-term value for our stockholders.

Board Composition. We understand the importance of having the right combination of skills and experience on the Board to oversee the Company as it carries out its strategy to transform and position itself for success in the ever-changing retail environment in which we operate. Our directors have deep and diverse experience in areas that are core to our growth strategy. We believe that Board refreshment can enhance a Board's effectiveness. Our directors on average have a tenure of approximately 5 years on the Board. We are currently engaged in a formal search to add a new director with skills and experience that will strengthen the Board's ability to oversee the Company as it carries out its growth strategy.

Executive Compensation. The overall design and target pay opportunity for Mr. Kornberg in 2017 was the same as it was in 2016. We believe that Mr. Kornberg's target pay opportunity should be competitive with the market and that actual compensation should align with Company performance. We achieve this through a pay-for-performance compensation design that includes rigorous performance targets. Accordingly, Mr. Kornberg's actual compensation in 2017 was significantly less than target. Mr. Kornberg's target pay opportunity will remain the same in 2018.

Stockholder Engagement. As part of our stockholder engagement process, we reached out to stockholders representing over a majority of our outstanding common stock this past year. We highly value our conversations with stockholders and as a Board, discuss and take into consideration feedback shared. The Board's decision to approve a capital return program for our stockholders in late November 2017 was based in part on feedback received from our stockholders in 2017. We would like to thank those who took the time to engage and share their viewpoints with us in 2017 and we look forward to continued engagement with stockholders in 2018.

We continue to believe in the long-term opportunity for the Company and remain committed to maximizing long-term value for our stockholders. Thank you for your continued support of Express.

Mylle H. Mangum

Chairman of the Board

Notice of

2018 Annual Meeting of Stockholders

Time and Date	8:30 a.m., Eastern Daylight Time, on Wednesday, June 13, 2018
Place	Express Corporate Headquarters, 1 Express Drive, Columbus, OH 43230
Items of Business	1. Election of Class II directors; 2. Advisory vote to approve executive compensation (say-on-pay); 3. Ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018; 4. Approval of the Express, Inc. 2018 Incentive Compensation Plan; and 5. Such other business as may properly come before the meeting.
Record Date	Holders of record of the Company's common stock at the close of business on April 16, 2018 are entitled to notice of and to vote at the 2018 Annual Meeting of Stockholders or any adjournment or postponement thereof.

This proxy statement is issued in connection with the solicitation of proxies by the Board of Directors of Express, Inc. for use at the 2018 Annual Meeting of Stockholders and at any adjournment or postponement thereof. On or about May 3, 2018, we will begin distributing print or electronic materials regarding the annual meeting to each stockholder entitled to vote at the meeting. Shares represented by a properly executed proxy will be voted in accordance with instructions provided by the stockholder.

How to Vote

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the 2018 Annual Meeting of Stockholders, we urge you to vote your shares now in order to ensure the presence of a quorum.

Stockholders of record may vote:

By Internet: go to www.proxyvote.com;	By telephone: call toll free (800) 690-6903; or	By mail: if you received paper copies in the mail of the proxy materials and proxy card, mark, sign, date, and promptly mail the enclosed proxy card in the postage-paid envelope.

Beneficial Stockholders. If you hold your shares through a broker, bank, or other nominee, follow the voting instructions you receive from your broker, bank, or other nominee, as applicable, to vote your shares.

By Order of the Board of Directors,

Lacey Bundy

Senior Vice President, General Counsel and Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on June 13, 2018: this Notice of Annual Meeting and Proxy Statement and our 2017 Annual Report are available in the investor relations section of our website at www.express.com/investor. Additionally, and in accordance with the Securities and Exchange Commission ("SEC") rules, you may access our proxy materials at www.proxyvote.com, a site that does not have "cookies" that identify visitors to the site.

PROXY STATEMENT SUMMARY INFORMATION	1
FREQUENTLY ASKED QUESTIONS ABOUT VOTING AND THE ANNUAL MEETING	6
ELECTION OF CLASS II DIRECTORS (PROPOSAL NO. 1)	9
CORPORATE GOVERNANCE	14
Board Responsibilities	14
Board Composition	14
Board Competencies and Experience	15
Board Demographics and Refreshment	16
Identifying and Evaluating Director Candidates	17
Board Leadership & Structure	17
Leadership Structure	17
Board Committees	18
Board Practices	20
Strategy Oversight	20
Risk Oversight	21
Management Oversight and Succession Planning	21
Compliance & Corporate Responsibility	21
Stockholder Engagement	22
Communications with the Board	22
Board Meetings	22
Corporate Governance Principles	23
Director Election Standards	23
Board Evaluations	23
Outside Board Memberships	23
Code of Conduct	23
Related Person Transactions	23
Director Compensation	24
EXECUTIVE OFFICERS	26

EXECUTIVE COMPENSATION	27
Compensation Discussion and Analysis	27
Executive Summary	27
What We Pay and Why: Elements of Compensation	31
Executive Compensation Practices	39
Compensation and Governance Committee Report	42
Compensation Tables	43
Employment Related Agreements	49
Potential Payments Upon Termination and Change-in-Control	51
CEO Pay Ratio	54
STOCK OWNERSHIP INFORMATION	55
Section 16(a) Beneficial Ownership Reporting Compliance	56
AUDIT COMMITTEE	57

Audit Committee Report	57
Independent Registered Public Accounting Firm Fees and Services	58
ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION (SAY-ON-PAY) (PROPOSAL NO. 2)	59
RATIFICATION OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2018 (PROPOSAL NO. 3)	60
APPROVAL OF THE EXPRESS, INC. 2018 INCENTIVE COMPENSATION PLAN (PROPOSAL NO. 4)	61
OTHER MATTERS	69
ADDITIONAL INFORMATION	69
APPENDIX A — Information About Non-GAAP Financial Measures	71
APPENDIX B — Express, Inc. 2018 Incentive Compensation Plan	73

Proxy Statement Summary Information

Proxy Statement Summary Information

The Board of Directors (the "Board") of Express, Inc. (the "Company") is soliciting your proxy to vote at the Company's 2018 Annual Meeting of Stockholders (the "Annual Meeting"), or at any adjournment or postponement of the Annual Meeting. To assist you in your review of this proxy statement, we have provided a summary of certain information relating to the items to be voted on at the Annual Meeting in this section. For additional information about these topics, please review this proxy statement in full and the Company's Annual Report on Form 10-K for 2017 which was filed with the SEC on April 4, 2018 (the "Annual Report").

Our fiscal year ends on the Saturday closest to January 31. Fiscal years are referred to by the calendar year in which the fiscal year commences. All references herein to "2017", "2016", and "2015" refer to the 53-week period ended February 3, 2018, and the 52-week periods ended January 28, 2017 and January 30, 2016, respectively. Comparable sales for 2017 was calculated using the 53-week period ended February 3, 2018 relative to the 53-week period ended February 4, 2017.

In this proxy statement, we refer to adjusted operating income, adjusted diluted earnings per share ("Adjusted EPS"), and earnings before interest, taxes, depreciation, and amortization, and excluding the impact of non-core operating items ("Adjusted EBITDA") which are financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Please refer to Appendix A to this proxy statement for more information on adjusted operating income, Adjusted EPS, and Adjusted EBITDA and a reconciliation of such measures to reported operating income, diluted earnings per share ("EPS"), and net income, respectively, which are their most directly comparable GAAP measures.

2017 Business Performance

Financial performance declined in 2017 on a year over year basis, however, we continued to make meaningful progress against strategic initiatives that we believe will lead to long-term value creation for our stockholders. Our e-commerce business continues to be a strength, generating record sales of over $500 million in 2017, and accounting for 24% of net sales compared to 19% in 2016. We also continued to generate strong cash flow in 2017 and ended the year with over $235 million in cash and no debt on our balance sheet. The Company's ability to generate cash flow beyond its investment needs led to the Board approving a capital return program for stockholders in the form of a new $150 million share repurchase program in 2017. The retail sector continues to face challenges and opportunities that come from rapid change. We continue to believe in the opportunities presented by the changing dynamics in retail and our ability to generate long-term value for our stockholders through focused execution of our strategy.

Net Sales Adjusted Operating Income(1) Adjusted EPS(1)

(1) Adjustments to operating income and EPS are shown in the unshaded boxes above. Refer to Appendix A for more information on adjustments made to operating income and EPS.

Progress Against Select Business Initiatives

E-commerce Growth. E-Commerce sales achieved an all-time high in 2017 with sales of over $500 million, up 22% on a comparable sales basis versus 2016, and accounting for 24% of

Increase Store Productivity. Same store sales declined by 10% year over year.

net sales compared to 19% in 2016.

Optimize Retail Store Fleet. Reduced our retail store fleet by 62 stores, consisting of 24 conversions to outlet stores and the closure of 21 stores in the U.S. and all 17 stores in Canada.

Open New Outlet Stores. Added 41 outlet locations in 2017, including 24 retail store conversions to the outlet format and 17 new outlet stores.

Expand Omni-Channel Capabilities. Launched “ship from store” in 200 stores and began piloting “buy online, pick up in store” in 2017.

Elevate The Customer Experience. Successfully relaunched our NEXT customer loyalty program in 2017, which led to significant year-over-year enrollment growth.

Significant Cost Savings Initiatives. Achieved $20 million cost savings target in 2017.

Share Repurchases. Repurchased approximately 2.1 million shares of our outstanding common stock at an aggregate cost of $17.3 million.

Strong Cash Flow Generation. The Company continued to generate strong cash flow in 2017 and ended the year with $236 million in cash, up from $207 million in the prior year.

1 www.express.com

Proxy Statement Summary Information

2017 Compensation Highlights

- CEO Target Pay Opportunity Remained the Same in 2017: CEO target pay opportunity was established at the median of our peer group for 2016 and remained the same in 2017. CEO target pay opportunity will also remain the same in 2018.

- CEO Pay-for-Performance Compensation Design With Challenging Performance Targets Continued: Overall, the design of the CEO compensation package remained the same year over year, with 86% of the CEO’s target compensation package composed of short-term cash incentives and long-term equity incentives. The performance-based short-term and long-term incentives continued to include challenging performance targets so that realizable compensation reflects business performance.

- Short-Term Incentive Program Modified to Include a Strategic Performance Goal: The Committee modified the Company’s short-term incentive program in 2017 so that 75% of the target bonus opportunity is based on achievement of challenging financial goals and 25% is based on achievement of key strategic objectives in furtherance of the Company’s long-term growth strategy.

- Long-Term Incentives Consistent with Prior Year: Consistent with prior years, the long-term incentives in 2017 included 50% performance-based restricted stock units that will vest only upon achievement of challenging Adjusted EPS targets, 35% restricted stock units with time-based vesting, and 15% stock options with time-based vesting that will only have value to the extent the stock price increases after the date of grant.

- CEO Actual Realizable Total Direct Compensation was Significantly Below Target in 2017, Reflecting Business Results: Mr. Kornberg’s actual realizable total direct compensation in 2017 was 40% below target total direct compensation. In 2017, the short-term cash incentive program paid out at approximately 30% of target, compared to 0% of target in the prior year. The performance-based restricted stock units awarded in 2017 will vest only if performance significantly improves in 2018 and 2019. The performance-based restricted stock units awarded in 2016 are not expected to be earned.

Summary Compensation Table

Total Direct Compensation (“TDC”)[1]

The chart on the right shows CEO total direct compensation as reported in the Summary Compensation Table on page 43 in 2015, 2016, and 2017. Amounts reported in the Summary Compensation Table reflect the grant date fair value of long-term equity incentive awards (at target in the case of performance-based restricted stock units).

Our CEO is not expected to earn any of the $2.5 million performance-based restricted stock units granted to him in 2016. The performance-based restricted stock units granted to our CEO in 2017 will vest only if performance significantly improves in 2018 and 2019.

(1) Total direct compensation is comprised of base salary, short-term incentives, and long-term incentives, and excludes non-qualified deferred compensation and all other compensation reported in the Summary Compensation Table on page 43.

(2) Long-term equity incentive awards consist of performance-based restricted stock units, time-based restricted stock units, and stock options.

Proxy Statement Summary Information

The chart below illustrates CEO actual realizable total direct compensation compared to target realizable total direct compensation for the 2015, 2016, and 2017 fiscal years. Actual realizable total direct compensation reflects the actual amount of pay our CEO can expect to receive from equity awards, including a current estimate of value for awards that have either not yet vested or have not yet been earned. For more information on CEO realizable compensation refer to “Executive Compensation—Compensation Discussion and Analysis—What We Pay and Why: Elements of Compensation—CEO Realizable Pay” on page 37.

CEO Realizable TDC(1): Target vs. Actual

(1) Total direct compensation is comprised of base salary, short-term incentives, and long-term incentives, and excludes non-qualified deferred compensation and all other compensation reported in the Summary Compensation Table on page 43.
(2) Long-term equity incentive awards consist of performance-based restricted stock units, time-based restricted stock units, and stock options.

For more information on 2017 CEO compensation refer to “Executive Compensation—Compensation Discussion and Analysis—What We Pay and Why: Elements of Compensation” beginning on page 31 and the Summary Compensation Table on page 43. For more information on our short-term cash incentive program refer to “Executive Compensation—Compensation Discussion and Analysis—What We Pay And Why: Elements of Compensation—Performance-Based Incentives—Short-Term Incentive Program” beginning on page 32. For information on our long-term equity incentive program see “Executive Compensation—Compensation Discussion and Analysis—What We Pay And Why: Elements of Compensation—Performance-Based Incentives—Long-Term Incentives” beginning on page 34.

EXECUTIVE COMPENSATION OBJECTIVES AND PRACTICES

Program Objective	What We DO:
Pay for Performance	Performance-Based CEO Compensation Package with 86% Variable Compensation Short-Term and Long-Term Incentives with Challenging Performance Targets that Incentivize Creation of Stockholder Value 50% of Long-Term Incentives are Performance-Based with 3-Year Performance

	Periods
Pay Competitively	Robust Compensation Setting Process that Utilizes Market Data to Ensure Competitiveness
Pay Responsibly	Long-Term Vesting Requirements: 3-year Performance Periods for Performance-Based Equity Awards and 4-year Vesting Requirements for Time-Based Restricted Stock Units and Stock Options
	Annual Stockholder Engagement Process and the Incorporation of Stockholder Feedback into Executive Compensation Decision Making
	Stock Ownership Guidelines
	Mitigate Risk Through Incentive Compensation Design
	Utilize Independent Compensation Consultant
	Clawback Policy

Proxy Statement Summary Information

	What We DON'T DO:
Pay Responsibly	No Special Tax Gross-Ups No Pension Plans or Other Post-Employment Defined Benefit Plans; Deferred Compensation Program Terminated in 2017 No Liberal Share Recycling, Repricing of Underwater Stock Options, or Reloads of Stock Options No Hedging or Pledging Transactions No Single Trigger Change-in-Control Payments No Special Perquisites

Governance Highlights

Governance Highlights:	
Board Composition	• Our Board is comprised of directors with diverse and deep experience in those areas that are core to our strategy. • Two out of seven of our directors are women, including our Chairman. • Average director tenure is five years.
Board Independence	• All of our directors are independent, except for Mr. Kornberg, our President and CEO. • We currently have an independent Chairman of the Board. • All of our committee members are independent. • Our independent directors have an opportunity to meet in executive session at each meeting and do so routinely.
Director Elections	• We adhere to a majority vote standard, with a director resignation policy, for uncontested director elections.
Board and Committee Meetings	• Each of our directors attended at least 75% of all Board meetings and applicable Committee meetings.
Board and Committee Evaluations	• The Board and each Committee conduct a comprehensive self-evaluation each year to identify potential areas of improvement.
Corporate Strategy	• At least once per year, the Board and management engage in an in-depth discussion and align on the Company's long-term corporate strategy. The strategy is revisited regularly during Board and committee meetings.
Stockholder Engagement	• As part of our annual stockholder engagement cycle, we reach out to our largest stockholders who collectively hold over a majority of the shares of our outstanding common stock, which usually includes approximately our top 20 largest stockholders. The Board's decision to approve a capital return program for our stockholders in late November 2017 was based in part on feedback received from our stockholders in 2017.

Succession Planning	• The Board reviews and discusses succession plans for executives and key contributors at least annually.

Proposals to be Voted on and Voting Recommendations

Proposal	Board Voting Recommendation	Page Reference (for more detail)
Election of Class II Directors (Proposal No. 1)	FOR	9
Advisory vote to approve executive compensation (say-on-pay) (Proposal No. 2)	FOR	59
Ratification of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for 2018 (Proposal No. 3)	FOR	60
Approval of the Express, Inc. 2018 Incentive Compensation Plan (Proposal No. 4)	FOR	61

Proxy Statement Summary Information

Director Nominees

The following table provides summary information about our Class II director nominees. The Class II directors will be elected to each serve a three-year term that will expire at the Company's 2021 annual meeting of stockholders.

Nominee	Age	Director Since	Select Professional Experience	Independent	Board Committees	Select Skills/Qualifications
Michael F. Devine	59	May 2010	Retired Retail Executive: Previous Experience: - EVP & CFO – Coach, Inc. - CFO and VP – -Mothers Work, Inc. (now Destination Maternity Corp.) - CFO – Strategic Distribution, Inc. - CFO – Industrial Systems, Inc.	Yes	Audit Committee	Accounting, finance, and capital structure; risk management; retail merchandising; corporate governance and public company board practices; investor relations; executive leadership of complex organizations
David Kornberg	50	January 2015	President and CEO, Express, Inc. Previous Experience: - President – Express - EVP, Men's Merchandising & Design – Express - General Merchandise Manager – Express	No	N/A	Retail merchandising and operations; apparel merchandising and design; business development and strategic planning; e-commerce and omni-channel retailing; consumer brand marketing and advertising; experience with target customers; supply chain

			- VP of Business Development –Disney Stores			
Mylle Mangum	69	August 2010	Chief Executive Officer of IBT Enterprises, LLC; Chairman and CEO of IBT Holdings Previous Experience: - CEO – True Marketing Services, LLC - CEO – MMS Incentives, Inc. - President – Carlson Wagonlit Travel, Inc. - EVP – Holiday Inn Worldwide	Yes	Audit Committee; Compensation and Governance Committee	Business development and strategic planning; corporate governance and public company board practices; executive leadership of complex organizations; leadership development and succession planning; international and franchise operations; accounting, finance, and capital structure; executive compensation

Forward-Looking Statements

This proxy statement contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include any statement that does not directly relate to any historical or current fact and are based on current expectations and assumptions, which may not prove to be accurate. Forward-looking statements are not guarantees and are subject to risks, uncertainties, changes in circumstances that are difficult to predict, and significant contingencies, many of which are beyond the Company’s control. Many factors could cause actual results to differ materially and adversely from these forward-looking statements, including those set forth in Item 1A of the Company’s Annual Report on Form 10-K. The Company undertakes no obligation to publicly update or revise any forward-looking statements as a result of new information, future events, or otherwise, except as required by law.

Frequently Asked Questions about Voting and the Annual Meeting

Frequently Asked Questions

about

Voting and the Annual Meeting

Who is entitled to vote at the meeting?

Only stockholders of record at the close of business on April 16, 2018, the record date for the Annual Meeting (the "Record Date"), are entitled to receive notice of and to participate in the Annual Meeting. If you were a stockholder of record on that date, you will be entitled to vote all of the shares that you held on that date at the Annual Meeting or at any adjournments or postponements of the meeting.

A list of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and will also be available for ten business days prior to the Annual Meeting between the hours of 9:00 a.m. and 4:00 p.m., Eastern Daylight Time, at the Office of the Corporate Secretary located at 1 Express Drive, Columbus, OH 43230. A stockholder may examine the list for any germane purpose related to the Annual Meeting.

What are the voting rights of the holders of Express, Inc. common stock?

Holders of Express, Inc. common stock are entitled to one vote for each share held of record as of the Record Date on all matters submitted to a vote of the stockholders, including the election of directors. Stockholders do not have cumulative voting rights.

How do I vote?

Beneficial Stockholders. If you hold your shares through a broker, bank, or other nominee, you are a beneficial stockholder. In order to vote your shares, please refer to the materials forwarded to you by your broker, bank, or other nominee, as applicable, for instructions on how to vote the shares you hold as a beneficial stockholder.

Registered Stockholders. If you hold your shares in your own name, you are a registered stockholder and may vote by proxy before the Annual Meeting via the Internet at www.proxyvote.com, by calling (800) 690-6903, or if you received paper copies of the proxy materials and proxy card in the mail, by signing and returning the enclosed proxy card. Proxies submitted via the Internet, by telephone, or by mail must be received by 11:59 p.m., Eastern Daylight Time, on June 12, 2018. You may also vote at the Annual Meeting by delivering your completed proxy card in person. If you vote by telephone or via the Internet you do not need to return your proxy card.

Why did I receive a Notice in the mail regarding the Internet Availability of Proxy Materials instead of a full set of proxy materials?

Under rules adopted by the SEC, we are making this proxy statement available to our stockholders primarily via the Internet ("Notice and Access"). On or about May 3, 2018, we will mail the Notice regarding the Internet Availability of Proxy Materials (the "Notice of Internet Availability") to stockholders at the close of business on the Record Date, other than those stockholders who previously requested electronic or paper delivery of communications from us. The Notice of Internet Availability contains instructions on how to access an electronic copy of our proxy materials, including this proxy statement and our Annual Report, and also contains instructions on how to request a paper copy of the proxy materials.

Can I vote my shares by filling out and returning the Notice of Internet Availability?

No. The Notice of Internet Availability only identifies the items to be voted on at the Annual Meeting. You cannot vote by marking the Notice of Internet Availability and returning it. The Notice of Internet Availability provides instructions on how to cast your vote. For additional information, please see the section above titled “How do I vote?”

What are “broker non-votes” and why is it so important that I submit my voting instructions for shares I hold as a beneficial stockholder?

If a broker or other financial institution holds your shares in its name and you do not provide voting instructions to it, New York Stock Exchange (“NYSE”) rules allow that firm to vote your shares only on routine matters. Proposal No. 3, the ratification of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for 2018, is the only routine matter for consideration at the Annual Meeting. For all matters other than Proposal No. 3, you must submit voting instructions to the firm that holds your shares if you want your vote to count on such matters. When a firm votes a client’s shares on some but not all of the proposals, the missing votes are referred to as “broker non-votes.”

Frequently Asked Questions about Voting and the Annual Meeting

What constitutes a quorum and how will votes be counted?

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the outstanding shares of common stock entitled to vote will constitute a quorum for purposes of the Annual Meeting. A quorum is required in order for the Company to conduct its business at the Annual Meeting. As of the Record Date, 75,337,294 shares of common stock were outstanding.

Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of shares considered to be present at the Annual Meeting for purposes of establishing a quorum.

What vote is required to approve each proposal?

Proposal	Vote Required	Board Voting Recommendation
Election of Class II directors (Proposal No. 1)	Majority of the votes cast FOR the director nominee	FOR the nominee
Advisory vote to approve executive compensation (say-on-pay) (Proposal No. 2)	The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting	FOR the executive compensation of our named executive officers
Ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018 (Proposal No. 3)	The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting	FOR the ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018
Approval of the Express, Inc. 2018 Incentive Compensation Plan (Proposal No. 4)	The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting	FOR the approval of the Express, Inc. 2018 Incentive Compensation Plan

What are my choices for casting my vote on each matter to be voted on?

Proposal	Voting Options	Effect of Abstentions	Broker Discretionary Voting Allowed?	Effect of Broker Non-Votes
Election of Class II directors (Proposal No. 1)	FOR, AGAINST or ABSTAIN	No effect—not counted as a "vote cast"	No	No effect

Advisory vote to approve executive compensation (say-on-pay) (Proposal No. 2)	FOR, AGAINST or ABSTAIN	Treated as a vote AGAINST the proposal	No	No effect
Ratification of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2018 (Proposal No. 3)	FOR, AGAINST or ABSTAIN	Treated as a vote AGAINST the proposal	Yes	Not applicable
Approval of the Express, Inc. 2018 Incentive Compensation Plan (Proposal No. 4)	FOR, AGAINST or ABSTAIN	Treated as a vote AGAINST the proposal	No	No effect

Unless you give other instructions when you vote, the persons named as proxies, David Kornberg and Lacey Bundy, will vote in accordance with the Board's recommendations. We do not expect any other business to properly come before the Annual Meeting; however, if any other business should properly come before the Annual Meeting, the proxy holders will vote as recommended by the Board or, if no recommendation is given, in their own discretion.

What happens if a director nominee does not receive a majority of the votes cast for his or her re-election?

Pursuant to the Company's Corporate Governance Guidelines, the Board expects any director nominee who fails to receive a greater number of votes cast "for" than votes cast "against" his or her re-election to tender his or her resignation for consideration by the Compensation and Governance Committee. The Compensation and Governance Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding the resignation. The Compensation and Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept the director's resignation.

May I change my vote or revoke my proxy?

Beneficial Stockholders. Beneficial stockholders should contact their broker, bank, or other nominee for instructions on how to change their vote or revoke their proxy.

Registered Stockholders. Registered stockholders may change their vote or revoke a properly executed proxy at any time before its exercise by:

- delivering written notice of revocation to the Office of the Corporate Secretary, Express, Inc., 1 Express Drive, Columbus, OH 43230;
- submitting another proxy that is dated later than the original proxy (including a proxy submitted via telephone or Internet); or
- voting in person at the Annual Meeting.

Can I attend the Annual Meeting?

Subject to space availability, all stockholders as of the Record Date, or their duly appointed proxies, may attend the Annual Meeting. Since seating is limited, admission to the Annual Meeting will be on a first-come, first-served basis. Registration will begin at 8:00 a.m., Eastern Daylight Time. If you attend, please note that you may be asked to present valid photo identification, such as a driver's license or passport, and will need to check in at the registration desk prior to entering the Annual Meeting. Please also note that if you are a beneficial stockholder (that is, you hold your shares through a broker, bank, or other nominee), you will need to show proof of your stock ownership as of the Record Date, such as a copy of a brokerage statement, to present at the registration desk in order to gain admission to the Annual Meeting. Cameras, cell phones, recording devices, and other electronic devices will not be permitted at the Annual Meeting other than those operated by the Company or its designees. All bags, briefcases, and packages will be subject to search.

Election of Class II Directors (Proposal No. 1)

Election of Class II Directors

(Proposal No. 1)

The Board and its Compensation and Governance Committee are committed to ensuring that the Board possesses the right diversity of backgrounds, skills, experience, and perspectives to constitute an effective Board. The Board currently consists of seven members and is divided into three classes of directors, with two Class I directors, three Class II directors, and two Class III directors. The current term of our Class II directors expires at the Annual Meeting, while the terms for Class III and Class I directors will expire at our 2019 and 2020 annual meetings of stockholders, respectively.

Mr. Devine, Mr. Kornberg, and Ms. Mangum currently serve as Class II directors. Mr. Devine and Ms. Mangum are each independent and Mr. Kornberg serves as our President and CEO. Upon the recommendation of the Compensation and Governance Committee, the Board has nominated Mr. Devine, Mr. Kornberg, and Ms. Mangum for re-election as Class II directors, to each serve three-year terms expiring at the 2021 annual meeting of stockholders. Mr. Devine and Ms. Mangum have each served as a director since 2010 and were each elected to serve a three-year term most recently at our 2015 annual meeting of stockholders. Mr. Kornberg has served on the Board since January 2015 when he was appointed to the Board in connection with his promotion to President and CEO of the Company and thereafter was elected to serve a three-year term at our 2015 annual meeting of stockholders.

Mr. Devine, Mr. Kornberg, and Ms. Mangum have consented to serve if elected. If re-elected, each of Mr. Devine, Mr. Kornberg, and Ms. Mangum will hold office until his or her respective successor has been duly elected and qualified or until his or her earlier resignation or removal. If Mr. Devine, Mr. Kornberg, or Ms. Mangum becomes unavailable to serve as a director, the Board may either designate a substitute nominee or reduce the number of directors. If the Board designates a substitute nominee, the persons named as proxies will vote for the substitute nominee designated by the Board.

Information with respect to our Class II director nominees and our continuing Class I and Class III directors, including their recent employment or principal occupation, a summary of select qualifications, skills, and experience that led to the conclusion that they are qualified to serve as directors, the names of other public companies for which they currently serve as a director or have served as a director within the past five years, their period of service on the Board, and their ages as of the Record Date, are provided in this section. The Board believes that our continuing directors, together with our director nominees, possess a complementary and diverse set of qualifications, skills, and experience to allow the Board to function at a high-level and fulfill its responsibilities to our stockholders. Please refer to “Corporate Governance — Board Composition” on page 14 for other information about our Board, including a description of the qualifications, skills, and experience that the Board believes are important in order to effectively oversee the Company as it carries out its growth strategy and commitment to long-term value creation.

Election of Class II Directors (Proposal No. 1)

Nominees For Class II Directors For Election at the 2018 Annual Meeting

MICHAEL
F.
DEVINE

Director Since: May 2010

Age: 59

Chair of the Audit Committee

Select Qualifications, Skills, and Experience:

- Accounting, finance, and capital structure
- Risk management
- Corporate governance and public company board practices
- Investor relations
- Executive leadership of complex organizations
- Retail merchandising

Business
Experience

Mr. Devine was appointed Senior Vice President and Chief Financial Officer of Coach in December 2001 and Executive Vice President in August 2007, a role he held until he retired in August 2011. Prior to joining Coach, Mr. Devine served as Chief Financial Officer and Vice President—Finance of Mothers Work, Inc. (now known as Destination Maternity Corporation) from February 2000 until November 2001. From 1997 to 2000, Mr. Devine was Chief Financial Officer of Strategic Distribution, Inc. Mr. Devine was Chief Financial Officer at Industrial System Associates, Inc. from 1995 to 1997, and for the six years prior to that he was the Director of Finance and Distribution for McMaster-Carr Supply Co. Mr. Devine previously served as a director of Nutrisystems, Inc. He currently serves as a director of Deckers, Inc. and Five Below, Inc. He also serves as a director of Sur La Table, which is a privately held company.

DAVID
KORNBERG

Director Since: January 2015

Age: 50

President and CEO

Select Qualifications, Skills, and Experience:

- Retail merchandising and operations
- Apparel merchandising and design
- Business development and strategic planning
- E-commerce and omni-channel retailing
- Consumer brand marketing and advertising
- Experience with target customers
- Supply chain

Business Experience

Mr. Kornberg has served as our President and CEO since January 30, 2015. He has also served as a member of the Board since becoming CEO. Mr. Kornberg first joined Express in 1999 and has held various roles of increasing responsibility, including as President since October 2012, Executive Vice President of Men’s Merchandising and Design from December 2007 to October 2012, and General Merchandise Manager of the Express Men’s business prior to that. From 2002 to 2003, Mr. Kornberg was Vice President of Business Development for Disney Stores. Mr. Kornberg spent the first ten years of his career with Marks & Spencer PLC in the United Kingdom.

Election of Class II Directors (Proposal No. 1)

MYLLE
MANGUM

Director Since: August 2010

Age: 69

Chairman of the Board; Compensation and Governance Committee Member; Audit Committee Member

Select Qualifications, Skills, and Experience:

- Business development and strategic planning
- Corporate governance and public company board practices
- Executive leadership of complex organizations
- Leadership development and succession planning
- International and franchise operations
- Accounting, finance, and capital structure
- Executive compensation

Business Experience

Ms. Mangum is the Chief Executive Officer of IBT Enterprises, LLC (formerly International Banking Technologies), a position she has held since October 2003, and is also Chairman and CEO of IBT Holdings, a position she has held since July 2007. Prior to that, Ms. Mangum served as Chief Executive Officer of True Marketing Services, LLC since July 2002. She served as Chief Executive Officer of MMS Incentives, Inc. from 1999 to 2002. From 1997 to 1999 she served as President-Global Payment Systems and Senior Vice President-Expense Management and Strategic Planning for Carlson Wagonlit Travel, Inc. From 1992 to 1997 she served as Executive Vice President-Strategic Management for Holiday Inn Worldwide. Ms. Mangum was previously employed with BellSouth Corporation as Director-Corporate Planning and Development from 1986 to 1992 and President of BellSouth International from 1985 to 1986. Prior to that, she was with the General Electric Company. Ms. Mangum previously served as a director of Emageon, Inc., Scientific-Atlanta, Inc., Respironics, Inc., and Collective Brands, Inc. Ms. Mangum currently serves as a director of PRGX Global, Inc., Barnes Group Inc., and Haverty Furniture Companies, Inc.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE CLASS II NOMINEES TO BE ELECTED

AS DIRECTORS.

Election of Class II Directors (Proposal No. 1)

Class III Directors With Terms Continuing Until the 2019 Annual Meeting

TERRY
DAVENPORT

Director Since: November 2016

Age: 60

Compensation and Governance Committee Member

Select Qualifications, Skills, and Experience:

- Consumer brand marketing and advertising
- E-commerce and omni-channel retailing
- Retail merchandising and operations
- Business development and strategic planning
- International operations
- Corporate responsibility
- Experience with target customers

Business Experience

Mr. Davenport served as Global Brand Advisor for Starbucks Coffee Company from

February 2014 until he retired in October 2017. Mr. Davenport spent the last ten years of his career at Starbucks Coffee Company. Prior to serving as Global Brand Advisor, his roles at Starbucks included: SVP of Global Creative Studios, SVP of Marketing and Category for Europe, Middle East, and Africa (EMEA), and SVP of Marketing for the U.S. He originally joined Starbucks as VP of Brand Strategy and Consumer Insights in October 2006. Prior to joining Starbucks, Mr. Davenport held senior brand leadership roles with YUM! Brands, PepsiCo., and Omnicom Agencies.

KAREN LEEVER

Director Since: August 2016

Age: 54

Compensation and Governance Committee Member

Select Qualifications, Skills, and Experience:

- E-commerce and omni-channel retailing
- Technology development and management experience
- Data analytics
- Business development and strategic planning
- Retail merchandising and operations
- Experience with target customers

Business Experience

Ms. Leever is Executive Vice President and General Manager, Digital Media of Discovery

Communications, a role she has held since October 2015. Prior to joining Discovery Communications, she spent ten years with DIRECTV, and held several roles including, Senior Vice President, Digital and Direct Sales from 2013 to 2015, Senior Vice President of Digital Marketing and Media in 2012, and Senior Vice President of directv.com and Customer Communications in 2011. Additionally, Ms. Leever served as Vice President, Marketing at Kmart Corporation during 2005 and as Divisional Vice President, eCommerce from 2004 until 2005. Earlier in her career, she spent more than a decade in electronic television retailing at HSN and QVC, overseeing website design, messaging, pricing, and programming strategies.

Election of Class II Directors (Proposal No. 1)

Class I Directors With Terms Continuing Until the 2020 Annual Meeting

MICHAEL ARCHBOLD

Director Since: January 2012

Age: 57

Audit Committee Member

Select Qualifications, Skills, and Experience:

- Accounting, finance, and capital structure
- Risk management
- Retail merchandising and operations
- Business development and strategic planning
- Investor relations
- Executive leadership of complex organizations

Business Experience

Mr. Archbold served as Chief Executive Officer of GNC Holdings Inc. from August 2014 until July 2016 and also served as a director on the Board of GNC Holdings Inc.

Prior to that he was the Chief Executive Officer of The Talbots Inc. from August 2012 until June 2013 and also served as a director on the Board of The Talbots Inc. Prior to that, Mr. Archbold served as President and Chief Operating Officer of Vitamin Shoppe, Inc. from April 2011 until June 2012 and prior to that as its Executive Vice President, Chief Operating Officer, and Chief Financial Officer from April 2007. Mr. Archbold served as Executive Vice President / Chief Financial and Administrative Officer of Saks Fifth Avenue from 2005 to 2007. From 2002 to 2005 he served as Chief Financial Officer for AutoZone, originally as Senior Vice

President, and later as Executive Vice President. Mr. Archbold is an inactive Certified Public Accountant, and has 20 years of financial experience in the retail industry.

PETER SWINBURN

Director Since: February 2012

Age: 65

Chair of the Compensation and Governance Committee

Select Qualifications, Skills, and Experience:

- Business development and strategic planning
- Consumer brand marketing and advertising
- International operations
- Finance and capital structure
- Corporate governance and public company board practices
- Executive leadership of complex organizations
- Mergers and acquisitions
- Executive compensation

Business Experience

Mr. Swinburn served as Chief Executive Officer and President of Molson Coors Brewing Company from July 2008 until he retired in December 2014. He also served as a director of Molson Coors Brewing Company and MillerCoors Brewing Company from July 2008 until his retirement. Prior to that he was Chief Executive Officer of Coors (US) and from 2005 to October 2007, Mr. Swinburn served as President and Chief Executive Officer of Molson Coors Brewing Company (UK) Limited.

Prior to that, he served as President and Chief Executive Officer of Coors Brewing Worldwide and Chief Operating Officer of Molson Coors Brewing Company (UK) Limited following the Molson Coors Brewing Company's acquisition of Molson Coors Brewing Company (UK) Limited in 2002 until 2003. Mr. Swinburn also serves as a director of Fuller, Smith & Turner PLC and previously served as a director of Cabela's Inc.

Election of Class II Directors (Proposal No. 1)

Corporate Governance

Board Responsibilities

The Board is responsible for overseeing the affairs of the Company in order to generate sustainable long-term value for our stockholders and does so through oversight of the Company's (1) strategy and performance, (2) management, including succession planning, (3) risk management program, (4) compliance and corporate responsibility programs, and (5) other corporate governance practices, including stockholder engagement.

Board Oversight				
Strategy and Performance	Management, including Succession Planning	Risk Management	Compliance and Corporate Responsibility	Other Corporate Governance Practices, including Stockholder Engagement

The Board believes that effective oversight is best achieved through (1) having the right combination of people on the Board, (2) an effective Board leadership and committee structure, and (3) effective Board practices. The Board continually reassesses the composition of the Board, the Board's leadership and structure, and its governance practices and believes that the continuing directors, along with the director nominees, together have a complementary and diverse set of skills, backgrounds, experiences, and perspectives to constitute an effective Board; and furthermore, that the Board's leadership and committee structure as well as its governance practices are effective. See "Board Composition" below and "Election of Class II Directors (Proposal No. 1)" on page 9 for more information about the composition of the Board; see "Board Leadership and Structure" on page 17 for more information about the Board's leadership structure and its committees; and see "Board Practices" on page 20 for more information about the Board's governance practices.

Board Composition + Board Leadership & Structure + Board Practices =

Board Composition

The Board and its Compensation and Governance Committee are committed to ensuring that the Board possesses the right diversity of backgrounds, skills, experience, and perspectives to constitute an effective Board. The Compensation and Governance Committee is responsible for developing the criteria for, and reviewing periodically with the Board, the skills and characteristics of nominees, as well as the composition of the Board as a whole. These criteria include independence, diversity, age, skills, tenure, and experience in the context of the needs of the Board. The Compensation and Governance Committee also considers a number of other factors, including the ability to represent all stockholders without a conflict of interest; the ability to work in and promote a productive environment; sufficient time and willingness to fulfill the substantial duties and responsibilities of a director; a high level of character and integrity; broad professional and leadership experience and skills necessary to effectively respond to complex issues encountered by a publicly-traded company; and the ability to apply sound and independent business judgment.

BOARD COMPETENCIES AND EXPERIENCE

The Board believes that it has the right mix of qualifications, skills, experience, and perspectives that allow it to fulfill its responsibilities, including overseeing management's execution of the Company's corporate strategy which is designed to create long-term stockholder value. The information below shows how the Board's collective qualifications, skills, and experience relate to the Company's corporate strategy. For biographical information regarding each of our directors and their individual qualifications, skills, and experience see, "Election of Class II Directors (Proposal No. 1)" beginning on page 9.

Long-Term Strategy for Value Creation	Strategic Competencies and Experience	Corporate Governance Competencies and Experience
Improving Profitability Through a Balanced Approach to Growth Increasing Brand Awareness and Elevating the Customer Experience Transforming and Leveraging Information Technology Systems Cultivating a Strong Company Culture	• Retail merchandising & operations • Apparel merchandising & design • E-commerce and omni-channel retailing • Business development & strategic planning • Supply chain • International and franchise operations • Technology development and management experience • Data analytics • Leadership development	• Accounting, finance, and capital structure • Investor relations • Executive compensation • Mergers and acquisitions • Executive leadership of complex organizations • Corporate responsibility • Corporate governance and public company board practices • Risk management • Succession planning

BOARD DEMOGRAPHICS AND REFRESHMENT

As previously noted, in addition to ensuring that the Board collectively has a diverse set of competencies, experience, and perspectives, the Compensation and Governance Committee and Board also consider independence as well as diversity, age, and tenure. The charts below show certain demographic information about our Board as of April 16, 2018.

In order to assure the appropriate balance between members with new and different perspectives and those with a deep understanding of the Company built up over many years, the Compensation and Governance Committee reviews a director's continuation on the Board each time such director's term of office expires. In addition, the Company's Corporate Governance Guidelines provide that a director will not be nominated for re-election if he or she is 72 years of age or older at the time of nomination. The Board believes that together these practices are effective at ensuring an appropriate balance between experience and a fresh perspective on the Board.

Corporate Governance

IDENTIFYING AND EVALUATING DIRECTOR CANDIDATES

The Compensation and Governance Committee is responsible for identifying, recruiting, and recommending candidates for the Board and is responsible for reviewing and evaluating any candidates recommended by stockholders.

The following shows our nomination process for candidates to our Board:

Conduct a Needs Assessment

The Committee determines the director skills, experience, and attributes needed for the Board to exercise effective oversight of the Company. The Committee assesses the skills, experience, and attributes of existing directors against desired director skills, experience, and attributes to identify any skills, experience, and attributes that would strengthen the collective skills and experience of the Board.

Develop a New Director Profile

The Committee develops a profile that sets forth the skills, experience, and attributes desired for the new director, which satisfies the needs identified in the needs assessment.

Identify New Director Candidates

The Committee may identify new director candidates through professional search firms, professional networks of sitting directors, and nominations suggested by stockholders.

Selection of New Director

The Committee makes a recommendation to the Board based on an initial round of interviews, reference checks, and a final round of interviews with all directors.

Due Diligence and Onboarding

Once due diligence is performed and the nominee is appointed to the Board, the Company provides a robust onboarding program which includes a full day of in-person meetings with senior leadership at the Company's headquarters and participation in a multi-day new director education program for first-time directors.

The Compensation and Governance Committee is currently undergoing a formal search to add a new director with skills and experience that will strengthen the Board's ability to oversee the Company as it carries out its growth strategy.

The Compensation and Governance Committee considers all director candidates, including candidates proposed by stockholders in accordance with our Bylaws, based on the same criteria. The Compensation and Governance Committee may engage third party search firms to identify potential director nominees.

Board Leadership & Structure

LEADERSHIP STRUCTURE

Ms. Mangum has served as the Company's independent Chairman since assuming the role at our 2016 Annual Meeting of Stockholders. The independent Chairman's roles and responsibilities include: (1) establishing the Board agendas and schedules to confirm that appropriate topics are reviewed and sufficient time is allocated to each; (2) providing input to the CEO with respect to the information provided to the Board; (3) serving as a liaison between the independent directors and the CEO; (4) presiding at the executive sessions of independent directors; (5) facilitating communications and coordination of activities among the committees as appropriate; and (6) approving and coordinating the retention of advisors and consultants to the Board.

Our Corporate Governance Guidelines provide that the roles of Chairman and CEO may be separated or combined. The Board exercises its discretion in combining or separating these positions as it deems appropriate. The Board believes that the combination or separation of these positions should be considered as part of the succession planning process. In the event that the Chairman is not independent, the Board believes that it is beneficial for the independent directors to appoint an independent Lead Director. Currently, the Board believes that having an independent Chairman best serves the Board in its oversight role.

BOARD COMMITTEES

The Board has two standing committees: an Audit Committee and a Compensation and Governance Committee. The composition and leadership of these committees are shown in the table below. In the future, the Board may establish other committees, as it deems appropriate, to assist it with its responsibilities. The committees report to the Board as they deem appropriate, and as the Board may request. Each standing committee operates under a charter that has been approved by the Board and each is comprised solely of independent directors.

Board Member	Audit Committee	Compensation and Governance Committee
Michael Archbold	X	—
Terry Davenport	—	X
Michael F. Devine		—
David Kornberg	—	—
Karen Leever	—	X
Mylle Mangum	X	X
Peter Swinburn	—	

Chair of the committee

AUDIT COMMITTEE

Audit Committee Responsibilities

The Audit Committee is responsible for, among other matters:

- appointing, compensating, retaining, evaluating, terminating, and overseeing our independent registered public accounting firm;
- reviewing the independent registered public accounting firm's independence from management;
- reviewing with our independent registered public accounting firm the scope and results of their audit;
- approving all audit and permissible non-audit services to be performed by the Company's independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and the Company's independent registered public accounting firm the interim and annual financial statements, including related disclosures, that the Company files with the SEC, as well as earnings releases, earnings guidance, and non-GAAP measures;

- reviewing and monitoring the Company's accounting principles, accounting policies, financial and accounting controls, and compliance with legal and regulatory requirements;

- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls, or auditing matters;

- reviewing and approving known related person transactions;

- reviewing internal audit activities and reports; and

- assisting the Board in its oversight of the Company's risk management program, including regularly reviewing the Company's risk portfolio, management's process for identifying risks, and the steps management has taken to monitor and control such risks.

The Audit Committee also prepares the Audit Committee Report that SEC rules require to be included in our annual proxy statement. This report is on page 57 of this proxy statement.

Audit Committee Meetings

The Audit Committee met eight times in 2017. The Audit Committee generally has eight regularly scheduled meetings per year and has an opportunity at each meeting to speak with the lead audit partner from the Company's independent registered public accounting firm as well as the Company's director of internal audit without any other members of management present. In addition, the Audit Committee Chair has regularly scheduled teleconferences with each of the Company's Chief Financial Officer and the lead audit partner from the Company's independent registered public accounting firm.

Corporate Governance

Audit Committee Practices

At the end of each quarter, the Audit Committee reviews and discusses with management and the Company's independent registered public accounting firm the Company's financial results, press releases concerning the Company's financial performance and earnings estimates, any significant control deficiencies identified and steps management has taken or plans to take to remediate the deficiencies, significant estimates and proposed adjustments to the financial statements, reports to the Company's ethics hotline, internal audit activities and reports, risk management activities, and the results of the independent registered public accounting firm's review or audit of the Company's financial statements, among other things.

Each year the Audit Committee evaluates the performance of the Company's independent registered public accounting firm and considers whether it is in the best interests of the Company and its stockholders to engage the firm for another year. As part of its evaluation, the Audit Committee considers the qualifications of the persons who will be staffed on the Company's engagement, including the lead audit partner, quality of work, firm reputation, independence, fees, retail experience, and understanding of the Company's financial reporting processes, policies, and procedures. The Audit Committee solicits feedback from management as part of its evaluation process.

Pursuant to the audit partner rotation requirement of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), the Company will have a new lead audit partner beginning with the Company's 2018 fiscal year. In 2017, the Audit Committee engaged in a rigorous selection process to ensure that the Company's new lead audit partner has the appropriate experience and skills to serve in such role. In addition, the Audit Committee worked with the outgoing lead audit partner and incoming lead audit partner on a succession plan to ensure a proper transition.

Audit Committee Independence and Expertise

The Board has affirmatively determined that (1) each of our Audit Committee members meets the definition of "independent director" for purposes of serving on the Audit Committee under both Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the NYSE listing rules, and (2) each qualifies as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K.

Audit Committee Charter

The Audit Committee Charter may be viewed in the investor relations section of our website at www.express.com/investor. We will also provide a copy of the charter in print without charge upon written request delivered via email to IR@express.com or by mail to Express, Inc. 1 Express Drive, Columbus, OH 43230, Attention: Investor Relations.

COMPENSATION AND GOVERNANCE COMMITTEE

Compensation and Governance Committee Responsibilities

Corporate Governance

The Compensation and Governance Committee is responsible for, among other matters:

- overseeing the overall performance evaluation process for the CEO;
- reviewing and approving key employee compensation goals, policies, plans, and programs;
- reviewing and approving corporate goals and objectives relevant to CEO compensation and evaluating the CEO's performance in light of these goals and objectives;
- reviewing and approving, in consultation with or with the approval of the independent directors of the Board, compensation arrangements for the CEO;
- overseeing the overall performance evaluation process for the CEO;
- reviewing the performance of and approving compensation arrangements for executive officers other than the CEO;
- reviewing and approving employment agreements and other similar arrangements between the Company and its executive officers;
- reviewing and recommending to the Board, in consultation with the Compensation and Governance Committee's independent compensation consultant, compensation arrangements for the independent directors;
- overseeing management's administration of Company benefit plans and policies, including incentive compensation plans;
- reviewing the Company's compensation program to ensure it is appropriate and does not incentivize unnecessary and excessive risk taking;
- identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board;
- reviewing stockholder proposals and making recommendations to the Board regarding proposals;
- overseeing the annual self-evaluation process for the Board and its committees;
- overseeing the organization of the Board to discharge the Board's duties and responsibilities properly and efficiently; and
- developing and recommending to the Board a set of corporate governance guidelines and principles applicable to the Company.

The Compensation and Governance Committee also prepares the Compensation and Governance Committee Report that SEC rules require to be included in our annual proxy statement. This report is on page 42 of this proxy statement.

Compensation and Governance Committee Independence

The Board has affirmatively determined that each of our Compensation and Governance Committee members meets the definition of "independent director" for purposes of serving on the Compensation and Governance Committee under both Rule 10C-1 of the Exchange Act and the NYSE listing rules.

Compensation and Governance Committee Meetings

The Compensation and Governance Committee met six times in 2017. The Compensation and Governance Committee generally has six regularly scheduled meetings per year and has an opportunity at each meeting to speak with the Compensation and Governance Committee's independent compensation consultant.

Compensation and Governance Committee Practices

See "Executive Compensation—Compensation Discussion & Analysis—Executive Compensation Practices" on page 39 for additional information about the Compensation and Governance Committee's practices.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation and Governance Committee has been an officer or employee of the Company. No interlocking relationships exist between the members of the Board or Compensation and Governance Committee and the board of directors or compensation committee of any other company.

Compensation and Governance Committee Charter

The Compensation and Governance Committee Charter may be viewed in the investor relations section of our website at www.express.com/investor. We will also provide a copy of the charter in print without charge upon written request delivered via email to IR@express.com or by mail to Express, Inc. 1 Express Drive, Columbus, OH 43230, Attention: Investor Relations.

Board Practices

STRATEGY OVERSIGHT

The Board has deep experience in the area of strategy and business development, with much of that experience gained in the retail sector. At least once per year, the Board and management engage in an in-depth discussion and align on the Company's corporate strategy which is designed to create long-term stockholder value and serves as the foundation upon which goals are established and decisions are made. Short and medium term objectives are developed to support achievement of the long-term strategy and the Board monitors management's progress against such objectives.

Corporate Governance

RISK OVERSIGHT

Full Board

The Board, with the assistance of the Audit Committee and the Compensation and Governance Committee, oversees our enterprise risk management ("ERM") program. Our ERM program is designed to enable effective identification and management of critical enterprise risks and to facilitate the incorporation of risk considerations into decision making.

The Board is kept informed of the committees' risk oversight and related activities primarily through reports of the committee chairs to the full Board. The Board also receives a comprehensive report from management on the ERM program at least annually. In addition, the Audit Committee escalates issues relating to risk oversight to the full Board as appropriate to ensure that the Board is appropriately informed of developments that could affect our risk profile or other aspects of our business. The

Board also considers specific risk topics in connection with strategic planning and other matters.

The Audit Committee	The Compensation and Governance Committee
The Audit Committee oversees management's implementation of the ERM program, including regularly reviewing our enterprise risk portfolio, management's process for identifying risks, and steps management has taken to monitor and control enterprise risks.	The Compensation and Governance Committee is responsible for risk oversight as it relates to our compensation policies and practices and governance structure and processes.

Management

Management has day-to-day responsibility for the Company's ERM program. As part of its responsibilities, management continuously identifies and monitors the Company’s enterprise risks, develops and reviews risk response plans, and takes steps to control risk where appropriate.

Management’s responsibilities are carried out by a cross-functional Risk Committee which includes our Chief Operating Officer, General Counsel, Chief Financial Officer, Chief Information Officer, Chief Customer Experience Officer, SVP of Human Resources, and Director of Internal Audit.

MANAGEMENT OVERSIGHT AND SUCCESSION PLANNING

As part of its management oversight responsibilities, the Board assesses whether the Company has the management talent needed to successfully pursue the Company’s strategy, monitors management’s execution of the Company’s strategy, and provides advice to management as a strategic partner. The Board believes that open communications between the Board and management play a key role in effective oversight. Accordingly, in addition to formal meetings, individual directors and members of management engage in frequent dialogue in between meetings concerning the business.

The Board is responsible for succession planning for the CEO position and for monitoring and advising on management’s succession planning for other executive officers and key contributors. The Board reviews and discusses succession plans for the CEO position and the Company’s other executive officers and key contributors at least once annually, usually as part of the annual talent review of the executive leadership and key contributors in the Company. As part of the annual talent review process, the CEO shares his evaluation of the executive leadership in the business and makes recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. Directors become familiar with potential successors for key management positions through various means, including annual talent reviews, presentations to the Board, and communications outside of meetings.

COMPLIANCE & CORPORATE RESPONSIBILITY

The Board is committed to ensuring that the Board and the management team together cultivate a high-performing, collaborative corporate culture that emphasizes the importance of acting according to high ethical standards and in compliance with legal requirements. The Board receives a compliance update each quarter from the Company’s General Counsel who has day-to-day oversight responsibilities for the Company’s compliance program. On an annual basis, the Board reviews with management the Company's top compliance risks based on an updated risk assessment, steps management is taking to reduce compliance risk, and key compliance initiatives for the upcoming year.

The Company's reputation and commitment to corporate responsibility, including respect for human rights, the environment, our communities, and associates, play an important role in our ability to create long-term stockholder value. While matters of corporate responsibility are integrated within various Board discussions, the Board also dedicates specific time during each year to review and discuss the Company's corporate responsibility program, including plans and progress against key initiatives.

STOCKHOLDER ENGAGEMENT

Our stockholders' views on corporate governance and executive compensation are important to us and we value and utilize the feedback and insights that we receive. Each year, as part of our annual stockholder engagement cycle described below, we reach out to our largest stockholders who collectively hold over a majority of the shares of our outstanding common stock, which generally includes approximately our 20 largest stockholders. Our Chief Executive Officer, Chief Financial Officer, and Vice President of Investor Relations also routinely engage with stockholders throughout the year outside of our annual stockholder engagement program. Stockholders may request meetings with management or directors by sending a written request to the Office of the Corporate Secretary at 1 Express Drive, Columbus, OH 43230 or via email to IR@express.com.

STOCKHOLDER ENGAGEMENT CYCLE

The Board's decision to approve a capital return program for our stockholders in November 2017 was based in part on feedback received from our stockholders during the year. We also received feedback from several investors that helped to inform our proposal for a new equity incentive plan which is described more fully in "Proposal No. 4: Approval of the Express, Inc. 2018 Incentive Compensation Plan." In addition, Mr. Kornberg's compensation package was originally designed based in part on feedback received from stockholders on our executive compensation in prior years.

For more information regarding our 2017 stockholder engagement efforts, see "Executive Compensation—Compensation Discussion and Analysis—Executive Compensation Practices—Stockholder Engagement and Annual Advisory Vote on Executive Compensation" on page 40.

COMMUNICATIONS WITH THE BOARD

Stockholders and other interested parties may contact an individual director, including the independent Chairman, the Board as a group, or a specified Board committee or group, including the independent directors as a group, at the following address: Office of the Corporate Secretary, Express, Inc., 1 Express Drive, Columbus, OH 43230 Attn: Board of Directors. Any correspondence should clearly indicate whether the correspondence is intended for an individual director, the Board as a group, or a specified committee or group of directors.

All such reports or correspondence will be forwarded to the appropriate director or group of directors as indicated on the correspondence unless the correspondence is of a trivial nature, irrelevant to the Board's responsibilities, or already addressed by the Board. A report will be made to the Audit Committee of all communications to the Board, and all such correspondence is made available to all directors.

BOARD MEETINGS

The Board held a total of 13 meetings, in person and by telephone, during 2017. Each director attended at least 75% of Board meetings held during the year, as well as at least 75% of meetings of the committees on which he or she served during 2017. Directors are expected to attend our annual meetings of stockholders. All of our directors attended our 2017 annual meeting of stockholders.

The independent directors are given an opportunity to meet in executive session at each Board meeting and do so routinely.

CORPORATE GOVERNANCE PRINCIPLES

The Board has adopted policies and procedures to ensure effective governance of Express. Our Corporate Governance Guidelines may be viewed in the investor relations section of our website at www.express.com/investor. We will also provide the Corporate Governance Guidelines in print without charge upon request by telephone at (888) 423-2421, via email to IR@express.com, or via mail delivered to Express, Inc., 1 Express Drive, Columbus, OH 43230, Attention: Investor Relations.

The Compensation and Governance Committee reviews our Corporate Governance Guidelines from time to time as necessary, but no less than annually, and may propose modifications to the principles and other key governance practices from time to time for adoption by the Board. No changes were made to our Corporate Governance Guidelines in the most recent year.

DIRECTOR ELECTION STANDARDS

Our Bylaws and Corporate Governance Guidelines provide for a majority voting standard in uncontested director elections. Therefore, in uncontested director elections, a director nominee must receive more votes cast for than against his or her election in order to be elected to the Board. The Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for election or re-election.

The Company has a classified Board, with each class of directors serving 3-year terms. Our certificate of incorporation provides that, subject to any rights applicable to any then-outstanding preferred stock, the Board shall consist of such number of directors as is determined from time to time by resolution adopted by a majority of the total number of authorized directors, whether or not there are any vacancies in previously authorized directorships. Subject to any rights applicable to any then-outstanding preferred stock, any vacancies resulting from an increase in the size of the Board or otherwise must be filled by the directors then in office unless otherwise required by law or by a resolution passed by the Board. The term of office for each director will be until his or her successor is elected at an annual meeting of stockholders or his or her death, resignation, or removal, whichever is earliest to occur. Any additional directorships resulting from an increase in the size of the Board will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the total number of directors.

BOARD EVALUATIONS

The Board conducts a comprehensive annual self-evaluation to determine whether it and its committees are functioning effectively and to identify potential areas of improvement. The evaluation process includes written questionnaires and one-on-one interviews with each director. The Chairman shares a summary of the results with the full Board and action plans are created to address identified improvement opportunities.

OUTSIDE BOARD MEMBERSHIPS

Our Corporate Governance Guidelines provide that directors should not serve on more than four other public company boards. Directors are expected to advise the Chairman in advance of accepting an invitation to serve on another public company board or for-profit private company board and before accepting an assignment to any other public company's audit or compensation committee. No director may serve as a director, officer, or employee of a competitor of ours.

CODE OF CONDUCT

Our Code of Conduct serves as the foundation for our compliance program and sets forth the ethical standards, legal requirements, and other policies we expect our directors, officers, and associates to comply with at all times. Stockholders may access a copy of our Code of Conduct in the investor relations section of our website at www.express.com/investor. We will also provide the Code of Conduct in print without charge upon request by telephone at (888) 423-2421, via email to IR@express.com or via mail delivered to the Office of the Corporate Secretary at 1 Express Drive, Columbus, OH 43230.

We will promptly disclose any waivers of our Code of Conduct involving our directors or executive officers. We intend to satisfy any disclosure requirements regarding any amendment or waiver of our Code of Conduct by posting the information on the "Corporate Governance" page of our website which can be found at www.express.com/investor.

RELATED PERSON TRANSACTIONS

Under our current Related Person Transaction policy, a "Related Person Transaction" is any transaction, arrangement, or relationship between us or any of our subsidiaries and a Related Person where the amount involved exceeds $120,000 and the Related Person has or will have a direct or indirect material interest. A "Related Person" is any of our executive officers, directors, director nominees, any stockholder beneficially owning in excess of 5% of our stock or securities exchangeable for our stock, any immediate family member of any of the foregoing persons, and any firm, corporation, or other entity in which any of the foregoing persons is an executive officer, a partner or principal, or in a similar position, or in which such person has a 5% or greater beneficial ownership interest in such entity.

Corporate Governance

All Related Person Transactions must be approved or ratified by a majority of the disinterested directors on the Board or a designated committee thereof consisting solely of disinterested directors in accordance with our Related Person Transaction Policy. In approving any Related Person Transaction, the Board or the committee must determine that the transaction is on terms no less favorable in the aggregate than those generally available to an unaffiliated third-party under similar circumstances.

Since January 29, 2017, there has not been, and there is not currently proposed, any transaction or series of transactions to which we were or will be a party in which the amount involved exceeded or will exceed $120,000 and in which any Related Person had or will have a direct or indirect interest.

Director Compensation

OVERVIEW

Non-employee directors receive compensation for Board service, which is designed to fairly compensate them for their time and effort, be competitive with the market, and align their interests with the long-term interests of our stockholders. Employee directors receive no compensation for Board service. The Compensation and Governance Committee, together with its independent compensation consultant, periodically review the form and amount of director compensation and recommend changes to the Board, as appropriate. As part of its review, the Compensation and Governance Committee considers how the Company's director compensation program compares to the programs at the peer companies we refer to in the executive compensation setting process. See "Executive Compensation—Compensation Discussion and Analysis—Executive Compensation Practices—The Role of Peer Companies and Benchmarking" beginning on page 39 for more information about our peer companies. The Compensation and Governance Committee believes that director compensation should be competitive with the market and geared towards attracting and retaining highly-qualified independent professionals to oversee the Company and represent the interests of the Company's stockholders.

NON-EMPLOYEE DIRECTOR COMPENSATION

The annual cash retainers for our non-employee directors in 2017 are shown in the following table.

Annual Retainer Type	2017 Annual Retainer Amount
Non-Employee Director	$75,000
Committee Service	$10,000
Chairman	$100,000
Audit Committee Chair	$20,000
Compensation and Governance Committee Chair	$20,000

Non-employee directors also receive equity grants on an annual basis. In 2017, non-employee directors were granted restricted stock units that had a fair value of approximately $125,000 on the date of grant and that vest on May 15, 2018, subject to continued service. The Company's non-employee Chairman was entitled to an additional grant of restricted stock units that had a value of approximately $40,000 on the date of grant and that vest on May 15, 2018, subject to continued service. All directors receive reimbursement for reasonable out-of-pocket expenses incurred in connection with their Board service.

DIRECTOR STOCK OWNERSHIP GUIDELINES

The Board has director stock ownership guidelines which call for non-employee directors to own an amount of our common stock equal to five times their annual cash retainer. Directors have five years to meet the guidelines. Under these guidelines, directors are generally not permitted to sell any shares of our common stock until they achieve the ownership guideline and thereafter are only permitted to sell shares to the extent that such sale would not cause the director to fall below the ownership guideline. To avoid fluctuating ownership requirements, once a director has achieved the applicable stock ownership guideline, he or she is considered to have satisfied the guideline, provided that the shares used to meet the underlying requirement are retained. As of the end of fiscal 2017, all non-employee directors have met or are on track to meet the stock ownership guidelines. For a discussion of the stock ownership guidelines applicable to Mr. Kornberg, refer to "Executive Compensation—Compensation Discussion and Analysis—Executive Compensation Practices—Stock Ownership Guidelines" on page 41.

2017 DIRECTOR COMPENSATION TABLE

The following table sets forth information regarding compensation earned for each of our non-employee directors in fiscal 2017.

Director[1]	Fees Earned or Paid in Cash ($)	Stock Awards ($)[4][5]	Total ($)
Michael Archbold	85,000	125,000	210,000
Terry Davenport[2]	82,995	125,000	207,995
Michael F. Devine	105,000	125,000	230,000
Theo Killion[3]	42,500	—	42,500
Karen Leever[2]	82,995	125,000	207,995
Mylle Mangum	195,000	165,000	360,000
Peter Swinburn	105,000	125,000	230,000

(1) Mr. Kornberg did not receive compensation for service on the Board.
(2) Mr. Davenport and Ms. Leever were appointed to the Compensation and Governance Committee in March 2017.
(3) Mr. Killion resigned from the Board in June 2017.
(4) Reflects the aggregate grant date fair value of restricted stock units. These values have been determined based on the assumptions and methodologies set forth in Note 10 of the Company’s financial statements included in our Annual Report. These amounts do not represent the actual amounts paid to or received by the named director during 2017. No stock options were granted to any of the Company’s non-employee directors in 2017.
(5) The aggregate restricted stock units and stock options (whether or not exercisable in the case of options) outstanding as of February 3, 2018 are as follows: Mr. Archbold (18,797 restricted stock units); Mr. Davenport (18,797 restricted stock units); Mr. Devine (18,797 restricted stock units and 10,000 stock options); Ms. Leever (18,797 restricted stock units); Ms. Mangum (24,812 restricted stock units and 2,500 stock options); Mr. Swinburn (18,797 restricted stock units).

Executive Officers

The following table sets forth the names, ages, and titles of our executive officers as of April 16, 2018:

Name	Age	Position
David Kornberg	50	President and Chief Executive Officer
Matthew Moellering	51	Executive Vice President and Chief Operating Officer
Colin Campbell	59	Executive Vice President—Sourcing and Production
James ("Jim") Hilt	42	Executive Vice President and Chief Customer Experience Officer
John J. (“Jack”) Rafferty	66	Executive Vice President—Planning and Allocation
Douglas Tilson	60	Executive Vice President—Real Estate
Periclis (“Perry”) Pericleous	45	Senior Vice President, Chief Financial Officer and Treasurer

Our executive officers are appointed by the Board and serve until their successors have been duly elected and qualified or their earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

Set forth below is a description of the background of the persons named above, other than Mr. Kornberg, whose background information is provided in “Election of Class II Directors (Proposal No. 1)” on page 9.

Matthew Moellering has served as our Executive Vice President and Chief Operating Officer since September 2011. Prior to that, he served as our Executive Vice President, Chief Administrative Officer, Chief Financial Officer, Treasurer and Secretary from October 2009 to September 2011, Senior Vice President, Chief Financial Officer, Treasurer and Secretary from July 2007 to October 2009, and our Vice President of Finance from September 2006 to July 2007. Prior to that, he served in various roles with Limited Brands (now known as L Brands) from February 2003 to September 2006, including Vice President of Financial Planning. Prior to that, Mr. Moellering served in various roles with Procter and Gamble where he was employed from July 1995 until February 2003. Prior to that he served as an officer in the United States Army. Mr. Moellering serves on the board of directors of L.L.Bean, Inc. which is a privately held company.

Colin Campbell has served as our Executive Vice President of Sourcing and Production since June 2005. Prior to that, from March 1997 to June 2005, Mr. Campbell held a number of leadership positions for various divisions of Limited Brands (now known as L Brands) including Cacique and Limited Stores and was an Executive Vice President of Western Hemisphere Operations at Mast from 2003 to 2005. Prior to that, from 1985 to 1997, Mr. Campbell was Vice President of Operations for the dress division of Liz Claiborne. He has also worked in production leadership positions with Bentwood Brothers LTD in England and Daks-Simpson LTD in Scotland.

James (“Jim”) Hilt has served as our Executive Vice President and Chief Customer Experience Officer since April 2018. Prior to that, he served as Executive Vice President, Chief Marketing Officer and eCommerce since March 2016. Mr. Hilt joined Express in February 2014 as Senior Vice President of eCommerce. Prior to joining Express, he was the Vice President of eBooks and Managing Director, International at Barnes & Noble from 2012 until February 2014. Prior to that, Mr. Hilt held several executive positions at Sears Holdings, the parent company of Sears and Kmart, including Divisional Vice President of Product Management, Divisional Vice President of Online Services, and Divisional Vice President and Director of ManageMyHome. Prior to Sears, Mr. Hilt was a Director of Global Marketing at SAP. Before joining SAP, Mr. Hilt held several senior positions at IBM. Mr. Hilt serves on the board of directors of Hibbett Sports, Inc.

John J. (“Jack”) Rafferty has served as our Executive Vice President of Planning and Allocation since 1999 after joining Express as Vice President of Planning and Allocation in 1998. Prior to joining Express, Mr. Rafferty held a number of planning and allocation leadership roles with Limited Brands (now known as L Brands). These roles included Vice President of Planning and Allocation for Lerner from 1990 to 1998, Vice President of Lane Bryant from 1988 until 1990, and Director of Planning and Allocation for Sizes Unlimited from 1984 to 1986. Mr. Rafferty started his career in various planning and allocation roles with Korvettes, Casual Corner, and Brooks Fashion.

Douglas Tilson has served as our Executive Vice President of Real Estate since October 2009. Prior to that, he served as our Senior Vice President of Real Estate from October 2007 to October 2009. Prior to that, he was with Steiner & Associates as Senior Vice President of Leasing from April 2005 until October 2007. Prior to that, Mr. Tilson was Senior Vice President of Real Estate for Tween Brands from July 1999 until April 2005 and served in a number of senior real estate positions with Limited Brands (now known as L Brands) from January 1987 until July 1999. Prior to that, he was a labor attorney with the law firm Porter, Wright, Morris & Arthur LLP from June 1984 until January 1987.

Periclis (“Perry”) Pericleous has served as our Senior Vice President, Chief Financial Officer and Treasurer since July 2015. Prior to this appointment, he held a number of other leadership positions within our finance organization, including Vice President of Finance from December 2010 to July 2015, Director of Financial Planning & Analysis from April 2010 to December 2010, and Director of Store Finance from November 2007 to April 2010. Mr. Pericleous joined Express in August 1999 and served in a variety of roles of increasing responsibility across the finance organization, including in store finance and financial reporting. He began his career in 1996, serving in various accounting roles at Drug Emporium and then Value City Department Stores. Mr. Pericleous is a Certified Public Accountant.

Executive Compensation

Compensation Discussion and Analysis

EXECUTIVE SUMMARY
OVERVIEW OF FISCAL 2017 BUSINESS RESULTS

Financial performance declined in 2017 on a year over year basis, however, we continued to make meaningful progress against strategic initiatives that we believe will lead to long-term value creation for our stockholders. Our e-commerce business continues to be a strength, generating record sales of over $500 million in 2017 and accounting for 24% of net sales compared to 19% in 2016. We also continued to generate strong cash flow in 2017 and ended the year with more than $235 million in cash and no debt on our balance sheet. The Company's ability to generate cash flow beyond its investment needs led to the Board approving a capital return program for stockholders in the form of a new $150 million share repurchase program in 2017.

In 2017, net sales declined by $55M notwithstanding strong growth in e-commerce sales. The decline was due to lower store sales which we attribute to, among other things, decreased traffic in our stores due in part to declines in mall traffic overall. The overall net sales decrease, coupled with the promotional retail environment, led to operating margin contraction and a decline in earnings.

The retail sector continues to face challenges and opportunities that come from rapid change. We continue to believe in the opportunities presented by the changing dynamics in retail and our ability to generate long-term value for our stockholders through focused execution of our strategy which includes (1) improving profitability through a balanced approach to growth, (2) increasing brand awareness and elevating the customer experience, (3) transforming and leveraging information technology systems, and (4) cultivating a strong company culture.

Net Sales Adjusted Operating Income(1) Adjusted EPS(1)

(1) Adjustments made to operating income and EPS are shown in the unshaded boxes above. Refer to Appendix A for more information regarding adjustments made to operating income and EPS.

Progress Against Select Business Initiatives

E-commerce Growth. E-Commerce sales achieved an all-time high in 2017 with sales of over $500 million, up 22% on a comparable sales basis versus 2016, and accounting for 24% of net sales compared to 19% in 2016.

Optimize Retail Store Fleet. Reduced our retail store fleet by 62 stores, consisting of 24 conversions to outlet stores and the

Increase Store Productivity. Same store sales declined by 10% year over year.

Elevate The Customer Experience. Successfully relaunched our NEXT customer loyalty program in 2017, which led to significant year-over-year enrollment growth.

closure of 21 stores in the U.S. and all 17 stores in Canada.

Open New Outlet Stores. Added 41 outlet locations in 2017, including 24 retail store conversions to the outlet format and 17 new outlet stores.

Expand Omni-Channel Capabilities. Launched “ship from store” in 200 stores and began piloting “buy online, pick up in store” in 2017.

Significant Cost Savings Initiatives. Achieved $20 million cost savings target in 2017.

Share Repurchases. Repurchased approximately 2.1 million shares of our outstanding common stock at an aggregate cost of approximately $17.3 million.

Strong Cash Flow Generation. The Company continued to generate strong cash flow in 2017 and ended the year with $236 million in cash, up from $207 million in the prior year.

Executive Compensation

2017 COMPENSATION HIGHLIGHTS

Our executive compensation program is designed to strongly align executive compensation with the Company's financial performance. In 2017:

- CEO Target Pay Opportunity Remained the Same in 2017: CEO target pay opportunity was established at the median of our peer group for 2016 and remained the same in 2017. CEO target pay opportunity will also remain the same in 2018.
- CEO Pay-for-Performance Compensation Design With Challenging Performance Targets Continued: Overall, the design of the CEO compensation package remained the same year over year, with 86% of the CEO's target compensation package composed of short-term cash incentives and long-term equity incentives. The performance-based short-term and long-term incentives continued to include challenging performance targets so that realizable compensation reflects business performance.
- Short-Term Incentive Program Modified to Include a Strategic Performance Goal: The Committee modified the Company's short-term incentive program in 2017 so that 75% of the target bonus opportunity is based on achievement of challenging financial goals and 25% is based on achievement of key strategic objectives in furtherance of the Company's long-term growth strategy.
- Long-Term Incentives Consistent with Prior Year: Consistent with prior years, the long-term incentives in 2017 included 50% performance-based restricted stock units that will vest only upon achievement of challenging Adjusted EPS targets, 35% restricted stock units with time-based vesting, and 15% stock options with time-based vesting that will only have value to the extent the stock price increases after the date of grant.

- CEO Actual Realizable Total Direct Compensation was Significantly Below Target in 2017, Reflecting Business Results: Mr. Kornberg's actual realizable total direct compensation in 2017 was 40% below target total direct compensation. In 2017, the short-term cash incentive program paid out at approximately 30% of target, compared to 0% of target in the prior year. The performance-based restricted stock units awarded in 2017 will vest only if performance significantly improves in 2018 and 2019. The performance-based restricted stock units awarded in 2016 are not expected to be earned.

Summary Compensation Table Total Direct Compensation ("TDC")[1]

The chart on the right shows CEO total direct compensation as reported in the Summary Compensation Table on page 43 in 2015, 2016, and 2017. Amounts reported in the Summary Compensation Table reflect the grant date fair value of long-term equity incentive awards (at target in the case of performance-based restricted stock units).

Our CEO is not expected to earn any of the $2.5 million performance-based restricted stock units granted to him in 2016. The performance-based restricted stock units granted to our CEO in 2017 will vest only if performance significantly improves in 2018 and 2019.

(1) Total direct compensation is comprised of base salary, short-term incentives, and long-term incentives, and excludes non-qualified deferred compensation and all other compensation reported in the Summary Compensation Table on page 43.
(2) Long-term equity incentive awards consist of performance-based restricted stock units, time-based restricted stock units, and stock options.

The chart below illustrates CEO actual realizable total direct compensation compared to target realizable total direct compensation for the 2015, 2016, and 2017 fiscal years. Actual realizable total direct compensation reflects the actual amount of pay our CEO can expect to receive from equity awards, including a current estimate of value for awards that have either not yet vested or have not yet been earned. For more information on CEO realizable compensation refer to "Executive Compensation—Compensation Discussion and Analysis—What We Pay and Why: Elements of Compensation—CEO Realizable Pay" on page 37.

CEO Realizable TDC[(1)]: Target vs. Actual

(1) Total direct compensation is comprised of base salary, short-term incentives, and long-term incentives, and excludes non-qualified deferred compensation and all other compensation reported in the Summary Compensation Table on page 43.
(2) Long-term equity incentive awards consist of performance-based restricted stock units, time-based restricted stock units, and stock options.

For more information on 2017 CEO compensation refer to "—What We Pay And Why: Elements of Compensation" beginning on page 31 and the Summary Compensation Table on page 43. For more information on our short-term cash incentive program refer to "—What We Pay And Why: Elements of Compensation—Performance-Based Incentives—Short-Term Incentive Program" beginning on page 32. For information on our long-term equity incentive program see "—What We Pay And Why: Elements of Compensation—Performance-Based Incentives—Long-Term Incentives beginning on page 34.

2017 NAMED EXECUTIVE OFFICERS

This Compensation Discussion and Analysis ("CD&A") focuses on the compensation of our named executive officers (our "NEOs") for 2017, who are listed below:

Name	Position
David Kornberg	President and Chief Executive Officer
Matthew Moellering	Executive Vice President and Chief Operating Officer
James ("Jim") Hilt	Executive Vice President, Chief Marketing Officer, and eCommerce[(1)]
Erica McIntyre	Executive Vice President—Merchandising[(2)]
Periclis ("Perry") Pericleous	Senior Vice President, Chief Financial Officer and Treasurer

(1) Mr. Hilt was promoted to Executive Vice President and Chief Customer Experience Officer on April 4, 2018.
(2) Ms. McIntyre left the Company on February 5, 2018.

Executive Compensation

EXECUTIVE COMPENSATION OBJECTIVES AND PRACTICES

Below we highlight the core objectives that serve as the foundation for our compensation program, the practices we have implemented to achieve those objectives, and practices we have not implemented because we do not believe they would serve the Company's long-term interests.

Program Objective	What We DO:
Pay for Performance	Variable Compensation. A significant portion of our executives' compensation opportunity is variable and is tied to achievement of challenging financial performance targets and changes in the Company's stock price. In 2017, 86% of CEO target total direct compensation was variable. Short-Term and Long-Term Incentive Compensation with Challenging Performance Targets. 75% of our short-term cash incentive awards and 50% of our long-term incentive awards are subject to the achievement of challenging financial performance targets that incentivize the creation of stockholder value. The remaining 25% of our short-term cash incentive awards depends on the achievement of an operational performance goal that is tied to our strategic initiatives. Performance-Based Equity Awards. In 2017 we granted a mix of long-term equity incentives, comprised of (i) stock options, (ii) time-based restricted stock units, and (iii) performance-based restricted stock units, with performance based on adjusted diluted earnings per share goals over a three-year period. Performance-based restricted stock units made up 50% of the long-term equity incentives granted to our NEOs in 2017.
Pay Competitively	Robust Compensation Setting Process. We utilize market data without strict benchmarking in order to make sure executives are paid commensurate with their experience and performance. Executive compensation packages are heavily weighted on performance but also include base salary and other benefits that make them competitive with our peers.
Pay Responsibly	Long-Term Vesting Requirements. Stock options and time-based restricted stock units granted to our NEOs vest ratably over 4 years, and performance-based restricted stock units vest after 3 years, in order to align the interests of our executives with our stockholders. Our proposed 2018 Incentive Compensation Plan includes minimum vesting requirements. Annual Stockholder Engagement Process. As part of our annual stockholder engagement cycle, we reach out to our largest stockholders who collectively hold over a majority of the shares of our outstanding common stock, which generally includes our 20 largest stockholders. We also offer our stockholders the opportunity to vote annually on the Company's executive compensation program. We value the feedback we receive from stockholders and consider it when making decisions on behalf of the Company, including with respect to executive compensation. Refer to page 59 for more information about this year's non-binding say-on-pay proposal. Stock Ownership Guidelines. Each of our executives is subject to substantial stock ownership requirements. Under the guidelines, executives are generally not permitted to sell any shares until they achieve the ownership guideline and thereafter are only permitted to sell shares to the extent that such sale would not cause the director to fall below the ownership guideline. Mitigate Undue Risk. The mix between short-term incentives and long-term incentives is intended to discourage executives and associates from maximizing short-term performance at the expense of long-term performance. In 2017, our short-term cash-incentive program had financial

performance goals based on operating income and operational goals based on achievement of cost savings initiatives, while our performance-based restricted stock units had performance targets based on earnings per share, thereby discouraging participants from focusing on the achievement of one performance measure at the expense of another.

Capped Payouts. Payouts are capped under our cash and equity incentive award programs.

Independent Compensation Consulting Firm. The Committee is advised by an independent compensation consultant that provides no other services to the Company.

Clawback Policy. Our executives are subject to a clawback policy.

What We DON'T DO:

Pay Responsibly

No Special Tax Gross-Ups. We do not provide special tax gross-ups to executives.

No Pension Plans or Other Post-Employment Defined Benefit Plans; Deferred Compensation Plan Terminated in 2017. We do not provide any qualified or non-qualified post-employment defined benefit plans. We terminated our deferred compensation plan in 2017 as a cost-saving measure.

No Special Executive Perquisites. We do not provide our executives with any special perquisites.

No Liberal Share Recycling, Repricing of Underwater Stock Options, or Reloads of Stock Options. The Company's 2010 Incentive Compensation Plan, as amended (the "2010 Plan"), prohibits the repricing of stock options without the consent of stockholders and does not allow for reloads of stock options to the extent stock options are used to pay the exercise price or taxes with respect to stock option exercises. We do not engage in liberal share recycling and our proposed 2018 Incentive Compensation Plan includes an explicit prohibition on liberal share recycling.

No Hedging or Pledging Transactions. We prohibit associates, including NEOs, and directors from hedging or pledging any securities of the Company held by them.

No Single Trigger Change-in-Control Payments. Our NEOs are not currently entitled to any single-trigger special vesting, severance, or other benefits in a change-in-control.

Executive Compensation

WHAT WE PAY AND WHY: ELEMENTS OF COMPENSATION

Our executive compensation program is designed to strongly align executive compensation with the Company's financial performance. The elements of our compensation program for 2017 were as follows:

Compensation Element	Form	Performance/ Vesting Period	Performance Metric	Alignment to Compensation Objectives
Base Salary	Cash	____	____	Salary is set at competitive market levels in order to compete for, obtain, and retain the talent necessary to successfully operate the Company and execute our strategic plans.
Short-Term Incentives	Cash	Six-month operating seasons	Financial Goal: Adjusted Operating Income (75% weighting)	75% of the incentive payment opportunity depends on the achievement of pre-established objective financial goals which is intended to motivate executives to work effectively to achieve financial performance objectives aligned with our seasonal business cycle and reward them when objectives are met.
			Operational Goal: Cost Savings Initiatives with a threshold Adjusted EBITDA target (25% weighting)	25% of the incentive payment opportunity is based on achievement of key strategic objectives in furtherance of the Company's long-term growth strategy. For 2017, the operational goal was based on achieving cost saving goals and required achievement of a minimum level of Adjusted EBITDA intended to ensure that payouts would be treated as performance-based under Section 162(m) ("Section 162(m)") of the Internal Revenue Code of 1986 as amended (the "Code").
Long-Term Incentives	50% performance-based restricted stock units	3-year performance and vesting period	3-year Adjusted EPS	3-year performance periods incentivize the creation of long-term stockholder value.
	35% time-based restricted stock units	4-year vesting requirements	____	4-year vesting requirements align our executives' interests with our stockholders

	15% stock options			and incentivize retention of our executive talent.
Other	– Defined contribution retirement plans – Health & welfare benefits – Termination benefits	____	____	We seek to offer retirement plan benefits, health and welfare benefits, and termination benefits at levels that are competitive with the market.

31 www.express.com

Executive Compensation

The Committee strives to achieve an appropriate mix between the various elements of our compensation program to meet our compensation objectives; however, it does not apply any rigid allocation formula in setting our executive compensation, and the Committee may make adjustments to this approach for various positions on a case-by-case basis as appropriate. A significant portion of executive compensation is intended to be variable and tied to the Company's financial performance and stock price. The following charts show that, for 2017, 86% of CEO compensation and 67% of other NEO compensation at target was variable.

(1) Target total direct compensation is comprised of base salary, short-term incentives, and long-term incentives. Variable compensation is comprised of short-term incentives and long-term incentives.

BASE SALARY

We provide a base salary to our executive officers to compensate them for their services during the year and to provide them with a stable source of income. NEO base salaries are determined by an annual assessment of a number of factors, including the individual's current base salary, job responsibilities, peer group and other data, relevant market survey data, and individual and Company performance.

The annual base salaries in effect for each of our NEOs as of February 3, 2018 are shown in the following table:

Name	2016 Fiscal Year End	Changes to Base Salary During 2017	2017 Fiscal Year End
David Kornberg	$1,000,000	No change in 2017.	$1,000,000
Matthew Moellering	$793,000	No change in 2017.	$793,000
James ("Jim") Hilt	$560,000	No change in 2017.	$560,000
Erica McIntyre	$550,000	In March 2017, Ms. McIntyre received a market-based salary increase from $550,000 to $570,000.	$570,000
Periclis ("Perry") Pericleous	$445,000	In March 2017, Mr. Pericleous received a market-based salary increase from $445,000 to $475,000.	$475,000

Effective April 1, 2018, the base salary for Mr. Hilt was increased to $650,000 in connection with his promotion to Chief Customer Experience Officer. Effective March 25, 2018, the base salary of Mr. Pericleous was increased to $500,000 based on a review of Chief Financial Officer salaries for our peer group and in furtherance of our objective to pay competitively.

PERFORMANCE-BASED INCENTIVES

Short-Term Incentive Program

Our short-term performance-based cash incentive compensation program provides our NEOs with incentive payment opportunities for each six-month operating season that corresponds to the traditional retail selling seasons of Spring (February through July) and Fall (August through January). The target short-term cash incentive compensation opportunity for each eligible executive is set at a percentage of base salary. 40% of each executive's annual target bonus is allocated to the six-month Spring season and 60% is allocated to the six-month Fall season which is intended to align with the seasonality in our business where higher portions of our net sales and net income are typically realized in the six-month Fall season due primarily to the impact of the holiday season. The seasonal design allows us to establish appropriately challenging performance targets that align business performance expectations with the seasonal nature of the way we manage our business and prevailing market and economic conditions which can change quickly in the retail apparel sector. For example, this structure allows for mid-year development of performance targets and provides an incentive for our executives to focus on meeting goals in the six-month Fall season in circumstances when business performance and macro-economic conditions decline or improve relative to our operating plans.

2017 Short-Term Cash Incentive Compensation

Executive Compensation

Based on a competitive review and peer group practices as well as the importance of achieving various strategic initiatives, in 2017, we modified our seasonal short-term performance-based cash incentive compensation program to include an operational goal in addition to a financial performance goal. For each season, 75% of the target payout opportunity was based on a financial performance goal while 25% was based on an operational goal.

Financial Performance Goal (75% Weighting). The financial performance goals under the short-term cash incentive program for 2017 were based on operating income, subject to adjustments for certain extraordinary items. We continue to use operating income as a financial performance goal because it is a performance measure over which executives can have significant impact, and is also directly linked to the Company's seasonal operating plans and long-range plan. The financial goal continues to have a threshold, target, and maximum payout which allows participating executives to double the incentive payout associated with achievement of the financial goal if the maximum operating income goal is achieved.

The only adjustment made to operating income in 2017 was for the purpose of excluding expense associated with the Company's closure of its Canadian business which is consistent with adjustments reflected in supplemental non-GAAP financial information publicly reported by the Company. The Company provides supplemental non-GAAP financial information to exclude non-core operating items that may not be indicative of, or are unrelated to, our underlying operating results and that we believe provide a better baseline for analyzing trends. See Appendix A for adjustments made for non-core operating items in 2017 for purposes of determining whether the performance targets had been achieved.

Operational Performance Goal (25% Weighting). The operational performance goals under the short-term cash incentive program for 2017 were tied to cost savings initiatives, subject to a minimum performance hurdle of $50M in Adjusted EBITDA in each season which was intended to ensure that any compensation would be treated as performance-based under Section 162(m) of the Code. The operational goal is binary and pays out at target only if the cost savings initiative and the minimum performance hurdle is achieved.

The Committee sets the performance goals near the beginning of each six-month season based on an analysis of (i) historical performance, (ii) internal financial plans, (iii) strategic objectives, and (iv) general economic conditions.

Both financial and operational performance goals are set at the same targets for all leadership in the business. We believe it is important to have all members of leadership working towards the same goals and that those goals are clear, understandable, and within their control.

For 2017, the amount of performance-based cash incentive opportunity for participating executives ranged from zero to 175% of their incentive target, based upon the extent to which the performance goals were achieved. The threshold, target, and maximum short-term performance-based cash incentive payout opportunities for our NEOs for 2017 are set forth in the "Grants of Plan-Based Awards" table on page 45.

The target cash incentive compensation opportunity as a percentage of base salary in effect for each of our NEOs for 2017 is shown below:

Annual Short-Term Cash Incentive Payout Opportunity at Target (as a % of Base Salary)			
Name	2016	Changes to Short-Term Cash Incentives During 2017	2017

David Kornberg	130%	No change in 2017.	130%
Matthew Moellering	85%	No change in 2017.	85%
James ("Jim") Hilt	60%	No change in 2017.	60%
Erica McIntyre	60%	In March 2017, Ms. McIntyre received a market-based increase from 60% to 65%.	65%
Periclis ("Perry") Pericleous	60%	In March 2017, Mr. Pericleous received a market-based increase from 60% to 65%.	65%

Final payout amounts for each six-month season are approved by the Committee at its first regularly scheduled in-person Committee meeting following the end of each six-month operating season and are paid out to executives after such approval.

Spring Season (40% weighting). The following table illustrates the performance goals and actual payout levels for the six-month Spring season. Based on the Company's performance, no amounts were paid to our NEOs under the Company's seasonal short-term cash incentive program for the 2017 Spring season.

Performance Metric	Weighting	Threshold Goal	Target Goal	Maximum Goal	Actual Performance	Actual Payout
Adjusted Operating Income[1]	75%	$50M	$55M	$60M	($1.7M)	No Payout
Cost Savings Initiatives / Adjusted EBITDA[2]	25%	$50M Adjusted EBITDA	$12.3M Cost Savings		Cost Savings Goal Achieved; Threshold Goal Not Achieved	No Payout [3]

(1) Adjusted operating income excludes $23.9 million of expense related to the exit of Canada. Refer to Appendix A for a reconciliation of adjusted operating income, a non-GAAP measure, to reported operating income for Spring 2017.

(2) Refer to Appendix A for a reconciliation of Adjusted EBITDA, a non-GAAP measure, to reported net income for Spring 2017.

(3) Although the cost savings goal was achieved, because the minimum performance hurdle of $50M in Adjusted EBITDA was not achieved, no payout was earned under the operational goal for the Spring 2017 season.

Executive Compensation

Fall Season (60% weighting). The following tables illustrate the performance goals and actual payout levels for the six-month Fall season. Based on the Company's performance, the operating income goal paid out below target and the operational goal paid out at target under the Company's seasonal short-term cash incentive program for the 2017 Fall season.

Performance Metric	Weighting	Threshold Goal	Target Goal	Maximum Goal	Actual Performance	Actual Payout
Adjusted Operating Income[(1)]	75%	$40M	$73M	$78M	$55.6M	38% of Target
Cost Savings Initiatives / Adjusted EBITDA[(2)]	25%	$50M Adjusted EBITDA	$8.7M Cost Savings		Achieved	Target

(1) Adjusted operating income excludes $0.3 million of expense related to the exit of Canada. Refer to Appendix A for a reconciliation of adjusted operating income, a non-GAAP measure, to reported operating income for Fall 2017.

(2) Refer to Appendix A for a reconciliation of Adjusted EBITDA, a non-GAAP measure, to reported net income for Fall 2017.

2018 Short-Term Cash Incentive Compensation

In 2018, we expect to continue with our seasonal short-term cash incentive compensation program with 75% of the target payout opportunity based on financial goals and 25% based on operational goals. For 2018, we expect to use adjusted operating income as the financial performance metric. We expect the operational goal for 2018 to be tied to various strategic goals, including cost saving goals, omni-channel goals, store optimization goals, and sustainability goals, with all goals required to be achieved in order for there to be a payout on account of the operational goal.

Target cash incentive compensation opportunity as a percentage of base salary is expected to remain the same for each NEO in 2018, except for Mr. Hilt whose incentive compensation opportunity for 2018 was increased to 65% in connection with his promotion to Chief Customer Experience Officer.

Long-Term Incentives

For 2017, the Committee and Board determined that our NEOs would receive a mix of long-term equity incentives comprised of the following:

Our long-term equity incentive awards are generally intended to accomplish the following main objectives: (1) create a direct correlation between the Company's financial performance and stock price and compensation paid to our NEOs; (2) retention of our NEOs; (3) assist in building equity ownership of our NEOs to increase alignment with long-term stockholder interests; (4) attract and motivate key associates; (5) reward participants for performance in relation to the creation of stockholder value; and (6) deliver competitive levels of compensation consistent with our compensation objectives. The total grant date fair value of awards for our NEOs are determined on a position-by-position basis using market data for corresponding positions in our peer group and other relevant market survey data, the individual's job responsibilities, and individual performance.

Executives are generally granted equity-based awards as part of our annual merit review process. During this process, the Committee determines the appropriate overall value and mix of equity-based grants for our NEOs. For more information on our executive compensation practices, including the annual merit review process and the objectives and factors considered by the

Executive Compensation

Committee as part of the executive compensation decision making process, see "—Executive Compensation Practices—"Determining Compensation for the CEO" and "Determining Compensation for the Other NEOs" beginning on page 39.

2017 Stock Options

In 2017, the Company granted our NEOs the non-qualified stock options set forth in the Grants of Plan Based Awards table on page 45. One-fourth of the stock options are scheduled to vest on each of April 15, 2018, 2019, 2020, and 2021, subject to continued employment with the Company.

The exercise price for stock options is set at the most recent closing trading price prior to the grant date. Options vest over multiple years and are exercisable for ten years after grant, which furthers stockholder alignment by encouraging a focus on long-term growth and stock performance.

2017 Time-Based Restricted Stock Units

In 2017, the Company granted our NEOs the time-based restricted stock units set forth in the Grants of Plan Based Awards table on page 45. One-fourth of the restricted stock units are scheduled to vest on each of April 15, 2018, 2019, 2020, and 2021, subject to continued employment with the Company.

Performance-Based Restricted Stock Units

Beginning in 2015, the Committee and Board determined that performance-based restricted stock units granted to our NEOs would be subject to three-year Adjusted EPS performance goals. Each multi-year Adjusted EPS performance goal is assigned a threshold goal, target goal, and a maximum goal. To better align with market practices, in 2016, the Committee modified the threshold and maximum payout levels for the Company's performance-based restricted stock units. The updated payout structure became effective for grants of performance-based restricted stock units granted in 2016.

The number of performance-based restricted stock units that vest is determined using straight line interpolation if Adjusted EPS over the performance period is an amount between performance goals. No portion of performance-based restricted stock units are payable in the event the Company fails to achieve the threshold Adjusted EPS goal. The table below shows the payout and vesting status of the performance-based restricted stock units granted in each of 2015, 2016, and 2017.

Performance-based restricted stock units granted to our NEOs

Performance Period	Performance Measure	Payout	Vesting Terms
Fiscal 2017-Fiscal 2019	3-year Adjusted EPS	As of the end of fiscal 2017, the Company has recorded compensation expense associated with these awards based on an earn-out percentage at the threshold payout level; however none of these awards will vest unless financial performance significantly improves in 2018 and 2019. No payout expected.	Any performance-based restricted stock units that are earned are scheduled to vest in April 2020.

Fiscal 2016-Fiscal 2018	3-year Adjusted EPS		Any performance-based restricted stock units that are earned are scheduled to vest in April 2019.
Fiscal 2015-Fiscal 2017	3-year Adjusted EPS	Performance-based restricted stock units were earned slightly above threshold level at 75.3% of target.	The performance-based restricted stock units that were earned vested in April 2018.

For grant and vesting purposes, “Adjusted EPS” means the Company’s diluted earnings per share calculated in accordance with GAAP, adjusted to exclude the impact of any non-core operating costs consistent with past practice for debt extinguishment and one-time transaction costs. The Company provides supplemental non-GAAP financial information to exclude non-core operating items that may not be indicative of, or are unrelated to, our underlying operating results and that we believe provide a better baseline for analyzing trends. Refer to Appendix A for more information on Adjusted EPS, a non-GAAP measure, and a reconciliation of Adjusted EPS for 2015, 2016, and 2017 to reported EPS, the most directly comparable GAAP measure.

2017 Performance-Based Restricted Stock Units

In 2017, the Company granted our NEOs the performance-based restricted stock units set forth in the Grants of Plan Based Awards table on page 45 that have performance goals based on Adjusted EPS measured over a three-year performance period commencing on the first day of the Company’s 2017 fiscal year and ending on the last day of the Company’s 2019 fiscal year. Any performance-based restricted stock units that are earned based on the achievement of performance goals are scheduled to vest in April 2020.

Executive Compensation

The following chart identifies the performance metric, performance levels, the performance levels as a percentage of the target goal, and corresponding payouts as a percentage of the target performance-based restricted stock unit grant for the Company's performance-based restricted stock unit awards granted in 2017.

Performance Metric:	Performance Level	Company Performance (as a % of target)	% of Performance Shares Earned
2017-2019 Adjusted EPS	Below Threshold	Less than 80%	0% of target grant
	Threshold	80%	50% of target grant
	Target	100%	100% of target grant
	Maximum	120% or higher	200% of target grant

Adjusted EPS was $0.36 in 2017. Cumulative Adjusted EPS in 2018 and 2019 must equal at least $1.58 in order for the 2017 performance-based restricted stock units to pay out at the threshold level.

2016 Performance-Based Restricted Stock Units

In 2016, the Company granted our NEOs performance-based restricted stock units that were subject to performance goals based on Adjusted EPS measured over a three-year performance period commencing on the first day of the Company's 2016 fiscal year and ending on the last day of the Company's 2018 fiscal year. Any performance-based restricted stock units that are earned based on the achievement of performance goals are scheduled to vest in April 2019.

The following chart identifies the performance metric, performance levels, the performance levels as a percentage of the target goal, and corresponding payouts as a percentage of the target performance-based restricted stock unit grant for the Company's performance-based restricted stock unit awards granted in 2016.

Performance Metric:	Performance Level	Company Performance (as a % of target)	% of Performance Shares Earned
2016-2018 Adjusted EPS	Below Threshold	Less than 80%	0% of target grant
	Threshold	80%	50% of target grant
	Target	100%	100% of target grant
	Maximum	120% or higher	200% of target grant

The three-year cumulative Adjusted EPS target goal was based on the Company's strong Adjusted EPS performance in 2015 of $1.45. Adjusted EPS was $0.81 in 2016 and $0.36 in 2017. Adjusted EPS must equal at least $3.37 in 2018 in order for the 2016 performance-based restricted stock units to pay out at the threshold level.

2015 Performance-Based Restricted Stock Units

In 2015, our NEOs, excluding Mr. Pericleous who was not CFO at the time, were granted performance-based restricted stock units that were subject to performance goals based on the Company's Adjusted EPS measured over the three-year period commencing on the first day of the Company's 2015 fiscal year and ending on the last day of the Company's 2017 fiscal year. The performance-based restricted stock units that were earned based on the achievement of performance goals vested in April 2018.

The following chart identifies the performance metric, performance levels, the performance levels as a percentage of the target goal, and corresponding payouts as a percentage of the target performance-based restricted stock unit grant for the Company's performance-based restricted stock unit awards granted in 2015.

Performance Metric:	Performance Level	Company Performance (as a % of target)	% of Performance Shares Earned
2015-2017 Adjusted EPS	Below Threshold	Less than 75%	0% of target grant
	Threshold	75%	75% of target grant
	Target	100%	100% of target grant
	Maximum	125% or higher	125% of target grant

The following table shows the performance metric, performance levels, the performance levels as a percentage of the target goal, actual performance goals, and the actual percentage of performance-based restricted stock units that were earned based upon achievement of the performance goals.

Performance Metric:	Below Threshold	Threshold Goal	Target Goal	Maximum Goal	Actual Performance
2015-2017 Adjusted EPS	<$2.57	$2.57	$3.42	$4.28	$2.58
% of Performance Shares Earned	0%	75%	100%	125%	75.3%

2018 Long-Term Equity Incentive Compensation

The elements and design of our compensation program will remain the same in 2018, except that we are making changes to our long-term incentive program which we believe will better accomplish our goal of retaining and motivating our executive talent while the Company continues its multi-year transformation to an omni-channel retailer. For 2018, the long-term incentive packages for our executives will be comprised of 25% performance-based restricted stock units, 25% long-term performance-based cash incentives, and 50% time-based restricted stock units. The financial goals for the performance-based stock units and performance-based cash incentives will be the same and will require achievement of challenging 3-year Adjusted EPS goals. The awards will also include a total shareholder return (“TSR”) modifier such that payouts may be increased or decreased based on Company TSR performance relative to TSR of the Dow Jones U.S. Retail Apparel Index. The long-term incentive program in 2018 will continue to have 50% of its award value dependent on the achievement of challenging performance targets, consistent with our pay-for-performance philosophy, but will now deliver half of the value in the form of equity and half in the form of cash which helps us better manage share usage and overhang. We elected not to award stock options in 2018 and instead award equivalent value in the form of time-based restricted stock units because we believe that the time-based restricted stock units currently serve as a better retention tool during this period of rapid change in the retail sector and while the Company is executing its multi-year transformational strategy to become a leading omni-channel retailer. We also considered that the use of stock options is not prevalent amongst our peer group and that awarding restricted stock units is favorable with respect to share usage and overhang.

CEO REALIZABLE PAY

The following chart shows realizable total direct compensation (“TDC”) at target and actual for Mr. Kornberg in 2015, 2016, and 2017. For 2015, 2016, and 2017, the chart details the significant difference between realizable TDC at target versus actual realizable TDC, which further illustrates the rigor of our performance targets which serve to strongly align CEO pay with the Company’s financial performance.

Realizable TDC is comprised of base salary, short-term cash incentives, and long-term equity incentives (“LTI”). Actual realizable TDC is intended to measure the actual amount of pay Mr. Kornberg can expect to receive from his base salary and performance-based compensation awards. Actual realizable TDC consists of base salary plus actual cash bonus payouts and the actual amount of pay delivered from equity awards including a current estimate of value for awards that have either not yet vested or have not yet been earned. Realizable TDC is supplemental information and should not be considered a substitute for information in the Summary Compensation Table on page 43.

For 2015, 2016, and 2017, actual realizable TDC varied significantly from the total compensation reported in the Summary Compensation Table because the Summary Compensation Table requires the inclusion of the grant date fair value of the performance-based restricted stock units granted to Mr. Kornberg at target, even though Mr. Kornberg only earned approximately 75% of the performance-based restricted stock units granted to him in 2015, is not expected to earn any of the 2016 performance-based restricted stock units, and is currently expected to earn only 80% of the performance-based restricted stock units granted in 2017. The Company’s financial performance will need to significantly improve in order for the 2017 performance-based restricted stock units to vest.

Furthermore, the Summary Compensation Table reports the grant date fair value of stock options as calculated in accordance with GAAP, while actual realizable TDC reflects any amounts actually received by the CEO through the exercise of stock options plus the estimated fair value of outstanding and unexercised stock options as of fiscal year end.

	Realizable TDC at Target				Actual Realizable TDC		
Elements of TDC	CEO Compensation			Elements of TDC	CEO Compensation		
	2015	2016	2017		2015	2016	2017

Annual Cash Base Salary	$900,000	$1,000,000	$1,000,000
Target Bonus	$1,080,000	$1,300,000	$1,300,000
Sub-Total	$1,980,000	$2,300,000	$2,300,000
LTI Grant Values			
Options[(1)]	$593,917	$749,949	$749,745
Restricted Shares/Units[(1)]	$1,399,999	$1,749,990	$1,750,001
Performance Shares/Units[(1)]	$1,999,998	$2,499,995	$2,500,002
Sub-Total	$3,993,914	$4,999,934	$4,999,748
Total TDC	$5,973,914	$7,299,934	$7,299,748

Annual Cash Base Salary	$900,000	$1,000,000	$1,000,000
Actual Bonus Paid[(1)]	$2,160,000	$0	$417,300
Sub-Total	$3,060,000	$1,000,000	$1,417,300
LTI Realized Values			
Options	$0	$0	$0
Restricted Shares/Units	$596,363	$169,699	$0
Performance Shares/Units	$0	$0	$0
Sub-Total	$596,363	$169,699	$0
LTI Unrealized Values			
Options[(2)]	$80,131	$74,225	$395,300
Restricted Shares/Units[(2)]	$285,937	$412,872	$1,235,404
Performance Shares/Units[(2)]	$615,165	$0	$1,411,891
Sub-Total	$981,233	$487,097	$3,042,595
Total TDC	$4,637,596	$1,656,796	$4,459,895
% of Target TDC	78%	23%	61%

(1) Reflects amounts disclosed in the Summary Compensation Table on page 43 for the applicable fiscal year.

(2) Reflects awards disclosed in the Outstanding Equity Awards at Fiscal Year-End table on page 46 and displayed by grant year. Time-based restricted stock units and performance-based restricted stock units are valued using the fiscal year end stock price of $6.65 as of February 3, 2018. The value for the 2017 performance-based restricted stock units is based on the compensation expense that the Company has recorded in association with these awards which as of the end of the 2017 fiscal year estimated a payout percentage of 80% of target. The value for the 2016 performance-based restricted stock units is based on the compensation expense that the Company has recorded in association with these awards which as of the end of the 2017 fiscal year estimated a payout percentage of 0% of target. The value for the 2015 performance-based restricted stock units is based on the actual earn out percentage of 75.3% of target. The values shown for options reflect the Black-Scholes value with share price, volatility, expected term, and risk free rate assumptions as of the Company's fiscal year end as follows:

- Fiscal year end stock price of $6.65 as of February 3, 2018.

- Volatility of 45.53%, which represents the assumption used for fiscal 2017 awards.
- Expected term of 4.5 years, 5.3 years, and 5.6 years for the 2015, 2016, and 2017 awards, respectively. These values were calculated by multiplying the ratio of the expected term at grant divided by the original term by the remaining term at February 3, 2018.
- Risk free rate of 2.52% for the 2015, 2016, and 2017 awards. These values reflect the yield as of February 3, 2018 of a U.S. Treasury Security with a term closest to the expected term of the option.

SPECIAL RETENTION AWARD

In November 2017, the Company granted a $350,000 special cash retention award ("Retention Award") to Mr. Hilt given his key role in executing the Company's e-commerce, omni-channel, and customer experience initiatives during the Company's multi-year transformational strategy to position itself as a leading omni-channel retailer. Pursuant to the Retention Award, an initial amount of $250,000 was paid to Mr. Hilt in fiscal 2017, and the remaining $100,000 was paid in February 2018. In the event Mr. Hilt voluntarily terminates his employment with the Company on or prior to the last day of the Company's 2019 fiscal year without Good Reason (as defined in Mr. Hilt's Amended and Restated Severance Agreement), or if Mr. Hilt's employment with the Company is terminated by the Company for Cause (as defined in Mr. Hilt's Amended and Restated Severance Agreement), Mr. Hilt must repay the Retention Award to the Company.

ADDITIONAL EXECUTIVE BENEFITS

We provide our executive officers with benefits that the Committee believes are reasonable and in the best interests of the Company and its stockholders. Consistent with our compensation objectives, we provide benefits for our executive officers, including retirement plans, life insurance benefits, housing relocation benefits, and paid time off. The Committee, in its discretion, may revise, amend, or add to an officer's executive benefits if it deems it advisable. We believe these benefits are generally equivalent to benefits provided by comparable companies. We do not provide any executive with special perquisites.

We have no current plans to materially change the levels of benefits we provide.

Retirement Plan Benefits

We do not sponsor a defined benefit retirement plan as we do not believe that such a plan best serves the needs of our associates or the Company at this time. We sponsor a tax-qualified defined contribution retirement plan, and until March 31, 2017, a non-qualified defined contribution retirement plan. Participation in the qualified plan is available to associates who meet certain age and service requirements. Our executive officers participate in these plans based on these requirements. Participation in the non-qualified plan was made available until March 31, 2017 to associates who met certain age, service, and job level requirements. The Company terminated the non-qualified deferred compensation plan, effective March 31, 2017.

Qualified Retirement Plan

The qualified plan is available to all eligible associates, including executive officers, and allows them to elect contributions up to the maximum limits allowable under Section 401(k) of the Code. We match 100% of associate deferrals, up to 4% of compensation not in excess of the IRS Qualified Plan Maximum Compensation Limit. Associates' contributions and Company matching contributions vest immediately. Please refer to footnote 6 to the Summary Compensation Table on page 43 for details of Company contributions.

Non-Qualified Deferred Compensation Plan

The non-qualified deferred compensation plan was made available until March 31, 2017 to all director-level and above associates. This was an unfunded plan which provided benefits beyond the Code limits for qualified defined contribution plans. The plan permitted participating associates to elect contributions up to a maximum of 3% of compensation in excess of the IRS Qualified Plan Maximum Compensation Limit. We matched 200% of associates' contributions. The plan also permitted associates to defer additional compensation of up to 75% of base salary and up to 75% of short-term cash incentive compensation of which we did not match. Associates' accounts were credited with interest using a rate determined annually based on factors or indices, including the borrowing rates available to the Company. The interest rate for the 2017 plan year was 5.2%. Associates' contributions and the related interest vested immediately. Company contributions and the related interest were subject to a vesting schedule where associates began vesting after two years of service and were fully vested after six years of service. Please refer to footnote 6 to the Summary Compensation Table on page 43 for details of Company contributions.

For cost savings reasons, effective March 31, 2017, the Company terminated the non-qualified deferred compensation plan. Associate contributions and Company matches ceased in March 2017. Outstanding participant balances were distributed in April 2018 after a 12-month waiting period per Internal Revenue Service regulations regarding distributions from supplemental non-qualified plans. Interest continued to accrue on outstanding balances until distribution.

Health and Welfare Benefits

Executive Life Insurance

We provide all executive officers with executive life insurance that offers a benefit equal to two times their annual base salary up to a maximum of $2 million.

Executive Compensation

Executive Disability Insurance

We provide all executive officers with disability coverage that provides a benefit of 100% base salary continuation for up to 365 days and then 60% of the executive’s base salary plus the annual average of the last three years of cash incentive compensation, up to a maximum benefit of $25,000 per month.

Severance and Post-Employment Benefits

Please refer to “—Potential Payments Upon Termination and Change-in-Control” beginning on page 51 for information regarding severance and post-employment benefits. Please refer to “—Employment Related Agreements” beginning on page 49 for additional information regarding severance and post-employment benefits, including amendments made to the severance provisions of our executive employment agreements in March 2017.

EXECUTIVE COMPENSATION PRACTICES

DETERMINING COMPENSATION FOR THE CEO

The Committee works directly with Frederic W. Cook & Co. (“F.W. Cook”) to obtain independent market data, analysis, and advice related to our CEO’s total compensation package. The Committee, together with F.W. Cook, present a recommended pay package for our CEO to the independent directors of the Board for further review, discussion, and approval. Mr. Kornberg does not participate in any deliberations with regard to his own compensation. The Committee takes multiple factors into consideration when determining the appropriate CEO compensation package, including the CEO’s existing compensation, the Company’s performance, the CEO’s individual performance and qualifications, peer group CEO pay levels, competitor and industry performance, our compensation objectives, and our business and succession plans.

DETERMINING COMPENSATION FOR THE OTHER NEOS

Each year, the Committee approves a compensation package for each of our executive officers, other than the CEO, that is consistent with our compensation objectives. As part of the review and approval process, at the Committee’s request, our CEO and Senior Vice President of Human Resources make recommendations for the upcoming year to the Committee regarding compensation for executive officers other than for the CEO. The recommendations are based on our compensation objectives, individual and Company performance, compensation data compiled from independent third-party executive compensation surveys, publicly available data from our peer group companies, and feedback and insights from management’s compensation consultant, the Hay Group, all of which is summarized by management and shared with the Committee.

The Committee considers individual performance when determining (i) the annual pay increases for NEOs, (ii) the amount of the short-term cash incentive compensation opportunity for NEOs, and (iii) the amount of the long-term incentives awarded to NEOs.

Individual performance is evaluated based upon several individualized leadership factors, including: attaining specific financial and operational objectives; building and developing individual skills and a strong leadership team; execution of the Company’s business strategy; and individual performance relative to job requirements.

The Committee has an opportunity to review, analyze, and discuss the information and recommendations with its independent compensation consultant, F.W. Cook, and outside the presence of management. The Committee gives considerable weight to the CEO’s evaluation of the other NEOs when approving other NEO compensation because of the CEO’s direct knowledge of each executive officer’s performance and contributions.

THE ROLE OF PEER COMPANIES AND BENCHMARKING

How The Peer Group is Determined. The Committee selects our peer group companies based on such factors as business focus, competition for executive talent, geographic proximity of corporate locations, size of business, and publicly available compensation data. The size of the group has been established so as to provide sufficient market data across the range of senior positions at Express. The Committee annually evaluates whether companies should be added or removed from our peer group companies. No changes were made to the Company’s peer group in 2017.

Our peer group is comprised of the following retail companies:

Abercrombie & Fitch	Genesco	Tailored Brands
American Eagle Outfitters	Guess?	The Buckle
Ascena Retail Group	Kate Spade	The Children’s Place Retail Stores
Chico’s FAS	New York and Company	The Finish Line
DSW	Stage Stores	Urban Outfitters

Executive Compensation

The following chart compares the Company's revenue and market capitalization to the median revenue and market capitalization for its peer group.

In Billions	Express	Peer Group Median
Annual Revenue*	$2.1B	$2.3B
Market Capitalization*	$508M	$1.2B

* Revenue based on publicly available information for the trailing four quarters as of April 16, 2018. Market capitalization is as of February 2, 2018, the last trading day of the Company's 2017 fiscal year. Information for Kate Spade is as of June 30, 2017. Kate Spade was acquired by Tapestry, Inc. (formerly Coach, Inc.) in July 2017.

How The Peer Group is Used. The Committee reviews both compensation and performance at peer companies to support its decision-making process so it can set total compensation levels that it believes are consistent with our compensation objectives to pay for performance and pay competitively. The Committee does not strictly set compensation at a given level relative to its peers (e.g., median). The pay positioning of individual executives varies based on their competencies, skills, experience, business impact, and performance, as well as internal alignment and pay relationships. Actual total compensation earned may be more or less than target compensation based on Company performance during the performance period.

STOCKHOLDER ENGAGEMENT AND ANNUAL ADVISORY VOTE ON EXECUTIVE COMPENSATION

In 2013, we afforded our stockholders the opportunity to cast an advisory vote on how often we should hold an advisory vote on executive compensation (say-on-pay). A majority of our stockholders then voted to hold a say-on-pay vote every year. Accordingly, since 2013 we have offered our stockholders the opportunity to vote annually on the Company's executive compensation program. The next advisory vote on how often stockholders will have the opportunity to vote on our executive compensation program will take place at our 2019 annual meeting.

At our 2017 annual meeting of stockholders, stockholders demonstrated strong support for our 2016 executive compensation program with over 95% of the votes cast in support of the "say-on-pay" proposal. This level of support matched the level of support received at our 2016 annual meeting.

Our stockholders' views on corporate governance and executive compensation are important to us and we value and utilize the feedback and insights that we receive. Each year, as part of our annual stockholder engagement cycle, we reach out to our largest stockholders who collectively hold over a majority of the shares of our outstanding common stock, which generally includes approximately our 20 largest stockholders.

We received feedback from several investors that helped to inform our proposal for a new equity incentive plan which is described more fully in "Proposal No. 4: Approval of the Express, Inc. 2018 Incentive Compensation Plan" on page 61. In addition, Mr. Kornberg's compensation package was originally designed based in part on feedback received from stockholders on our executive compensation in prior years.

For additional information regarding our stockholder engagement process, see "Corporate Governance—Board Practices—Stockholder Engagement," on page 22.

THE ROLE OF THE COMMITTEE'S COMPENSATION CONSULTANT

The Committee engages its independent executive compensation consultant, F.W. Cook, to advise the Committee about our executive compensation program and practices.

The Committee has determined that the work of F.W. Cook did not raise any conflicts of interest in 2017. In making this assessment, the Committee considered the independence factors enumerated in Rule 10C-1(b) under the Exchange Act, including the fact that F.W. Cook does not provide any other services to the Company, the level of fees received from the Company as a percentage of F.W. Cook’s total revenue, policies and procedures employed by F.W. Cook to prevent conflicts of interest, and whether the individual F.W. Cook advisers to the Committee own any of the Company’s stock or have any business or personal relationships with members of the Committee or our executive officers.

ANALYSIS OF RISK IN OUR COMPENSATION PROGRAM

The Committee evaluates the risks of our compensation program as part of its responsibilities. The compensation program is intended to discourage excessive risk taking by executives and associates to obtain short-term benefits that may be harmful to the Company and our stockholders over the long term. We believe that the following elements of our compensation program discourage excessive risk taking:

- Short-Term/Long-Term Incentive Mix. The mix between short-term cash incentives and long-term equity-based incentives discourages executives and associates from maximizing short-term performance at the expense of long-term performance.
- Long-Term Incentive Mix. We grant a mixture of long-term equity incentives, which in 2017 were comprised of (i) stock options, (ii) time-based restricted stock units, and (iii) performance-based restricted stock units, because stock options and performance-based restricted stock units alone may lead to increased risk taking and time-based restricted stock awards alone may discourage associates from taking appropriate risks. Our equity incentives have multi-year vesting requirements and

Executive Compensation

performance-based restricted stock units are subject to performance-based vesting conditions measured over a three-year period. Our long-term incentive awards are designed to incentivize the creation of long-term stockholder value.

- Short-Term and Long-Term Incentive Program Design. In order to discourage excessive risk taking, both short-term cash incentive compensation awards and long-term performance-based restricted stock awards generally allow for a graduated payout instead of a win or lose payout structure. Each program has a minimum performance threshold below which no payout is earned and a maximum above which no additional payout is earned. In addition, a prorated payout may be earned based on the achievement between threshold and target or achievement between target and maximum.
- Multiple Performance Measures. In 2017, our short-term cash incentive compensation program had a financial performance target based on operating income and an operational performance target based on cost savings initiatives subject to an Adjusted EBITDA performance hurdle, and our performance-based restricted stock awards had performance targets based on Adjusted EPS. The varied performance measures are designed to discourage participants from focusing on the achievement of one performance measure at the expense of another.
- Stock Ownership Guidelines. We use meaningful stock ownership guidelines to align our directors' and executive officers' interests with our stockholders' interests and focus our executives on attaining long-term stockholder returns.
- Clawback and Anti-Hedging and Anti-Pledging Policies. Our clawback policy allows us to adjust and recover any short-term cash incentive compensation paid or the shares vested or to be vested of a performance-based long-term incentive award in the event of a material restatement of the Company's financial results, which discourages inappropriate risk-taking behavior. Our anti-hedging and anti-pledging policies further align our executives' and associates' interests with those of our stockholders.

COMPENSATION CLAWBACK POLICY

The Committee has approved a policy concerning the recovery of incentive compensation. This policy applies to performance-based awards paid to our NEOs as well as other key executives.

Under the policy, in the event of a material restatement of the Company's financial results, the Committee will review the circumstances that caused the restatement and consider accountability to determine whether a covered associate was negligent or engaged in misconduct. If so, and if the amount of a cash incentive award paid or to be paid, or the shares vested or to be vested of a performance-based long-term incentive award would have been less had the financial statements been correct, the Committee will recover compensation from the covered associate as it deems appropriate. This policy is in addition to any requirements which might be imposed pursuant to Section 304 under the Sarbanes-Oxley Act, and will be modified to the extent required by the Dodd-Frank Act of 2010.

STOCK OWNERSHIP GUIDELINES

We have stock ownership requirements for our executives to further build commonality of interest between management and stockholders and to encourage executives to think and act like owners. Our current stock ownership guidelines are as follows:

Chief Executive Officer	Lesser of 5x annual base salary or 200,000 shares
Chief Operating Officer	Lesser of 3x annual base salary or 75,000 shares

Other Executive Officers	Lesser of 2x annual base salary or 40,000 shares
Senior Vice Presidents	Lesser of 1x annual base salary or 16,000 shares
Board Members	5x annual retainer

The executives and Board members have five years to meet the guidelines. Under the guidelines, executives and directors are generally not permitted to sell any shares of our common stock until they achieve the ownership guideline and thereafter are only permitted to sell shares of our common stock to the extent that such sale would not cause the executive or director to fall below the ownership guideline. To avoid fluctuating ownership requirements, except upon a promotion, once an individual has achieved the ownership guidelines, they will be considered to have satisfied the requirements as long as the shares used to meet the underlying requirements are retained. The Committee annually reviews individual executive and director stock ownership levels. During the Committee's most recent review of ownership levels, it was confirmed that all NEOs and directors currently meet or are on track to meet the applicable ownership guideline.

POLICY REGARDING TIMING OF STOCK-BASED AWARDS

The Committee recognizes the importance of adhering to specific practices and procedures in the granting of equity awards and has adopted a specific policy around this process.

The Committee generally grants equity awards to executive officers annually during the first quarter in a given fiscal year at the Board's first regularly scheduled in-person meeting for the year. For directors, the Committee generally grants equity awards annually on the date of the Company's annual meeting of stockholders. To the extent that equity awards are granted at other times throughout the year, such grants are generally made on the 15th calendar day of a month.

Executive Compensation

TRADING CONTROLS

Executive officers, including our NEOs, are required to receive pre-approval from the Company's General Counsel prior to entering into any transactions in Company securities. Generally, trading is permitted only during specified trading periods.

From time to time, certain of our executive officers may adopt non-discretionary, written trading plans that comply with Rule 10b5-1(c) under the Exchange Act ("10b5-1 plans"). 10b5-1 plans permit our executive officers to monetize their equity-based compensation in an automatic and non-discretionary manner over time and are generally adopted for financial planning purposes.

Our Insider Trading Policy requires that our General Counsel pre-approve any new 10b5-1 plan, or any modification or termination of such a plan, and provides that executive officers may enter into or modify a 10b5-1 plan only during an open trading window and while not in possession of material non-public information. Moreover, any 10b5-1 plan must include a waiting period between establishment or modification of the plan and any transaction pursuant to the plan. In addition, our executive officers are generally prohibited from entering into overlapping 10b5-1 plans, engaging in transactions in Company stock outside of any 10b5-1 plan then in effect, and amending or terminating plans absent unforeseen events such as a change in personal financial circumstances.

ACCOUNTING AND TAX CONSIDERATIONS

Prior to its amendment by the Tax Cuts and Jobs Act (the "TCJA"), which was enacted December 22, 2017, Section 162(m) of the Code disallowed a tax deduction to public companies for compensation paid in excess of $1 million to "covered employees" under Section 162(m) (generally, such company's chief executive officer and its three other highest paid executive officers other than its chief financial officer). Prior to this amendment, there was an exception to this $1 million limitation for performance-based compensation if certain requirements set forth in Section 162(m) and the applicable regulations were met. The Committee has historically designed its compensation programs based on its belief that a substantial portion of the compensation payable to NEOs should be based on the achievement of performance-based targets or otherwise be designed with the intent that such compensation qualify as deductible performance-based compensation under Section 162(m).

The TCJA generally amended Section 162(m) to eliminate the exception for performance-based compensation, effective for taxable years following December 31, 2017. The $1 million compensation limit was also expanded to apply to a public company's chief financial officer and to apply to certain individuals who were covered employees in years prior to the then-current taxable year. Although certain transition relief may apply with respect to compensation paid pursuant to certain contracts in effect as of November 2, 2017, ambiguities in the TCJA prevent the Committee from being able to definitively determine what compensation, if any, payable to the covered employees in excess of $1 million will be deductible in future years. Interpretations of and changes in applicable tax laws and regulations as well as other factors beyond the control of the Committee can affect deductibility of compensation, and there can be no assurance that compensation paid to our executive officers who are covered by Section 162(m) will be deductible. As in prior years, the Committee will continue to take into account the tax and accounting implications (including with respect to the expected lack of deductibility under the revised Section 162(m)) when making compensation decisions, but reserves its right to make compensation decisions based on other factors as well if the Committee determines it is in the Company's best interests to do so. Further, taking into account the elimination of the exception for performance-based compensation, the Committee may determine to make changes or amendments to its existing compensation programs in order to revise aspects of our programs that were initially designed to comply with Section

162(m) but that may no longer serve as an appropriate incentive measure for our executive officers. As discussed in more detail in “Proposal No. 4: Approval of the Express, Inc. 2018 Incentive Compensation Plan,” the incentive compensation plan being submitted to stockholders for approval is intended to reflect the changes to Section 162(m) described above.

Compensation and Governance Committee Report

The Committee has reviewed and discussed the Compensation Discussion and Analysis set forth above with management. Based on this review and discussion, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated into the Company’s Annual Report on Form 10-K for the year ended February 3, 2018.

Compensation and Governance Committee
Peter Swinburn, Chair
Terry Davenport

Karen Leever
Mylle Mangum

Executive Compensation

Compensation Tables

The purpose of the following tables is to provide information regarding the compensation earned by our NEOs during the fiscal years indicated.

The Summary Compensation Table and the Grants of Plan-Based Awards should be viewed together for a more complete representation of both the annual and long-term incentive compensation elements of our executive compensation program.

SUMMARY COMPENSATION TABLE

The following table shows the compensation earned by our NEOs during the years ended February 3, 2018, January 28, 2017, and January 30, 2016, referred to as 2017, 2016, and 2015, respectively.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Non-Qualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
David Kornberg	2017	1,019,231	—	4,250,002	749,745	417,300	28,750	14,435	6,479,463
President and CEO	2016	984,615	—	4,249,985	749,949	—	24,851	133,912	6,143,312
	2015	900,000	—	3,399,996	593,917	2,160,000	25,505	101,988	7,181,406
Matthew Moellering	2017	808,250	—	1,104,994	194,933	216,370	24,000	13,934	2,362,481
Executive Vice	2016	789,308	—	1,104,988	194,985	—	20,845	91,483	2,201,609
President and Chief Operating Officer	2015	766,077	—	939,991	149,919	1,307,300	22,091	74,129	3,259,507
James (“Jim”) Hilt Executive Vice President—Chief Marketing Officer and eCommerce	2017	570,769	250,000	569,504	100,466	107,856	1,572	12,937	1,613,104
Erica McIntyre(7) Executive Vice President—Merchandising	2017	577,885	—	569,504	100,466	118,931	3,092	1,016,682	2,386,560
Periclis (“Perry”)	2017	479,519	—	509,999	89,969	99,109	1,862	9,966	1,190,424
Pericleous	2016	441,154	—	467,511	82,493	—	1,399	38,063	1,030,620
Senior Vice President, Chief Financial Officer and Treasurer	2015	361,735	150,000	271,492	73,487	420,000	817	37,171	1,314,702

(1) For 2017, reflects amounts paid to Mr. Hilt in 2017 pursuant to a $350,000 special cash retention award ("Retention Award") granted to Mr. Hilt given his key role in executing the Company's e-commerce, omni-channel, and customer experience initiatives during the Company's multi-year transformational strategy to position itself as a leading omni-channel retailer. An initial amount of $250,000 was paid to Mr. Hilt in fiscal 2017, and the remaining $100,000 was paid in February 2018. In the event Mr. Hilt voluntarily terminates his employment with the Company on or prior to the last day of the Company's 2019 fiscal year without Good Reason (as defined in Mr. Hilt's Amended and Restated Severance Agreement), or if Mr. Hilt's employment with the Company is terminated by Company for Cause (as defined in Mr. Hilt's Amended and Restated Severance agreement), Mr. Hilt must repay the Retention Award to the Company.

For 2015, includes a special retention bonus awarded to Mr. Pericleous in 2013 that was paid out in 2015.

(2) Reflects the aggregate grant date fair value of awards granted in the applicable year. For 2017, the amounts reflect the aggregate grant date fair value of time-based restricted stock units and performance-based restricted stock units at target. The number of performance-based restricted stock units that vest will be determined based on Adjusted EPS for the three-year period commencing on the first day of the Company's 2017 fiscal year and ending on the last day of the Company's 2019 fiscal year, compared to the performance goals established by the Committee. The maximum grant date fair value related to the performance-based restricted stock units was as follows: Mr. Kornberg—$5,000,004; Mr. Moellering—$1,299,998; Mr. Hilt—$670,007; Ms. McIntyre—$670,007; Mr. Pericleous—$599,997. These performance-based restricted stock awards will only be earned if performance significantly improves in 2018 and 2019.

For 2016, the amounts reflect the aggregate grant date fair value of time-based restricted stock units and performance-based restricted stock units at target. The number of performance-based restricted stock units that vest will be determined based on Adjusted EPS for the three-year period commencing on the first day of the Company's 2016 fiscal year and ending on the last day of the Company's 2018 fiscal year, compared to the performance goals established by the Committee. The maximum grant date fair value related to the performance-based restricted stock units was as follows: Mr. Kornberg—$4,999,991; Mr. Moellering—$1,299,983; Mr. Pericleous —$550,021. These performance-based restricted stock awards are not expected to be earned.

For 2015, the amounts reflect the aggregate grant date fair value of time-based restricted stock units and, except for Mr. Pericleous who was not CFO at the time, performance-based restricted stock units at target. The number of performance-based restricted stock units that vested was determined based on Adjusted EPS for the three-year period commencing on the first day of the Company's 2015 fiscal year and ending on the last day of the Company's 2017 fiscal year, compared to the performance goals established by the Committee. The maximum grant date fair value related to the performance-based restricted stock units was as follows: Mr. Kornberg—$2,500,005; Mr. Moellering—$737,500. These awards were earned at 75.3% of target.

See "—Compensation Discussion and Analysis—What We Pay and Why: Elements of Compensation—Performance-Based Incentives—Long-Term Incentives—Performance-Based Restricted Stock Units" on page 35 for more detailed information regarding actual and expected payout of the performance-based restricted stock units granted to our NEOs in each of 2017, 2016, and 2015. These values have been determined based on the assumptions and methodologies set forth in Note 10 of the Company's financial statements included in its Annual Report for the year ended February 3, 2018.

(3) Reflects grant date fair value using assumptions and methodologies set forth in Note 10 of the Company's financial statements included in its Annual Report for the year ended February 3, 2018.
(4) Reflects payouts of 32%, 0%, and 200% of target under our short-term incentive cash program in 2017, 2016, and 2015, respectively. See "—Compensation Discussion and Analysis—What We Pay and Why: Elements of Compensation—Performance-Based Incentives—Short-Term Incentive Program" on page 32 for more information about our short-term incentive compensation program.
(5) We do not sponsor any tax-qualified or non-qualified defined benefit retirement plans. For 2017, the amounts shown represent the amount by which earnings of 5.2% on each NEO's non-qualified deferred compensation account balance exceeded 120% of the applicable federal long-term rate.
(6) The following table details All Other Compensation paid to each NEO during 2017:

Name	Executive Life and Disability Insurance ($)[a]	Severance ($)[b]	Qualified Retirement Plan Company Match ($)[c]	Total
David Kornberg	2,297	—	12,138	14,435
Matthew Moellering	2,034	—	11,900	13,934
James ("Jim") Hilt	1,737	—	11,200	12,937
Erica McIntyre	1,744	1,003,200	11,738	