

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**SCHEDULE 14A INFORMATION**

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

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

Check the appropriate box:

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

**STITCH FIX, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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STITCH FIX, INC.  
1 Montgomery Street, Suite 1500  
San Francisco, California 94104

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held on December 19, 2019**

Dear Stockholder:

You are cordially invited to attend the 2019 Annual Meeting of Stockholders of Stitch Fix, Inc., a Delaware corporation (the "Company"). The meeting will be held on Thursday, December 19, 2019, at 1:30 p.m. local time at Cooley LLP, 101 California Street, 5<sup>th</sup> Floor, San Francisco, California 94111, for the following purposes:

1. To elect the two nominees for director named in the accompanying Proxy Statement to hold office until the 2022 Annual Meeting of Stockholders.
2. To approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed in the accompanying Proxy Statement.
3. To ratify the selection by the Audit Committee of the Board of Directors of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for its fiscal year ending August 1, 2020.
4. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the 2019 Annual Meeting of Stockholders is October 21, 2019. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors



Scott Darling  
Chief Legal Officer and Corporate Secretary

San Francisco, California  
November 7, 2019

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders' Meeting to Be Held on Thursday, December 19, 2019, at 1:30 p.m. Pacific Time at Cooley LLP, 101 California Street, 5<sup>th</sup> Floor, San Francisco, California 94111:** The Notice of Annual Meeting, Proxy Statement, and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, sign, date, and return the enclosed proxy, or vote over the telephone or online as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) has been provided for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank, or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

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STITCH FIX, INC.

PROXY STATEMENT  
FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS  
DECEMBER 19, 2019

VOTING AND ANNUAL MEETING INFORMATION

**About this Proxy Statement**

Stitch Fix, Inc. (the “Company” or “Stitch Fix”) is providing you with this Proxy Statement because the Board of Directors (the “Board”) is soliciting your proxy to vote at the 2019 Annual Meeting of Stockholders (the “2019 Annual Meeting”), including at any adjournments or postponements of the meeting. This Proxy Statement contains information to be voted on at the 2019 Annual Meeting and certain other information required by the U.S. Securities and Exchange Commission (“SEC”). We will begin mailing this Proxy Statement and the accompanying form of proxy on or about November 7, 2019, to all stockholders of record entitled to vote at the 2019 Annual Meeting. All stockholders will be able to access the proxy materials at [www.proxyvote.com](http://www.proxyvote.com) or request printed copies using the contact information under “Proxy Materials” below.

*Electronic Delivery*

Stockholders may elect to receive future notices and proxy materials by e-mail. To sign up for electronic delivery, go to [www.proxyvote.com](http://www.proxyvote.com) or the “Annual Reports and Proxies” section of our website at [investors.stitchfix.com/annual-reports](http://investors.stitchfix.com/annual-reports). Also, stockholders who hold shares through a bank, brokerage firm, or other agent may sign up for electronic delivery by contacting that agent. Once you sign up, you will not receive a printed copy of the proxy materials unless you request them. We encourage stockholders to take advantage of electronic delivery to help reduce the cost and environmental impact of the annual meeting.

**Attending the 2019 Annual Meeting**

The meeting will be held on Thursday, December 19, 2019, at 1:30 p.m. local time at the offices of the Company’s outside counsel: Cooley LLP, 101 California Street, 5<sup>th</sup> Floor, San Francisco, California 94111. For directions, please call the offices of Cooley LLP at (415) 693-2000.

To attend the 2019 Annual Meeting, please bring a valid government photo identification, such as a driver’s license or passport. If you are a beneficial stockholder holding your shares through a broker, bank, or other agent (described further below), you will also need to bring proof of beneficial ownership as of the record date, October 21, 2019, such as your most recent account statement reflecting your stock ownership prior to October 21, 2019, a copy of the voting instruction card provided by your broker, bank, or other agent, or similar evidence of ownership.

**Voting at the 2019 Annual Meeting**

*Who May Vote*

Only stockholders of record at the close of business on October 21, 2019, will be entitled to vote at the 2019 Annual Meeting. On this record date, there were 55,099,593 shares of Class A common stock and 46,601,115 shares of Class B common stock outstanding and entitled to vote. Our Class A common stock has one vote per share and our Class B common stock has ten votes per share.

**Stockholder of Record: Shares Registered in Your Name.** If on October 21, 2019, your shares were registered directly in your name with Stitch Fix’s transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or online as instructed below to ensure your vote is counted.

**Beneficial Owner: Shares Registered in the Name of a Broker or Bank.** If on October 21, 2019, your shares were held not in your name, but in an account at a brokerage firm, bank, or other similar organization, then you are the beneficial owner of shares held in “street name” and the proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the 2019 Annual Meeting. As a beneficial owner, you have the right to direct your broker, bank, or other agent regarding how to vote the shares in your account. You are also invited to attend the 2019 Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker, bank, or other agent.

*How Many Votes You Have*

On each matter to be voted upon, you have one vote for each share of Class A common stock and ten votes for each share of Class B common stock you owned as of October 21, 2019. The Class A common stock and Class B common stock will vote together as a single class on all proposals described in this Proxy Statement.

*Proposals to be Voted on at the 2019 Annual Meeting*

There are three matters scheduled for a vote:

**Proposal 1.** Election of two directors.

**Proposal 2.** Approval, on an advisory basis, of the compensation of the Company's named executive officers.

**Proposal 3.** Ratification of the selection by the Audit Committee of the Board of Deloitte & Touche LLP as independent registered public accounting firm of the Company for its fiscal year ending August 1, 2020.

The Board knows of no other matters that will be presented for consideration at the 2019 Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on those matters in accordance with their best judgment.

*Board Vote Recommendations*

The Board recommends that you vote FOR the election of each director nominee, FOR the approval, on an advisory basis, of executive compensation, and FOR the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm.

*Voting Procedures*

**Stockholder of Record.** If you are a stockholder of record, you may vote in person at the 2019 Annual Meeting, or vote by proxy over the telephone, online, or by mailing your signed proxy card. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

- To vote in person, come to the 2019 Annual Meeting and we will give you a ballot when you arrive.
- To vote using the proxy card, simply complete, sign, and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the 2019 Annual Meeting, we will vote your shares as you direct.
- To vote over the telephone, dial toll-free 1-800-690-6903 and follow the recorded instructions. Your telephone vote must be received by 11:59 p.m. Eastern Time on December 18, 2019, to be counted.
- To vote online, go to [www.proxyvote.com](http://www.proxyvote.com) and follow the prompts. Your internet vote must be received by 11:59 p.m. Eastern Time on December 18, 2019, to be counted.

**Beneficial Owner.** If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received voting instructions from that organization rather than from Stitch Fix. Simply follow the voting instructions from that organization to ensure that your vote is counted. To vote in person at the 2019 Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from that organization included with these materials or contact them to request a proxy form.

Internet proxy voting may be provided to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. Please be aware that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.

*If You Do Not Vote or Give Specific Voting Instructions*

**Stockholder of Record.** If you are a stockholder of record and do not vote by telephone, online, by completing a proxy card, or in person at the 2019 Annual Meeting, your shares will not be voted.

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable, "For" the election of each director nominee, "For" the approval of executive compensation, and "For" the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm. If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

**Beneficial Owner.** If you are a beneficial owner of shares held in street name and you do not instruct your broker, bank, or other agent how to vote your shares, that agent may still be able to vote your shares in its discretion. Brokers, banks, and other securities intermediaries may use their discretion to vote your "uninstructed" shares with respect to matters considered to be "routine," but not with respect to "non-routine" matters. In this regard, Proposals 1 and 2 are considered to be "non-routine," meaning that your broker may not vote your shares on those proposals in the absence of your voting instructions. However, Proposal 3 is considered to be "routine," meaning that if you do not return voting instructions to your broker by its deadline, your broker may vote your shares in its discretion on Proposal 3.

If you a beneficial owner of shares held in street name, in order to ensure your shares are voted in the way you would prefer, you <b>must</b> provide voting instructions to your broker, bank, or other agent by the deadline provided in the materials you receive from your broker.
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## Changing Your Vote

**Stockholder of Record.** You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may change your vote or revoke your proxy by:

- submitting another properly completed proxy card with a later date or granting a subsequent proxy by telephone or online;
- sending a timely written notice that you are revoking your proxy to Stitch Fix’s Corporate Secretary at 1 Montgomery Street, Suite 1500, San Francisco, California 94104 (such notice will be considered timely if it is received by the close of business on the business day immediately preceding the date of the 2019 Annual Meeting); or
- attending the 2019 Annual Meeting and voting in person.

Simply attending the meeting will not, by itself, revoke your proxy. Your most recent proxy card or telephone or internet proxy is the one that is counted.

**Beneficial Owner.** If your shares are held by a broker, bank, or other agent, you should follow the instructions provided by that organization.

## Votes Needed for Approval

Proposal	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes <sup>(1)</sup>
1. Election of directors	Nominees that receive the most “For” votes; “Withhold” votes will have no effect	Not applicable	No effect
2. Advisory vote on executive compensation (“say on pay”)	“For” votes from a majority of the voting power of the shares present in person or represented by proxy and entitled to vote on the matter	Against	No effect
3. Ratification of the selection of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for its fiscal year ending August 1, 2020	“For” votes from a majority of the voting power of the shares present in person or represented by proxy and entitled to vote on the matter	Against	Not applicable <sup>(2)</sup>

(1) When a beneficial owner of shares held in street name does not give voting instructions to his or her broker, bank, or other agent holding his or her shares as to how to vote on matters deemed to be “non-routine,” the broker cannot vote the shares. These unvoted shares are counted as “broker non-votes.” Proposals 1 and 2 are considered to be “non-routine,” so we expect broker non-votes to exist in connection with those proposals.

(2) This proposal is considered to be “routine.” If you hold your shares in street name and do not provide voting instructions to your broker, bank, or other agent that holds your shares, your broker has discretionary authority to vote your shares on this proposal.

## Who Will Count the Votes

Votes will be counted by Broadridge Financial Solutions, Inc., our inspector of election for the meeting.

## Quorum Requirement

A quorum of stockholders is necessary to hold a valid meeting under our Amended and Restated Bylaws (the “Bylaws”) and Delaware law. A quorum will be present if stockholders holding at least a majority of the voting power of the outstanding shares entitled to vote are present at the meeting in person or represented by proxy. On the record date, there were 55,099,593 shares of Class A common stock outstanding and 46,601,115 shares of Class B common stock outstanding and entitled to vote. Our Class A common stock has one vote per share and our Class B common stock has ten votes per share. Thus, the holders of shares representing an aggregate of 260,555,372 votes must be present in person or represented by proxy at the 2019 Annual Meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank, or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, either the chairperson of the meeting or the holders of a majority of the voting power of the shares present at the meeting in person or represented by proxy may adjourn the meeting to another date.

## Voting Results

Preliminary voting results will be announced at the meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

## **Proxy Solicitation Expenses**

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks, and other agents for the cost of forwarding proxy materials to beneficial owners.

## **Proxy Materials**

### *Multiple Proxy Cards or Voting Instruction Cards*

If you received more than one proxy card or voting instruction card, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on each of the cards to ensure that all of your shares are voted.

### *Requesting Additional Copies of the Proxy Materials*

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy materials or other annual meeting materials with respect to two or more stockholders sharing the same address by delivering a single set of proxy materials or other annual meeting materials addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies.

A number of brokers with account holders who are Stitch Fix stockholders will be householding the Company’s proxy materials. A single set of proxy materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from us (if you are a stockholder of record) or your broker (if you are a beneficial owner) that we or they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate set of proxy materials, or if you currently receive multiple copies of proxy materials and would like to request householding of your communications, please notify your broker or Stitch Fix. Direct your written request to Stitch Fix, Inc. Corporate Secretary, 1 Montgomery Street, Suite 1500, San Francisco, California 94104, or contact our Corporate Secretary at (415) 882-7765.

## **Next Year’s Annual Meeting**

### *Stockholder Proposals and Director Nominations*

To be considered for inclusion in the proxy materials for next year’s annual meeting of stockholders (the “2020 Annual Meeting”), your proposal must be submitted in writing by July 10, 2020, to our Corporate Secretary at 1 Montgomery Street, Suite 1500, San Francisco, California 94104, and must comply with all applicable requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); provided, however, that if our 2020 Annual Meeting is held before November 19, 2020, or after January 18, 2021, then the deadline is a reasonable amount of time prior to the date we begin to print and mail our proxy statement for the 2020 Annual Meeting.

Pursuant to Section 5(b)(3) of our Bylaws, if you wish to submit a proposal (including a director nomination) at the 2020 Annual Meeting that is not to be included in next year’s proxy materials, you must do so no later than the close of business on September 20, 2020, nor earlier than the close of business on August 21, 2020, to our Corporate Secretary at 1 Montgomery Street, Suite 1500, San Francisco, California 94104; provided, however, that if our 2020 Annual Meeting is held before November 19, 2020, or after January 18, 2021, then the deadline is (a) no earlier than the close of business on the 120th day prior to the date of the 2020 Annual Meeting and (b) not later than the close of business on the later of (i) the 90th day prior to the 2020 Annual Meeting or (ii) the tenth day following the day on which public announcement of the date of such meeting is first made.

Pursuant to Section 5(e) of our Bylaws, in the event that the number of directors in the class of directors whose term shall expire at the next annual meeting of stockholders (the “Expiring Class”) is increased and we do not make any public announcement of (a) the appointment of a director to such class or (b) the vacancy in such class (if no appointment was made) at least ten days before the last day a stockholder may deliver a notice of nomination in accordance with our Bylaws, then a stockholder’s notice required by our Bylaws and which complies with the requirements in our Bylaws, other than the timing requirements in Section 5(b)(3), shall also be considered timely, but only with respect to nominees for any new positions in such Expiring Class created by such increase, if it is received by our Corporate Secretary at 1 Montgomery Street, Suite 1500, San Francisco, California 94104, not later than the close of business on the tenth day following the day on which such public announcement is first made by us.

You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

A copy of our Bylaws is available in the Governance section of our website at [investors.stitchfix.com](http://investors.stitchfix.com). You may also contact our Corporate Secretary at the address set forth above for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

**PROPOSAL 1  
ELECTION OF DIRECTORS**

**Classified Board**

Stitch Fix’s Board is divided into three classes. Each class consists, as nearly as possible, of one third of the total number of directors, and each class has a three-year term. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director’s successor is duly elected and qualified.

The Board presently has eight members. There are two directors in the class whose term of office expires at the 2019 Annual Meeting. Mr. Anderson and Ms. Hansen are currently directors of the Company, and each of them was elected by our stockholders prior to our initial public offering (“IPO”) pursuant to the provisions of a voting agreement entered into by certain of our stockholders that terminated upon the completion of our IPO. If elected at the 2019 Annual Meeting, each of these nominees would serve until the 2022 annual meeting of stockholders and until his or her successor has been duly elected and qualified, or, if sooner, until his or her death, resignation, or removal.

The following table sets forth information with respect to our directors, including the two nominees for election at the 2019 Annual Meeting, as of November 7, 2019:

Name	Age	Director Since	Principal Occupation / Position Held with the Company
<b><i>Class II Directors – Nominees for Election at the 2019 Annual Meeting</i></b>			
Steven Anderson	51	April 2011	General Partner of Baseline Ventures; Director of Stitch Fix
Marka Hansen	66	February 2014	Director of Stitch Fix
<b><i>Class III Directors – Continuing in Office Until the 2020 Annual Meeting</i></b>			
J. William Gurley	53	August 2013	General Partner of Benchmark Capital; Director of Stitch Fix
Kirsten Lynch	51	March 2018	EVP and Chief Marketing Officer of Vail Resorts; Director of Stitch Fix
Mikkel Svane	48	October 2018	Founder and Chief Executive Officer of Zendesk, Inc.; Director of Stitch Fix
<b><i>Class I Directors – Continuing in Office Until the 2021 Annual Meeting</i></b>			
Katrina Lake	36	February 2011	Founder, Chief Executive Officer and Director of Stitch Fix
Sharon McCollam	57	November 2016	Director of Stitch Fix
Elizabeth Williams	43	January 2019	President of Taco Bell International; Director of Stitch Fix

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote generally on the election of directors. Accordingly, the two nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the two nominees named in this Proxy Statement. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead be voted for the election of a substitute nominee proposed by the Board. Each person nominated for election has agreed to serve if elected. The Company’s management has no reason to believe that any nominee will be unable to serve.

Below are brief biographies of each nominee and each of our other directors.

**Nominees for Election to a Three-Year Term Expiring at the 2022 Annual Meeting**

**Steven Anderson.** Mr. Anderson has served on our Board since April 2011. Since 2006, Mr. Anderson has served as a general partner of Baseline Ventures, a venture capital firm of which he is the founder. Previously, Mr. Anderson served in a variety of positions at Microsoft Corporation, a multinational technology company, eBay Inc., an online marketplace, Starbucks Corporation, a food and beverage company, and Digital Equipment Corporation, a manufacturer and vendor of computer hardware, as well as a partner of Kleiner Perkins Caufield & Byers, a venture capital firm. Mr. Anderson holds a B.A. in Business from the University of Washington and an M.B.A. from the Stanford University Graduate School of Business. We believe Mr. Anderson is qualified to serve as a member of our Board due to his extensive experience with technology companies, including his experience as a venture capitalist investing in technology companies.

**Marka Hansen.** Ms. Hansen has served on our Board since February 2014. Ms. Hansen previously served as a consultant to the Company from February 2013 to February 2014. From 2007 to 2011, she was the President of Gap North America, a subsidiary of The Gap Inc., a clothing retailer. Previously, Ms. Hansen served in various leadership positions at The Gap, including as President of Banana Republic, LLC, a division of The Gap. Ms. Hansen holds a B.A. in Liberal Studies from Loyola Marymount University. We believe that Ms. Hansen is qualified to serve as a member of our Board because of her experience in retail, design, and marketing.

**Other Public Company Boards:** Ms. Hansen has served as a director of J.Jill, Inc., an omnichannel, specialty women’s apparel brand, since February 2017.

**Private Company / Non-Profit Boards:** Ms. Hansen serves as a director of Sur La Table and The Orvis Company.

**THE BOARD OF DIRECTORS RECOMMENDS  
A VOTE FOR EACH NOMINEE NAMED ABOVE.**



### **Directors Continuing in Office Until the 2020 Annual Meeting**

**J. William Gurley.** Mr. Gurley has served on our Board since August 2013. Mr. Gurley serves as a general partner of Benchmark Capital, a venture capital firm, which he joined in 1999. Previously, he served as a partner of Hummer Windblad Venture Partners, a venture capital firm, a research analyst for Credit Suisse First Boston, an investment bank, and a design engineer at Compaq Computer Corporation, a manufacturer of computers and related components. Mr. Gurley holds a B.S. in Computer Science from the University of Florida and an M.B.A. from the University of Texas. We believe Mr. Gurley is qualified to serve as a member of our Board due to his extensive experience with technology companies, including his experience as a member of the boards of directors of public technology companies and as a venture capitalist investing in technology companies.

*Other Public Company Boards:* Mr. Gurley previously served as a director of Zillow Group, Inc., Grubhub, Inc., OpenTable, Inc., and Ubiquiti Networks, Inc.

**Kirsten Lynch.** Ms. Lynch has served on our Board since March 2018. Since 2011, Ms. Lynch has served as Executive Vice President and Chief Marketing Officer of Vail Resorts, Inc., a mountain resort company. From 2009 to 2011, she was with PepsiCo, Inc., a global beverage company, where she was Chief Marketing Officer of the Quaker Foods and Snacks Division. Prior to PepsiCo, Ms. Lynch was Vice President of Marketing for the Cheese and Dairy Business Unit of Kraft Foods Group, Inc., a grocery manufacturing company, from 2007 to 2009, and had worked for Kraft Foods since 1996, holding various marketing positions for the company's product divisions. Ms. Lynch began her marketing career with Ford Motor Company, a multinational automaker. She holds a B.A. in Marketing from the Illinois State University and an M.B.A. from Washington University in St. Louis. We believe Ms. Lynch is qualified to serve as a member of our Board due to her extensive marketing experience at premier global consumer brands.

**Mikkel Svane.** Mr. Svane has served on our Board since October 2018. Mr. Svane co-founded Zendesk, Inc., a software development company, and has served as its Chief Executive Officer since 2007. Prior to founding Zendesk, Mr. Svane founded and served as the Chief Executive Officer of Caput A/S, a software company. Mr. Svane holds an A.P. in marketing management from Aarhus Kobmandsskole. We believe Mr. Svane is qualified to serve as a member of our Board due to his experience as the chief executive officer of a public company and his knowledge of the technology industry.

*Other Public Company Boards:* Mr. Svane has served as a director of Zendesk, Inc. since August 2007, and was appointed chair of the Zendesk board of directors in January 2014.

### **Directors Continuing in Office Until the 2021 Annual Meeting**

**Katrina Lake.** Ms. Lake is our founder and has served as our Chief Executive Officer and a member of our Board since our inception in 2011. Ms. Lake holds a B.A. in Economics from Stanford University and an M.B.A. from Harvard University. We believe that Ms. Lake is qualified to serve as a member of our Board based on the perspective and experience she brings as our Founder and Chief Executive Officer.

*Other Public Company Boards:* Ms. Lake has served as a director of GrubHub, Inc., an online and mobile food delivery service, since December 2015.

*Private Company / Non-Profit Boards:* Ms. Lake serves as a director of Glossier Inc.

**Sharon McCollam.** Ms. McCollam has served on our Board since November 2016. From December 2012 to June 2016, Ms. McCollam served as Executive Vice President, Chief Administrative and Chief Financial Officer of Best Buy Co., Inc., a provider of technology products, services, and solutions, and continued to serve as a senior advisor through January 2017. From 2006 to 2012, she served as Executive Vice President, Chief Operating and Chief Financial Officer at Williams-Sonoma Inc., a specialty retailer of high-quality products for the home, and as Chief Financial Officer from 2000 to 2006. Prior to Williams-Sonoma, Ms. McCollam served as Chief Financial Officer of Dole Fresh Vegetables, Inc., a division of Dole Food Company, Inc., a producer and marketer of fresh fruit and vegetables. Ms. McCollam holds a B.S. in Accounting from the University of Central Oklahoma and is a Certified Public Accountant. We believe that Ms. McCollam is qualified to serve as a member of our Board because of her experience in retail and as a member of the boards of directors of public and private companies.

*Other Public Company Boards:* Ms. McCollam has served as a director of Chewy, Inc., an online retailer of pet products, since June 2019, Advanced Auto Parts, an automotive aftermarket parts provider, since February 2019, and Signet Jewelers, Limited, a diamond jewelry retailer, since March 2018. She previously served on the boards of directors of Whole Foods Market, Inc., OfficeMax Incorporated, Del Monte Foods Company, and Williams-Sonoma, Inc.

*Private Company / Non-Profit Boards:* Ms. McCollam serves as a director of Hallmark Cards, Inc., GetYourGuide AG, and Art.com. She also serves on the non-profit boards of Sutter Health and ALSAC/St. Jude Children's Research Hospital.

**Elizabeth Williams.** Ms. Williams has served on our Board since January 2019. Since January 2018, Ms. Williams has served as President of Taco Bell International, part of YUM! Brands Inc., a leading operator of quick service restaurants. Prior to this role, Ms. Williams served as Chief Financial Officer of Taco Bell Corp. from October 2013 to January 2018 and Vice President, Financial Planning & Analysis from 2011 to 2013. Before joining Yum!, Ms. Williams was a Principal at the Boston Consulting Group. Ms. Williams holds a B.A. in Business Administration from University of Texas in Austin and an M.B.A. from the Kellogg School of Management at Northwestern University. We believe Ms. Williams is qualified to serve as a member of our Board due to her operational expertise and experience leading a global business.

## **Information Regarding the Board of Directors and Corporate Governance**

### **Independence of the Board**

As required under the Nasdaq Stock Market (“Nasdaq”) listing standards, a majority of the members of a listed company’s board of directors must qualify as “independent,” as affirmatively determined by the board of directors. The Board consults with the Company’s counsel to ensure that the Board’s determinations are consistent with relevant securities and other laws and regulations regarding the definition of “independent,” including those set forth in pertinent Nasdaq listing standards, as in effect from time to time.

Our Board has undertaken a review of the independence of each director. Based on information provided by each director concerning her or his background, employment, and affiliations, our Board has determined that Mr. Anderson, Mr. Gurley, Ms. Hansen, Ms. Lynch, Ms. McCollam, Mr. Svane, and Ms. Williams do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the listing requirements and rules of Nasdaq.

In making this determination, the Board found that none of these directors or nominees for director had a material or other disqualifying relationship with the Company.

Ms. Lake is not independent due to her position as the Chief Executive Officer of Stitch Fix.

### **Board Leadership Structure**

Our Board is currently chaired by the Founder and Chief Executive Officer of the Company, Ms. Lake. The Board has also appointed Ms. McCollam as lead independent director.

We believe that combining the positions of Chief Executive Officer and Board Chair helps to ensure that the Board and management act with a common purpose. In the Company’s view, combining the positions of Chief Executive Officer and Board Chair provides a clear chain of command and a single point of accountability to execute the Company’s strategy and business plans. In addition, we believe that a combined Chief Executive Officer and Board Chair is better positioned to act as a bridge between management and the Board, facilitating the regular flow of information. We also believe that it is advantageous to have a Board Chair who has an extensive history with and knowledge of the Company, as is the case with our Chief Executive Officer.

The Board appointed Ms. McCollam as the lead independent director to help reinforce the independence of the Board as a whole. The position of lead independent director has been structured to serve as an effective balance to a combined Chief Executive Officer/Board Chair: the lead independent director’s responsibilities include, among other things, consulting with management on the agendas for regular Board meetings, presiding over Board meetings in the absence of the Chair, presiding over and establishing the agendas for meetings of the independent directors, presiding over any portions of Board meetings at which the evaluation or compensation of the Chief Executive Officer is presented or discussed, and coordinating Board committee updates to the full Board. As a result, we believe that the lead independent director can help ensure the effective, independent functioning of the Board in its oversight responsibilities. In addition, we believe that the lead independent director is well positioned to build a consensus among independent directors and to serve as a conduit between the other independent directors and the Board Chair, for example, by facilitating the inclusion on meeting agendas of matters of concern to the independent directors. In light of the Chief Executive Officer’s extensive history with and knowledge of the Company, and because the Board’s lead independent director is empowered to play a significant role in the Board’s leadership and in reinforcing the independence of the Board, we believe that it is advantageous for the Company to combine the positions of Chief Executive Officer and Board Chair.

### **Role of the Board in Risk Oversight**

One of the Board’s key functions is informed oversight of the Company’s risk management process. The Board does not have a standing risk management committee, but administers this oversight function directly through the Board as a whole, as well as through various standing Board committees that address risks inherent in their respective areas of oversight. In particular, our Board is responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for the Company. Our Audit Committee has the responsibility to oversee the Company’s enterprise risk management program, including cybersecurity risks; to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken; to monitor compliance with legal and regulatory requirements; and to oversee the performance of our internal audit function. Our Nominating and Corporate Governance Committee oversees and reviews with management the Company’s major governance risk exposures and the steps management has taken to monitor or mitigate such exposures, including our procedures and any related policies with respect to risk assessment and risk management, as well as our governance structure and Board succession risks. Our Compensation Committee reviews our compensation practices and policies as they relate to risk management and risk-taking incentives, to determine whether such compensation policies and practices are reasonably likely to have a material adverse effect on the Company, and monitors and oversees efforts to mitigate management succession risks. The entire Board meets with senior management periodically, and the applicable Board

committees meet periodically with the employees responsible for risk management in the committees' respective areas of oversight. Both the Board as a whole and the various standing committees receive periodic reports from employees responsible for risk management, as well as incidental reports as matters may arise. It is the responsibility of the committee chairs to report findings regarding material risk exposures to the Board as quickly as possible.

### Meetings of the Board

The Board met four times during the last fiscal year. Each Board member attended 75% or more of the aggregate number of meetings of the Board and of the committees on which he or she served held during the portion of the last fiscal year for which he or she was a director or committee member.

We expect our directors to attend each annual meeting of stockholders. Five of the seven directors serving at that time attended our 2018 annual meeting of stockholders.

### Information Regarding Committees of the Board

The Board has three standing committees: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. The following table provides membership and meeting information as November 7, 2019, for each of the Board committees:

Name	Audit	Compensation	Nominating and Corporate Governance
Steven Anderson		X	
J. William Gurley			X*
Marka Hansen		X*	
Katrina Lake			
Kirsten Lynch		X	
Sharon McCollam	X*		X
Mikkel Svane	X		
Elizabeth Williams	X		
<b>Total meetings in fiscal year 2019</b>	<b>6</b>	<b>5</b>	<b>2</b>

\* Committee chairperson

Below is a description of each committee of the Board.

Each of the committees has authority to engage legal counsel or other experts or consultants as it deems appropriate to carry out its responsibilities. The Board has determined that each member of each committee meets the applicable Nasdaq rules and regulations regarding "independence" and each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to the Company. The Board has adopted written charters for each of the committees, which are available in the Governance section of the Company's website at [investors.stitchfix.com](http://investors.stitchfix.com).

### Audit Committee

The Audit Committee of the Board was established by the Board in accordance with Section 3(a)(58)(A) of the Exchange Act to oversee the Company's corporate accounting and financial reporting processes and audits of its financial statements. Our Board has determined that Ms. McCollam is an "audit committee financial expert" within the meaning of SEC regulations. Each member of our Audit Committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, our Board has examined each Audit Committee member's scope of experience and the nature of their employment in the corporate finance sector.

The primary functions of this committee include:

- helping our Board oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence, and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and the independent accountants, our interim and year-end operating results;
- reviewing our cybersecurity policies and programs;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related-party transactions;

- reviewing the effectiveness of the Company’s internal controls over financial reporting, any material issues with such controls, and any steps taken to address such issues; and
- approving or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm.

The Board reviews the Nasdaq listing standards definition of independence for audit committee members on an annual basis and has determined that all members of the Company’s Audit Committee are independent (as independence is currently defined in Rule 5605(c)(2)(A)(i) and (ii) of the Nasdaq listing standards).

**Report of the Audit Committee of the Board\***

The Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended August 3, 2019, with management of the Company. The Audit Committee has discussed with Deloitte & Touche LLP, the Company’s independent registered public accounting firm, the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (“PCAOB”), including Auditing Standard No. 1301, *Communications with Audit Committees*, as adopted by the PCAOB, and the SEC. The Audit Committee has also received the written disclosures and the letter from Deloitte & Touche LLP required by applicable requirements of the PCAOB regarding Deloitte & Touche LLP’s communications with the audit committee concerning independence and has discussed with Deloitte & Touche LLP the firm’s independence. Based on the foregoing, the Audit Committee has recommended to the Board that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended August 3, 2019.

THE AUDIT COMMITTEE

- Ms. Sharon McCollam (Chair)
- Mr. Mikkel Svane
- Ms. Elizabeth Williams

\* The material in this report is not “soliciting material,” is not deemed “filed” with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act 1933, as amended (the “Securities Act”), or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

**Compensation Committee**

The primary purpose of our Compensation Committee is to discharge the responsibilities of the Board in overseeing our compensation policies, plans, and programs, and to review and determine the compensation to be paid to executive officers, directors, and other senior management, as appropriate. Specific responsibilities include:

- reviewing and approving the compensation of the Chief Executive Officer, other executive officers, and senior management;
- reviewing and making recommendations to the Board regarding the compensation paid to directors;
- reviewing and recommending to the Board succession plans for our executive officers;
- reviewing, adopting, amending, and terminating incentive compensation and equity plans, severance agreements, profit-sharing plans, bonus plans, change-of-control protections, and any other compensatory arrangements for executive officers and other senior management; and
- reviewing and establishing general policies relating to compensation and benefits of employees.

Each year, the Compensation Committee reviews with management the Company’s Compensation Discussion and Analysis and considers whether to recommend that it be included in proxy statements and other filings.

All members of the Company’s Compensation Committee are independent (as independence is currently defined in Rule 5605(d)(2) of the Nasdaq listing standards).

*Compensation Committee Processes and Procedures*

The agenda for each Compensation Committee meeting is usually developed in consultation with the Chair of the Compensation Committee. The Chief Executive Officer may not be present during the voting, deliberations, or determinations of the Compensation Committee regarding her compensation, but may be present (but not vote) during the voting and deliberations regarding the compensation of the other executive officers and senior management. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities, and personnel of the Company. In addition, under its charter, the Compensation Committee has the authority to obtain, at the expense of the Company, advice and assistance from compensation consultants and internal and external legal, accounting, or other advisors and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. The Compensation Committee has direct responsibility for the oversight of the work of any consultants or advisors engaged for the purpose of advising the Committee. In particular, the Compensation Committee has the sole authority to

retain, in its sole discretion, compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant's reasonable fees and other retention terms. Under its charter, the Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel, or other advisor to the Compensation Committee only after taking into consideration the various factors prescribed by the SEC and Nasdaq that bear upon the advisor's independence; however, there is no requirement that any advisor be independent.

The specific determinations of the Compensation Committee with respect to executive compensation for the fiscal year ending August 3, 2019, are described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement.

### **Compensation Committee Interlocks and Insider Participation**

As noted above, the Compensation Committee consists of Mr. Anderson, Ms. Hansen, and Ms. Lynch. None of the members of the Compensation Committee are currently, or have been at any time, one of our officers or employees. None of our executive officers currently serve, or have served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee.

### **Nominating and Corporate Governance Committee**

The primary purpose of our Nominating and Corporate Governance Committee is to oversee aspects of the Company's corporate governance functions. Specific responsibilities of the Nominating and Corporate Governance Committee include:

- identifying and evaluating candidates to serve as directors of the Company (consistent with criteria approved by the Board);
- reviewing and evaluating incumbent directors;
- overseeing periodic evaluations of the Board's performance, including committees of the Board;
- considering and making recommendations to the Board regarding the Board's leadership structure;
- making recommendations to the Board on continuing education of directors; and
- developing and making recommendations to the Board regarding our corporate governance guidelines, ethical compliance, insider trading policy, and other related policies.

The Nominating and Corporate Governance Committee believes that candidates for our Board should have certain minimum qualifications, including the ability to read and understand basic financial statements and having the highest personal integrity and ethics. The Nominating and Corporate Governance Committee also considers such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of the Company, demonstrated excellence in his or her field, having the ability to exercise sound business judgment, and having the commitment to rigorously represent the long-term interests of the Company's stockholders. However, the Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company, and the long-term interests of stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee typically considers diversity, age, skills, and such other factors as it deems appropriate, given the current needs of the Board and the Company, to maintain a balance of knowledge, experience, and capability.

In the case of incumbent directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews these directors' overall service to the Company during their terms, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair the directors' independence. The Nominating and Corporate Governance Committee also takes into account the results of Board, committee, and director evaluations, which are conducted annually on a group and individual basis.

In the case of new director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee is independent for Nasdaq purposes, which determination is based upon applicable Nasdaq listing standards, applicable SEC rules and regulations, and the advice of counsel, if necessary. To identify candidates for Board membership, the Nominating and Corporate Governance Committee uses its network of contacts to compile a list of potential candidates, but may also engage a professional search firm, if it deems appropriate. The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The Nominating and Corporate Governance Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board.

At this time, the Nominating and Corporate Governance Committee does not have a policy with regard to the consideration of director candidates recommended by stockholders. The Nominating and Corporate Governance Committee believes that it is in the best position to identify, review, evaluate, and select qualified candidates for Board membership, based on the comprehensive criteria for Board membership approved by the Board.

All members of the Nominating and Corporate Governance Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards).

**Stockholder Communications with the Board**

The Board has adopted a formal process by which stockholders may communicate with the Board or any of its directors. Stockholders who wish to communicate with the Board may do so by sending written communications addressed to the Corporate Secretary of Stitch Fix at 1 Montgomery Street, Suite 1500, San Francisco, CA 94104. These communications will be reviewed by the Corporate Secretary to determine whether it is appropriate for presentation to the Board or such director. The purpose of this screening is to allow the Board to avoid having to consider irrelevant or inappropriate communications (such as advertisements, solicitations, and product inquiries). The screening procedures have been approved by a majority of the independent directors.

**Code of Ethics**

The Company has adopted the Stitch Fix Code of Conduct, which applies to all officers, directors, and employees. The Code of Conduct is available on the Company's website at [investors.stitchfix.com](http://investors.stitchfix.com). If the Company makes any substantive amendments to the Code of Conduct or grants any waiver from a provision of the Code to any executive officer or director, the Company will promptly disclose the nature of the amendment or waiver on its website.

**PROPOSAL 2**  
**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

In accordance with SEC rules, we are providing our stockholders with the opportunity to approve, on an advisory basis, the compensation of our named executive officers, as described in this Proxy Statement.

This proposal, commonly referred to as the “say-on-pay” vote, gives our stockholders the opportunity to express their views on the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and our executive compensation philosophy, policies, and practices, as discussed in this Proxy Statement. Accordingly, we ask our stockholders to approve the compensation of our named executive officers, as described in the Compensation Discussion and Analysis section of this Proxy Statement, by casting a non-binding advisory vote “FOR” the following resolution:

“RESOLVED, that the stockholders of Stitch Fix, Inc. approve, on an advisory basis, the compensation paid to the named executive officers, as disclosed in the Company’s Proxy Statement for the 2019 Annual Meeting, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion.”

Because this is an advisory vote, the result will not be binding on the Board or the Compensation Committee. However, the vote will provide us with important stockholder feedback about our executive compensation philosophy, policies, and practices. The Board and the Compensation Committee value the opinions of our stockholders and expect to take into account the outcome of the vote when considering future executive compensation decisions and when evaluating our executive compensation program.

The affirmative vote of the holders of a majority of the voting power of the shares present in person or represented by proxy and entitled to vote on the matter at the 2019 Annual Meeting will be required to approve this proposal.

We provide our stockholders the opportunity to vote on the compensation of our named executive officers every year. It is expected that the next vote on executive compensation will be at the 2020 annual meeting of stockholders.

**THE BOARD OF DIRECTORS RECOMMENDS**  
**A VOTE FOR PROPOSAL 2.**

**PROPOSAL 3**  
**RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board has selected Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending August 1, 2020, and has further directed that management submit the selection of its independent registered public accounting firm for ratification by the stockholders at the 2019 Annual Meeting. Deloitte & Touche LLP has served as the Company's auditor since 2014. Representatives of Deloitte & Touche LLP are expected to be present at the 2019 Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither the Company's Bylaws nor other governing documents or law require stockholder ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm. However, the Audit Committee is submitting the selection of Deloitte & Touche LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm for the fiscal year ending August 1, 2020. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

The affirmative vote of the holders of a majority of the voting power of the shares present in person or represented by proxy and entitled to vote on the matter at the 2019 Annual Meeting will be required to ratify the selection of Deloitte & Touche LLP.

**Principal Accountant Fees and Services**

The following table represents aggregate fees billed to the Company for the fiscal years ended August 3, 2019, and July 28, 2018, by Deloitte & Touche LLP, the Company's principal accountant.

	<b>Fiscal Year</b>	
	<b>2019</b>	<b>2018</b>
Audit Fees <sup>(1)</sup>	\$ 2,700,000	\$ 1,280,000
Audit-Related Fees <sup>(2)</sup>	10,000	268,640
Tax Fees <sup>(3)</sup>	—	183,384
All Other Fees <sup>(4)</sup>	5,390	—
<b>Total Fees</b>	<b>\$ 2,715,390</b>	<b>\$ 1,732,024</b>

- (1) Audit fees consist of fees for professional services rendered in connection with the annual audit of our consolidated financial statements, the review of our quarterly condensed consolidated financial statements, and consultations on accounting matters directly related to the audit.
- (2) Audit-related fees consist of fees for professional services rendered in connection with the submission of a Registration Statement on Form S-8 related to our 2017 Incentive Plan in fiscal year 2019, and the submission of our Registration Statement on Form S-1 in connection with our IPO in fiscal year 2018.
- (3) Tax fees consist of fees billed for services rendered for tax compliance, tax advice, and tax planning.
- (4) All other fees consist of fees for all other services not included in the categories set forth above. In fiscal year 2019, fees were for a subscription-based research tool. There were no such services in fiscal year 2018.

All services described above were pre-approved by the Audit Committee. In connection with the audit of our fiscal year 2019 financial statements, the Company entered into an engagement agreement with Deloitte & Touche LLP that sets forth the terms by which Deloitte & Touche LLP will perform audit services for the Company. During the fiscal year ended August 3, 2019, none of the total hours expended on the Company's financial audit by Deloitte & Touche LLP were provided by persons other than Deloitte & Touche LLP's full-time permanent employees.

**Pre-Approval Policies and Procedures**

The Audit Committee follows certain procedures for the pre-approval of audit and non-audit services rendered by the Company's independent registered public accounting firm, Deloitte & Touche LLP. The Committee generally pre-approves specified services in the defined categories of audit services, audit-related services, and tax services. Pre-approval may also be given as part of the Audit Committee's approval of the scope of the engagement of the independent auditor or on an individual, explicit, case-by-case basis before the independent auditor is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee's members, but the decision must be reported to the full Audit Committee at its next scheduled meeting.

The Audit Committee has determined that the rendering of services other than audit services by Deloitte & Touche LLP is compatible with maintaining the principal accountant's independence.

**THE BOARD OF DIRECTORS RECOMMENDS  
A VOTE FOR PROPOSAL 3.**



## EXECUTIVE OFFICERS

The following table sets forth information for our executive officers as of November 7, 2019. Our executive officers are appointed by, and serve at the discretion of, the Board and each holds office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

Name	Age	Position
Katrina Lake	36	Founder, Chief Executive Officer and Director
Paul Yee	47	Chief Financial Officer
Michael Smith	49	President and Chief Operating Officer
Scott Darling	47	Chief Legal Officer and Corporate Secretary

*Katrina Lake.* See the section under Proposal 1 – Election of Directors titled “Directors Continuing in Office Until the 2021 Annual Meeting.”

*Paul Yee.* Mr. Yee has served as our Chief Financial Officer since June 2017. From April 2013 to June 2017, he served as the Chief Financial Officer of Method Products, PBC, and subsequently as Chief Financial Officer of its parent companies PAD NV and People Against Dirty Holdings Ltd., a green cleaning products company known for its Method and Ecover brands. From June 2017 to September 2017, Mr. Yee served in a limited capacity as a consultant to People Against Dirty Holdings Ltd. as it contemplated a sale to a third party. From 2007 to 2013, Mr. Yee served in multiple capacities at Peet’s Coffee & Tea, Inc., a specialty coffee and tea company, including his most recent role as Vice President of Finance & Investor Relations from 2011 to 2013. From 1999 to 2006, Mr. Yee served in multiple capacities at Gap, Inc., a global retailer of clothing and accessories, including in leadership roles in finance and inventory planning. Mr. Yee holds a B.A. in Urban Studies and an M.B.A. from Stanford University.

*Michael Smith.* Mr. Smith has served as our President and Chief Operating Officer since October 2018. Mr. Smith previously served as Chief Operating Officer from September 2017 to October 2018, was our General Manager, Stitch Fix Men from March 2016 to September 2017, and served as our Chief Operating Officer from June 2012 to March 2016. From 2003 to 2012, Mr. Smith served in a variety of capacities at Walmart.com, Inc., an online retail company, including Vice President from 2008 to 2010 and Chief Operating Officer from 2010 to 2012. Mr. Smith holds a B.A. in Interdisciplinary Studies from the University of Virginia and an M.B.A. from the University of California, Berkeley.

*Scott Darling.* Mr. Darling has served as our Chief Legal Officer since October 2016 and as our Corporate Secretary since March 2017. From August 2015 to May 2016, Mr. Darling served as Chief Legal Officer and Corporate Secretary of Beepi, Inc., an online automobile retailer. From October 2011 to August 2015, Mr. Darling served as the Vice President, General Counsel and Corporate Secretary of Trulia, Inc., a home search marketplace. Prior to joining Trulia, Mr. Darling served as Vice President, General Counsel and Corporate Secretary at Imperva Inc., a cybersecurity company, from 2010 until 2011, and as Senior Attorney with Microsoft Corporation, a multinational technology company, from 2008 to 2010. Mr. Darling started his career with the law firm Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP. Mr. Darling holds a B.A. in Ethics, Politics, and Economics from Yale University and a J.D. from the University of Michigan.

**SECURITY OWNERSHIP OF  
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the ownership of the Company's Class A and Class B common stock as of October 21, 2019, by: (i) each director and nominee for director; (ii) each of the Company's named executive officers; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than 5% of its Class A common stock or Class B common stock. Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o Stitch Fix, Inc., 1 Montgomery Street, Suite 1500, San Francisco, California 94104.

Name of Beneficial Owner <sup>(1)</sup>	Class A Common Stock		Class B Common Stock		% of Total Voting Power <sup>(2)</sup>
	Shares	%	Shares	%	
<b>5% Stockholders:</b>					
Entities affiliated with Baseline Ventures <sup>(3)</sup>			24,622,309	52.8	47.2
Entities affiliated with Benchmark Capital Partners <sup>(4)</sup>			8,422,235	18.1	16.2
Baillie Gifford & Co <sup>(5)</sup>	4,488,246	8.1			*
Jackson Square Partners, LLC <sup>(6)</sup>	3,903,264	7.1			*
The Vanguard Group, Inc. <sup>(7)</sup>	3,730,987	6.8			*
<b>Named Executive Officers and Directors:</b>					
Katrina Lake <sup>(8)</sup>	142,800	*	12,588,874	27.0	24.2
Paul Yee <sup>(9)</sup>			189,375	*	*
Michael Smith <sup>(10)</sup>	47,830	*	1,209,227	2.6	2.3
Scott Darling <sup>(11)</sup>	36,000	*	57,438	*	*
Steven Anderson <sup>(3)</sup>			24,622,309	52.8	47.2
J. William Gurley <sup>(12)</sup>	755,015	1.4	8,422,235	18.1	16.3
Marka Hansen <sup>(13)</sup>			166,875	*	*
Kirsten Lynch <sup>(14)</sup>	25,715	*			*
Sharon McCollam <sup>(15)</sup>			38,200	*	*
Mikkel Svane <sup>(16)</sup>	14,908	*			*
Elizabeth Williams <sup>(17)</sup>	11,836	*			*
All directors and executive officers as a group (11 persons) <sup>(18)</sup>	1,034,104	1.7	47,294,533	99.7	89.5

\* Less than one percent.

- (1) This table is based upon information supplied by officers, directors, and principal stockholders, and Schedules 13D, 13F, and 13G filed with the SEC. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 55,099,593 shares of Class A common stock and 46,601,115 shares of Class B common stock outstanding on October 21, 2019, adjusted as required by rules promulgated by the SEC.
- (2) Percentage of total voting power represents voting power with respect to all shares of our Class A and Class B common stock, as a single class. The holders of our Class A common stock are entitled to one vote per share, and holders of our Class B common stock are entitled to ten votes per share.
- (3) Consists of (i) 16,157,915 shares of Class B common stock held by Baseline Ventures 2009, LLC, (ii) 7,921,083 shares of Class B common stock held by Baseline Increased Exposure Fund, LLC, (iii) 277,911 shares of Class B common stock held by Baseline Cable Car, LLC, and (iv) 265,400 shares of Class B common stock held by Baseline Encore, L.P. Mr. Anderson, the sole managing member of Baseline Ventures 2009, LLC, Baseline Increased Exposure Fund, LLC, Baseline Cable Car, LLC, and Baseline Encore Associates, LLC, and the general partner of Baseline Encore, L.P., has the sole power to vote these shares. The address for the Baseline entities is 7250 Redwood Blvd, Ste. 300, PMB# 023, Novato, CA 94945.
- (4) Consists of (i) 7,285,360 shares of Class B common stock held by Benchmark Capital Partners VII, L.P. ("Benchmark VII") and (ii) 1,136,875 shares of Class B common stock held by Benchmark Capital Partners VI, L.P. ("Benchmark VI"). Benchmark Capital Management Co. VII, L.L.C., the general partner of Benchmark VII, has the sole power to vote the shares held by Benchmark VII, and Matthew R. Cohler, Bruce W. Dunlevie, Peter H. Fenton, J. William Gurley, Kevin R. Harvey, Mitchell H. Lasky, Steven M. Spurlock, and Eric Vishria, the managing members of Benchmark Capital Management Co. VII, L.L.C., have shared power to vote these shares. Benchmark Capital Management Co. VI, L.L.C., the general partner of Benchmark VI, has the sole power to vote the shares held by Benchmark VI, and Alexandre Balkanski, Matthew R. Cohler, Bruce W. Dunlevie, Peter H. Fenton, J. William Gurley, Kevin R. Harvey, Robert C. Kagle, Mitchell H. Lasky, and Steven M. Spurlock, the managing members of Benchmark Capital

Management Co. VI, L.L.C., have shared power to vote these shares. The address for the Benchmark entities is 2965 Woodside Road, Woodside, CA 94062.

- (5) Baillie Gifford & Co (“Baillie Gifford”) reported on its Form 13F-HR filed on August 8, 2019, that it has shared dispositive power over 3,843,557 shares, sole dispositive power over 644,689 shares, and sole voting power over 2,607,487 shares. The address for Baillie Gifford is Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, Scotland, UK.
- (6) Jackson Square Partners, LLC (“Jackson Square Partners”) reported on its Form 13F-HR filed on August 14, 2019, that it has sole dispositive power over 3,903,264 shares, shared voting power over 333,500 shares, and sole voting power over 2,988,557 shares. The address for Jackson Square Partners is 101 California Street, Ste 3750, San Francisco, CA 94111.
- (7) The Vanguard Group, Inc. (“Vanguard Group”) reported on Form 13F-HR filed on August 14, 2019, that it has shared dispositive power over 81,145 shares, sole dispositive power over 3,649,842 shares, shared voting power over 3,206 shares, and sole voting power over 82,755 shares. The address for Vanguard Group is PO Box 2600, V26, Valley Forge, PA 19482.
- (8) Consists of (i) 11,306,862 shares of Class B common stock held by the Katrina M. Lake Revocable Trust dated May 23, 2016, of which Ms. Lake is the trustee, (ii) 675,932 shares of Class B common stock held by the Katrina M. Lake 2017 Irrevocable Trust, of which Ms. Lake is the trustee, (iii) 20,203 shares of Class A common stock and 560,772 shares of Class B common stock held by the John C. Clifford and Katrina M. Lake Revocable Trust dated May 23, 2016, of which Ms. Lake and John C. Clifford are trustees, (iv) 114,879 shares of Class A common stock issuable under outstanding options exercisable within 60 days of October 21, 2019, (v) 45,308 shares of Class B common stock issuable under outstanding options exercisable within 60 days of October 21, 2019, and (vi) 7,718 shares of Class A common stock issuable upon the vesting of RSUs within 60 days of October 21, 2019.
- (9) Includes 171,375 shares of Class B common stock issuable under outstanding options exercisable within 60 days of October 21, 2019.
- (10) Includes (i) 35,890 shares of Class A common stock issuable under outstanding options exercisable within 60 days of October 21, 2019, (ii) 365,863 shares of Class B common stock issuable under outstanding options exercisable within 60 days of October 21, 2019, and (iii) 11,940 shares of Class A common stock issuable upon the vesting of RSUs within 60 days of October 21, 2019.
- (11) Includes 57,438 shares of Class B common stock issuable under outstanding options exercisable within 60 days of October 21, 2019.
- (12) Consists of (i) 7,285,360 shares of Class B common stock held by Benchmark VII, (ii) 1,136,875 shares of Class B common stock held by Benchmark VI, (iii) 694,507 shares of Class A common stock held by Mr. Gurley, and (iv) 60,508 shares of Class A common stock held by limited partnerships controlled by Mr. Gurley. Benchmark Capital Management Co. VII, L.L.C., the general partner of Benchmark VII, has the sole power to vote the shares held by Benchmark VII, and Mr. Gurley, a managing member of Benchmark Capital Management Co. VII, L.L.C., has shared power to vote these shares. Benchmark Capital Management Co. VI, L.L.C., the general partner of Benchmark VI, has the sole power to vote the shares held by Benchmark VI, and Mr. Gurley, a managing member of Benchmark Capital Management Co. VI, L.L.C., has shared power to vote these shares.
- (13) Consists of 166,875 shares of Class B common stock issuable under outstanding options exercisable within 60 days of October 21, 2019.
- (14) Consists of (i) 22,639 shares of Class A common stock issuable under outstanding options exercisable within 60 days of October 21, 2019, and (ii) 3,076 shares of Class A common stock issuable upon the vesting of RSUs within 60 days of October 21, 2019.
- (15) Consists of 38,200 shares of Class B common stock issuable under outstanding options exercisable within 60 days of October 21, 2019.
- (16) Consists of (i) 11,832 shares of Class A common stock issuable under outstanding options exercisable within 60 days of October 21, 2019, and (ii) 3,076 shares of Class A common stock issuable upon the vesting of RSUs within 60 days of October 21, 2019.
- (17) Consists of (i) 8,064 shares of Class A common stock issuable under outstanding options exercisable within 60 days of October 21, 2019, and (ii) 3,772 shares of Class A common stock issuable upon the vesting of RSUs within 60 days of October 21, 2019.
- (18) Consists of (i) 46,449,474 shares of Class B common stock held by our current directors and executive officers, (ii) 811,218 shares of Class A common stock held by our current directors and executive officers, (iii) 845,059 shares of Class B common stock issuable under outstanding stock options exercisable within 60 days of October 21, 2019, (iv) 193,304 shares of Class A common stock issuable under outstanding stock options exercisable within 60 days of October 21, 2019, and (v) 29,582 shares of Class A common stock issuable upon the vesting of RSUs within 60 days of October 21, 2019.

#### **DELINQUENT SECTION 16(a) REPORTS**

Section 16(a) of the Exchange Act requires the Company’s directors and executive officers, and persons who own more than 10% of a registered class of the Company’s equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors, and greater than 10% stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company’s knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended August 3, 2019, all Section 16(a) filing requirements applicable to its officers, directors, and greater than 10% beneficial owners were complied with, except for the following: (1) for each of Kirsten Lynch

and Mikkel Svane, a Form 4 reporting an annual equity grant was filed late due to an administrative error; (2) for each of Matthew Cohler, Eric Vishria, and Peter Fenton, managing members of Benchmark Capital Management Co. VI, L.L.C. and/or Benchmark Capital Management Co. VII, L.L.C., a Form 4 reporting a sale of shares was filed late due to an administrative error; and (3) a Form 4 reporting an incorrect number of shares received in a distribution was corrected late for Alexandre Balkanski, a managing member of Benchmark Capital Management Co. VI, L.L.C.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Introduction

This Compensation Discussion and Analysis describes the compensation program for our chief executive officer, our chief financial officer, and our two other executive officers for our fiscal year ended August 3, 2019 (our “named executive officers”). During fiscal year 2019, our named executive officers were:

- Katrina Lake, our Founder and Chief Executive Officer (our “CEO”);
- Paul Yee, our Chief Financial Officer (our “CFO”);
- Michael Smith, our President and Chief Operating Officer (our “COO”); and
- Scott Darling, our Chief Legal Officer and Corporate Secretary.

As all of our executive officers are named executive officers, we will use those terms interchangeably below. This Compensation Discussion and Analysis describes the material elements of our executive compensation program during fiscal year 2019. It also provides an overview of our executive compensation philosophy and objectives. Finally, it analyzes how and why the Compensation Committee of our Board (the “Compensation Committee”) arrived at the specific compensation decisions for our named executive officers for fiscal year 2019, including the key factors that were considered in determining their compensation.

#### Executive Summary

##### *Who We Are*

Inspired by the vision of a client-first, client-centric new way of retail, we are reinventing the shopping experience by delivering one-to-one personalization to our clients through the combination of data science and human judgment. This combination drives a better client experience and a more powerful business model than either element could deliver independently. Since our founding in 2011, we have helped millions of clients discover and buy what they love through personalized shipments of apparel, shoes, and accessories, hand-selected by our stylists and delivered to our clients’ homes.

##### *Fiscal Year 2019 Business Highlights*

During fiscal year 2019, we continued to balance revenue growth and profitability while making strategic investments to drive further growth. In fiscal year 2019, which was a 53-week year, we grew net revenue by more than 28% year over year and maintained strong profitability even as we made further investments in talent, launched our first integrated brand campaign, and expanded our service to the United Kingdom.

Overall, we completed a successful fiscal year 2019 by achieving strong results across the company as reflected by the following accomplishments:

- **Active Clients** – Our active client population at the end of the year was approximately 3.2 million, representing an increase of 18.0% year over year.
- **Revenue** – Total net revenue was \$1,577.6 million, an increase of 28.6% compared with \$1,226.5 million in fiscal year 2018. Fiscal year 2019 net revenue included the benefit of an additional week compared to fiscal year 2018.
- **Net Income** – Net income was \$36.9 million, compared with \$44.9 million in fiscal year 2018.
- **Adjusted EBITDA** – Adjusted EBITDA, which we define as net income (loss) excluding interest income, other (income), net, provision for income taxes, depreciation and amortization, and, when present, the remeasurement of preferred stock warrant liability, was \$39.6 million, compared with \$53.6 million in fiscal year 2018.\*
- **Diluted Earnings Per Share** – Diluted earnings per share for the year were \$0.36 per share, compared with \$0.34 per share in fiscal year 2018.
- **UK Expansion** – Executed on our international expansion strategy by launching our service in the United Kingdom in May 2019.
- **New Direct-Buy Functionality** – Introduced a direct-buy functionality through Shop New Colors, allowing adult U.S. clients to buy previously purchased items in new colors, prints, and sizes.

\* See Appendix A to this Proxy Statement for a reconciliation of non-GAAP to GAAP financial measures.

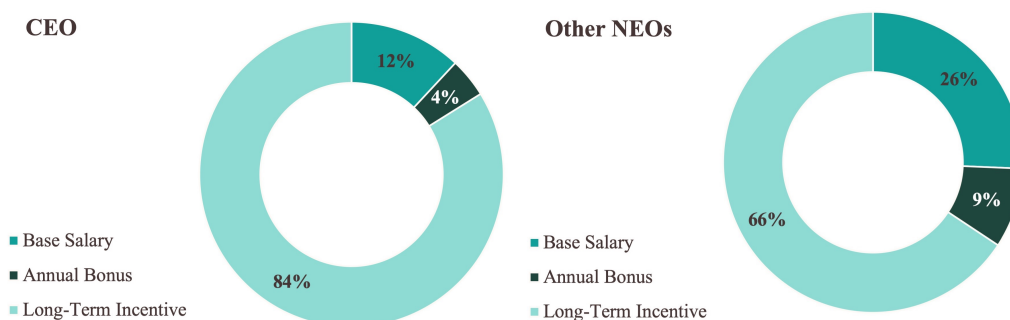
*Fiscal Year 2019 Executive Compensation Highlights*

The Compensation Committee took the following actions with respect to the compensation of our named executive officers for fiscal year 2019:

- **Annual Bonus Program** – We adopted a cash bonus program, with bonuses based on our actual performance as measured against multiple financial measures (net revenue and adjusted EBITDA) as well as multiple strategic measures (revenue per active client and percentage of fixes with zero items kept (“buy-zero rate”)) for fiscal year 2019. The bonus is based 100% on the achievement of these corporate measures and has no individual performance component. Based on our fiscal year 2019 results, our named executive officers received bonus payouts at 114% of their target annual cash bonus opportunities.
- **Long-Term Incentive Compensation** – We granted a mix of stock options and restricted stock units (“RSUs”) to our named executive officers. Prior to becoming a public company in November 2017, we generally granted only stock options to our executive officers, which was consistent with our practices for all employees receiving equity. After our IPO, we began granting RSUs as part of our equity compensation program, and in fiscal year 2019, the Compensation Committee granted our named executive officers a mix of stock options and RSUs.

*Pay-for-Performance Analysis*

We believe our executive compensation program is reasonable, competitive, and appropriately balances the goals of attracting, motivating, rewarding, and retaining our executive officers with the objective of aligning their interests with those of our stockholders. To ensure this alignment and to motivate and reward individual initiative and effort, we structure a significant portion of our executive officers’ compensation to be variable, at risk, and tied directly to our measurable performance. The pay mix for our CEO and our other named executive officers during fiscal year 2019 reflected this pay-for-performance design:



We emphasize compensation that appropriately rewards our named executive officers through three separate compensation elements:

- **Base Salary** – We provide annual base salaries that reflect prevailing competitive market practice and levels.
- **Annual Bonus** – In fiscal year 2019, we introduced a cash bonus program pursuant to our 2017 Incentive Plan (“2017 Plan”), which provides our named executive officers with the opportunity to earn annual cash bonuses (with the target annual cash bonus opportunity of each executive officer expressed as a percentage of his or her annual base salary) if they achieve financial and strategic results that meet or exceed the objectives established by the Compensation Committee and our Board.
- **Stock Options and RSUs** – We grant a mix of stock options and RSUs to our named executive officers to incentivize them to build sustainable, long-term value for the benefit of our stockholders.

The introduction of the cash bonus program in fiscal year 2019 was not intended to increase the target total direct compensation for our named executive officers, but to create a balance of cash and long-term equity incentive compensation that is consistent with market practice while maintaining the proportion of compensation that is at risk.

*Executive Compensation Policies and Practices*

We endeavor to maintain sound governance standards consistent with our executive compensation policies and practices. The Compensation Committee evaluates our executive compensation program on a regular basis to ensure that it is consistent with our short- and long-term goals given the dynamic nature of our business and the market in which we compete for executive talent. The following summarizes our executive compensation and related policies and practices:

## WHAT WE DO

## WHAT WE DON'T DO

**Maintain an Independent Compensation Committee.** The Compensation Committee consists solely of independent directors.

**No Executive Retirement Plans.** We do not offer pension or retirement plans or arrangements for our named executive officers that are different from or in addition to those offered to our other employees.

**Retain an Independent Compensation Advisor.** The Compensation Committee engaged its own compensation consultant to provide information, analysis, and other advice, independent of management. This consultant performed no other services for us in fiscal year 2019.

**No Perquisites.** We do not provide perquisites or other personal benefits to our named executive officers except as generally made available to all our employees.

**Annual Executive Compensation Review.** The Compensation Committee conducts an annual review of our compensation strategy, including our compensation peer group and our compensation-related risk profile.

**No Special Welfare or Health Benefits.** Our named executive officers participate in broad-based, company-sponsored health and welfare benefits programs on the same basis as our other full-time, salaried employees.

**Compensation at Risk.** Our executive compensation program is designed so that a significant portion of compensation is at risk, based on our performance on key metrics, and to align the interests of our named executive officers and stockholders, as reflected in short-term cash bonuses and long-term equity awards.

**No Hedging or Pledging of Our Equity Securities.** We do not permit directors or our employees, including our executive officers, to hedge or pledge our equity securities.

**Stock Ownership Policy.** We maintain a stock ownership policy that requires our named executive officers to maintain a minimum ownership level of our Class A or Class B common stock.

**No Post-Employment Tax Reimbursement.** We do not provide any tax reimbursement payments (including gross-ups) on any executive officer severance or change-in-control payments or benefits.

**Succession Planning.** We review the risks associated with our key executive officer positions to ensure adequate succession plans are in place.

**No Dividends or Dividend Equivalents Payable on Unvested Equity Awards.** We do not pay dividends or dividend equivalents on unvested RSU awards.

### *Stockholder Advisory Vote on Named Executive Officer Compensation*

At our 2018 annual meeting of stockholders, we conducted an initial non-binding stockholder advisory vote on the frequency with which we should hold a non-binding stockholder advisory vote on the compensation of our named executive officers (commonly known as a “say-on-pay” vote). Our stockholders overwhelmingly agreed with our Board’s recommendation that we should hold a say-on-pay vote on an annual basis, and as such we are conducting our initial say-on-pay vote at the 2019 Annual Meeting. Our Board is recommending that our stockholders approve the compensation of our named executive officers. For additional information about this advisory vote, see Proposal 2 in this Proxy Statement. Our next say-on-pay vote will be held at our 2020 annual meeting of stockholders.

### **Executive Compensation Philosophy**

Our executive compensation program is guided by our overarching philosophy of paying for demonstrable performance. Consistent with this philosophy, we have designed our executive compensation program to achieve the following primary objectives:

- Provide compensation and benefit levels that will attract, retain, and reward a highly talented team of executive officers while managing costs responsibly;
- Provide incentives that motivate and reward achievement of our key financial and operational results and strategic objectives that enhance stockholder value over the long term;
- Establish a direct link between our financial and operational results and strategic objectives and the compensation of our executive officers; and
- Align the interests and objectives of our executive officers with those of our stockholders by linking their incentive compensation opportunities to stockholder value creation.

### *Program Design*

We have historically used two principal elements to structure the compensation opportunities of our named executive officers: base salary and long-term incentive compensation opportunities in the form of equity awards. In fiscal year 2019, we added a third element: the opportunity to earn an annual cash bonus based on the achievement of financial and strategic objectives. While the pay mix may vary from year to year, the ultimate goal is to achieve our compensation objectives as described above.

We also provide our named executive officers with benefits available to all our employees, including retirement benefits under our Section 401(k) plan and participation in our employee health and welfare benefit plans.

The design of our executive compensation program is influenced by a variety of factors, with the primary goals of aligning the interests of our executive officers and stockholders and linking pay with performance. We do not have any formal policies for allocating compensation among base salary, annual cash bonuses, and equity awards; short- and long-term compensation; or cash and non-cash compensation. Instead, the members of the Compensation Committee exercise their judgment to establish a total compensation package for each executive officer that is a mix of fixed and variable compensation, and cash and non-cash compensation, that it believes is appropriate to achieve the goals of our executive compensation program and our corporate objectives. Historically, however, the Compensation Committee has structured a significant portion of our executive officers' target total direct compensation so that it is comprised of long-term incentive compensation in the form of equity awards to align our executive officers' incentives with the interests of our stockholders and our corporate goals. The Compensation Committee believes that the addition of annual cash bonuses will help drive achievement of specific financial and strategic objectives.

## **Governance of Executive Compensation Program**

### *Role of the Compensation Committee*

The Compensation Committee discharges the responsibilities of our Board relating to the compensation of our named executive officers and the non-employee members of our Board. The Compensation Committee has overall responsibility for reviewing our compensation philosophy and strategy, overseeing our compensation and benefits policies generally, and overseeing and evaluating the compensation plans, policies, and practices applicable to our CEO as well as our other executive officers. The Compensation Committee operates pursuant to a written charter, which is available in the Governance section of our website at [investors.stitchfix.com](http://investors.stitchfix.com).

### *Annual Compensation Review*

At the beginning of each fiscal year, the Compensation Committee reviews our executive compensation program to assess whether the various elements of our program, as well as its compensation actions and decisions:

- are properly coordinated;
- are aligned with our vision, mission, values, and corporate goals;
- provide appropriate short- and long-term incentives for our executive officers;
- achieve their intended purposes; and
- are competitive with the compensation of executives in comparable positions at the companies with which we compete for executive talent.

Following this assessment, the Compensation Committee makes any necessary or appropriate modifications to our existing plans and arrangements or adopts new plans or arrangements.

The Compensation Committee also conducts an annual review of our executive compensation strategy to ensure that it is appropriately aligned with our business strategy and achieving our desired objectives. Further, the Compensation Committee reviews market trends and changes in competitive compensation practices, as further described below.

### *Compensation-Setting Process*

In connection with its annual review of our executive compensation program, the Compensation Committee evaluates and establishes the target total direct compensation opportunities for each of our named executive officers. The Compensation Committee does not use a single method or measure in setting or approving the target total direct compensation opportunities or each individual compensation element for our executive officers.

The following factors, which the Compensation Committee considers when selecting and setting the amount of each compensation element for our named executive officers, provide a framework for its compensation decision-making:

- our executive compensation program objectives;
- our performance against the financial and operational goals and objectives established by the Compensation Committee and our Board;
- each individual executive officer's qualifications, knowledge, skills, experience, and tenure relative to other similarly situated executives at the companies in our compensation peer group;
- the scope of each executive officer's role and responsibilities compared to other similarly situated executives at the companies in our compensation peer group;
- the prior performance of each individual executive officer, based on a subjective assessment of his or her contributions to our overall performance, ability to lead his or her business unit or function, and work as part of a team;
- the potential of each individual executive officer to contribute to our long-term financial, operational, and strategic objectives;



- our CEO’s compensation relative to that of our executive officers, and compensation parity among our executive officers;
- our financial performance relative to our peers;
- the compensation practices of our compensation peer group and the positioning of each executive officer’s compensation in a ranking of peer company compensation levels based on an analysis of competitive market data;
- in the case of long-term incentive compensation, the value of any outstanding vested and unvested equity awards held by each of our executive officers, including the equity awards and other long-term incentive compensation opportunities granted to each executive officer in prior years; and
- the recommendations provided by our CEO with regard to the compensation of our executive officers, as described below.

These factors provide the framework for decision-making by the Compensation Committee with respect to the compensation of each of our executive officers. No single factor is determinative in setting compensation levels, nor is the impact of any individual factor on the determination of compensation levels quantifiable.

The Compensation Committee does not weight these factors in any predetermined manner, nor does it apply any formulas in developing its compensation recommendations. The members of the Compensation Committee consider all of this information in light of their individual experience; knowledge of the Company, the competitive market, and each executive officer; and business judgment in making these recommendations.

#### *Role of Chief Executive Officer*

In discharging its responsibilities, the Compensation Committee works with members of our management, including our CEO. Our management assists the Compensation Committee by providing information on corporate and individual performance, market compensation data, and management’s perspective on compensation matters. The Compensation Committee solicits and reviews our CEO’s recommendations and proposals with respect to adjustments to annual cash compensation, long-term incentive compensation opportunities, program structures, and other compensation-related matters for our executive officers (other than with respect to her own compensation).

The Compensation Committee reviews and discusses these recommendations and proposals with our CEO and considers them as one factor in determining the compensation for our executive officers other than our CEO. Our CEO recuses herself from all discussions and recommendations regarding her own compensation and is not present when her compensation is discussed.

#### *Role of Compensation Consultant*

Pursuant to its charter, the Compensation Committee has the authority to retain the services of one or more executive compensation advisors, as it determines in its sole discretion, including compensation consultants and legal, accounting, and other advisors, to assist in the creation of our compensation plans and arrangements and related policies and practices. The Compensation Committee makes all determinations regarding the engagement, fees, and services of these external advisors, and any such external advisor reports directly to the Compensation Committee.

The Compensation Committee uses an external compensation consultant to assist it by providing information, analysis, and other advice relating to our executive compensation program and the decisions resulting from its annual executive compensation review. For fiscal year 2019, the Compensation Committee engaged Compensia, Inc. (“Compensia”), a national compensation consulting firm, as its compensation consultant to advise it on executive compensation matters, including competitive market pay practices for our executive officers, and data analysis and selection of the compensation peer group. For fiscal year 2019, the scope of Compensia’s engagement included research, analysis, and support relating to:

- the levels of overall compensation and each element of compensation for our executive officers;
- reviewing and providing input on the Compensation Discussion and Analysis section of our Proxy Statement;
- our compensation peer group;
- compensation “best practices” and market trends for our executive officers and the non-employee members of our Board;
- equity utilization and funding;
- the terms of the annual cash bonus program for our executive officers;
- a risk assessment of our executive and other employee compensation programs; and
- other *ad hoc* matters throughout the year.

The terms of Compensia’s engagement include reporting directly to the Compensation Committee and the Compensation Committee chair. Compensia also coordinates with our management for data collection and job matching for our executive officers. In fiscal year 2019, Compensia did not provide any other services to us. The Compensation Committee has evaluated Compensia’s independence

pursuant to the Nasdaq listing standards and the relevant SEC rules and has determined that no conflict of interest has arisen as a result of the work performed by Compensia for the Compensation Committee.

#### *Competitive Positioning*

For purposes of comparing our executive compensation against the competitive market, the Compensation Committee reviews and considers the compensation levels and practices of a group of peer companies. This compensation peer group consists of consumer, retail, and technology companies that are similar to us in terms of revenue, market capitalization, business focus, and revenue growth.

In developing the compensation peer group in April 2018 to serve as a reference point in our fiscal year 2019 executive compensation decisions, the following criteria were used to identify comparable companies:

- publicly traded companies headquartered in the United States;
- similar industry and competitive market for talent;
- similar revenue size – within a range of approximately 0.3 to 3.0 times our last four quarters’ revenue;
- similar market capitalization – within a range of approximately 0.25 to 4.0 times our market capitalization;
- similar business focus of online retail and e-commerce, and/or apparel/retail sector; and
- positive revenue growth.

In evaluating the compensation peer group, the Compensation Committee removed Kate Spade due to its acquisition, as well as Michael Kors Holdings and Match Group, which were above range based on revenue and/or market capitalization, from the fiscal year 2018 peer group. The Compensation Committee added Duluth Holdings, Overstock.com, and TripAdvisor, based on the criteria described above.

The Compensation Committee approved the following peer group following a review that included input from Compensia:

Box	Nutrisystem	TripAdvisor
Columbia Sportswear	Overstock.com	Under Armour
Duluth Holdings	Pandora Media	Wayfair
Etsy	Shopify	Yelp
GrubHub	Shutterfly	Zillow Group
lululemon athletica	Shutterstock	

This compensation peer group was used by the Compensation Committee during much of fiscal year 2019 as a reference for understanding the competitive market for executive positions in our industry and sector.

Competitive comparison data was collected from publicly available information contained in the SEC filings of the compensation peer group companies, as well as data from a customized version of the Radford Global Technology survey and a broad data cut of technology companies with revenues between \$500 million and \$3 billion from the Radford Global Technology survey as references, to evaluate the competitive market when determining the total direct compensation packages for our executive officers, including base salary, bonus, and long-term incentive compensation opportunities. These surveys provide compensation market intelligence and are widely used within the technology industry.

The competitive market data described above are not used by the Compensation Committee in isolation, but serve as one point of reference in its deliberations on executive compensation. The Compensation Committee uses the competitive market data as a guide when making decisions about target total direct compensation, as well as individual elements of compensation. However, while market competitiveness is important, it is not the only factor the Compensation Committee considers when establishing compensation opportunities of our executive officers.

The Compensation Committee reviews our compensation peer group at least annually and adjusts the composition of the peer group if warranted, taking into account changes in both our business and that of the companies in the peer group.

#### **Individual Compensation Elements**

Our executive compensation program consists of three principal elements: base salary, annual cash bonus, and long-term incentive compensation in the form of equity awards. Our executive officers also participate in several Company-wide health and welfare benefit plans, which are consistent with the arrangements offered to our other employees. Finally, our executive officers are eligible to receive certain post-employment compensation arrangements.

We use these compensation elements to make up our executive compensation program because:

- they are consistent with other programs in our competitive market and allow us to effectively compete for highly qualified talent;
- each element supports achievement of one or more of our compensation objectives; and
- collectively, we believe these elements are effective means for motivating our executive officers.

We view these primary compensation elements as related, but distinct, components of our total compensation program. We do not believe that total compensation should be derived from a single component, but should be balanced in support of our overall compensation philosophy. Each of these compensation elements is discussed in detail below, including a description of the particular element and how it fits into our overall executive compensation program and a discussion of the amounts paid to our named executive officers in fiscal year 2019 under each of these elements.

#### *Base Salary*

Base salary represents the fixed portion of the compensation of our named executive officers and is an important element of compensation intended to attract and retain highly talented individuals.

The Compensation Committee reviews and determines adjustments to the base salaries for each of our named executive officers as part of its annual executive compensation review. In addition, the base salaries of our named executive officers may be adjusted by the Compensation Committee in the event of a promotion or significant change in responsibilities.

The Compensation Committee generally determines base salaries after considering the factors described in “Governance of Executive Compensation Program – Compensation-Setting Process” above. Although our general philosophy is to set base salaries within a competitive range of the market median, actual positioning is based on the Compensation Committee’s assessment of the factors described above.

In October 2018, after considering the recommendations of our CEO (except with respect to her own base salary) as well as the factors described in “Governance of Executive Compensation Program – Compensation-Setting Process” above, the Compensation Committee determined to increase the base salaries of our COO and Chief Legal Officer. Mr. Smith’s increase reflected his transition from COO to President and COO, taking into account market compensation for similar roles. Mr. Darling’s salary was found to be below peer company compensation levels and the Compensation Committee took this into account along with his performance and consideration of the other factors described above. The base salaries of our named executive officers for fiscal years 2018 and 2019 were as follows:

<b>Named Executive Officer</b>	<b>Fiscal Year 2018 Base Salary</b>	<b>Fiscal Year 2019 Base Salary</b>	<b>Percentage Adjustment</b>
Ms. Lake	\$ 650,000	\$ 650,000	—
Mr. Yee	440,000	440,000	—
Mr. Smith	496,000	535,000	8%
Mr. Darling	325,000	350,000	8%

The actual base salaries paid to our named executive officers in fiscal year 2019 are set forth in the “Fiscal Year 2019 Summary Compensation Table” below.

#### *Annual Cash Bonuses*

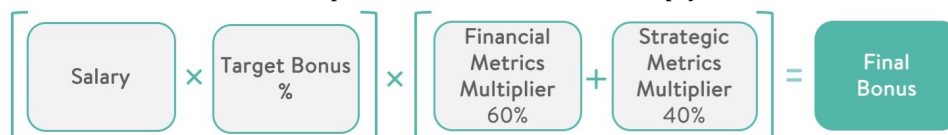
We introduced an annual cash bonus program for our executive officers in fiscal year 2019, which is intended to reward participants for achieving annual financial and strategic objectives set by our Compensation Committee and Board. For fiscal year 2019, 100% of the bonus payment was based on the achievement of corporate performance metrics, with no individual performance component.

The Compensation Committee reviews the target annual cash bonus opportunity for the fiscal year (which is expressed as a percentage of annual base salary, prorated for any salary adjustments during the year) of each executive officer as part of its annual executive compensation review and makes adjustments after considering the factors described in “Governance of Executive Compensation Program – Compensation-Setting Process” above. Generally, the Committee seeks to set the target annual cash bonus opportunity so that target total cash compensation (annual base salary and annual cash bonus) is within a competitive range taking into consideration our compensation peer group, but does not target a specific percentile of our compensation peer group. For fiscal year 2019, the target bonus for each of our named executive officers, including our CEO, was 30% of base salary.

In October 2018, the Compensation Committee established targets for the bonus program based on two financial performance metrics, net revenue and adjusted EBITDA, and two strategic metrics, revenue per active client and buy-zero rate, for fiscal year 2019. The Compensation Committee selected net revenue and adjusted EBITDA because it believes these metrics balance the top and bottom lines of the business. It selected revenue per active client as a strategic objective because it believes this metric is closely aligned with revenue while also focusing on the Company’s efforts to acquire high-quality clients, and buy-zero rate to reflect the Company’s goal

of serving clients well and driving client satisfaction and retention. Each of the financial metrics were weighted at 30% of the total bonus payout (shown as the “financial metrics multiplier” below), while the strategic metrics were each weighted at 20% of the total bonus payout (shown as the “strategic metrics multiplier” below). No bonus payment would be made unless both financial metrics were achieved at or above the threshold performance level. If the target performance level for each metric was achieved, the bonus payout would be 100% of target.

If both financial metrics are achieved at or above the threshold performance level, the final bonus payout is determined as follows:



The following table shows the required levels of achievement for the financial metrics to reach threshold, target, and maximum payout levels for the financial metrics multiplier, as well as the actual results as determined by the Compensation Committee:

Financial Performance Metric (in millions except percentages)	Weighting (% of Total Bonus)	Threshold (75% Payout)	Target (100% Payout)	Maximum (125% of Payout)	Actual
Net Revenue	30%	\$ 1,476	\$ 1,546	\$ 1,591	\$ 1,578
Adjusted EBITDA	30%	\$ 18	\$ 38	\$ 51	\$ 40

In October 2019, the Compensation Committee determined our actual performance under the bonus program, resulting in a financial metrics multiplier of 110% and a strategic metrics multiplier of 121%, for a final bonus payout at 114% of target. In reaching the strategic metrics multiplier, the Compensation Committee determined that the Company had exceeded the maximum threshold for the revenue per active client metric and performed better than the target threshold for the buy-zero metric.

The Compensation Committee also selected the performance metrics and related weighting for the fiscal year 2020 bonus program in October 2019. The financial performance objectives will continue to be net revenue and EBITDA targets, each weighted at 30% of the total bonus payout, and the strategic performance objectives will be active client count and buy-zero rate, each weighted at 20% of the total bonus payout. The Compensation Committee believes that replacing revenue per active client with active client count reflects our focus on client acquisition to continue growing the business. In addition, the Compensation Committee determined that the target annual cash bonus opportunity for each of our named executive officers, including our CEO, would be 45% of base salary to align more closely to the percentages reflected in the competitive market.

#### Long-Term Incentive Compensation

We view long-term incentive compensation in the form of equity awards as a critical element of our executive compensation program. The realized value of these equity awards bears a direct relationship to our stock price and, therefore, these awards are an incentive for our named executive officers to create sustainable, long-term value for our stockholders. Equity awards also help us retain our executive officers in a highly competitive market.

Long-term incentive compensation opportunities in the form of equity awards are granted by the Compensation Committee. The amount and forms of such equity awards are determined by the Compensation Committee after considering the factors described in “Governance of Executive Compensation Program – Compensation-Setting Process” above. The amounts of the equity awards are also intended to provide competitively sized awards and target total direct compensation opportunities within a competitive range of the market median relative to our compensation peer group and the Radford Global Technology Executive Compensation survey data for similar roles and positions for each of our executive officers, taking into consideration the factors described above.

In October 2018, the Compensation Committee approved the grant of the following stock option and RSU awards to our named executive officers:

- **Ms. Lake** – We granted Ms. Lake an equity award with a value of \$4,800,000, 50% in RSUs and 50% in stock options. One-third of the RSUs vested on September 18, 2019, with the remainder vesting in eight equal quarterly installments thereafter, provided Ms. Lake remains in service with us on each vesting date. One-third of the options vested on June 30, 2019, with the remainder vesting in 24 equal monthly installments thereafter, provided she remains in service with us on each vesting date.
- **Mr. Yee** – We did not grant Mr. Yee an equity award in fiscal year 2019 as he had not reached the second anniversary of his hire date. Mr. Yee is eligible to receive an award in fiscal year 2020.
- **Mr. Smith** – We granted Mr. Smith an equity award with a value of \$2,475,000, 50% in RSUs and 50% in stock options. One-fourth of the RSUs will vest on December 18, 2019, with the remainder vesting in 12 equal quarterly installments thereafter, provided Mr. Smith remains in service with us on each vesting date. One-fourth of the options will vest on October

16, 2019, with the remainder vesting in 36 equal monthly installments thereafter, provided he remains in service with us on each vesting date.

- **Mr. Darling** – We granted Mr. Darling an equity award with a value of \$1,200,000, 50% in RSUs and 50% in stock options. The RSUs will vest in eight equal quarterly installments starting on December 16, 2020, provided Mr. Darling remains in service with us on each vesting date. The options will vest in 24 equal monthly installments starting on November 28, 2020, provided he remains in service with us on each vesting date.

#### *Health and Welfare Benefits*

Our named executive officers are eligible to receive the same employee benefits that are generally available to all our full-time employees, subject to the satisfaction of certain eligibility requirements. These health and welfare benefits include medical and dental benefits, life insurance benefits, and short- and long-term disability insurance.

In addition, we maintain a Section 401(k) savings plan (“401(k) Plan”) that provides eligible U.S. employees with an opportunity to save for retirement on a tax-advantaged basis. Eligible employees are able to defer eligible compensation up to certain limits as set forth in the Internal Revenue Code (the “Code”), which are updated annually. Pre-tax contributions are allocated to each participant’s individual account and are then invested in selected investment alternatives according to the participant’s directions. All participant interests in their contributions are fully vested when contributed. We have the ability to make matching and discretionary contributions to the 401(k) Plan. Currently, we do not make matching contributions or discretionary contributions to the 401(k) Plan. The 401(k) Plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) Plan are deductible by us when made, and contributions and earnings on those amounts are not generally taxable to the employees until withdrawn or distributed from the 401(k) Plan.

In structuring these benefit programs, we seek to provide an aggregate level of benefits that are comparable to those provided by similarly situated companies.

#### *Perquisites and Other Personal Benefits*

We do not view perquisites or other personal benefits as a significant component of our executive compensation program. Accordingly, we do not provide significant perquisites or other personal benefits to our named executive officers except as generally made available to all our employees, or in situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make our executive officers more efficient and effective, and for recruitment and retention purposes. During fiscal year 2019, none of our named executive officers received perquisites or other personal benefits except as generally made available to all our employees.

#### **Employment Arrangements**

While we do not have employment agreements with any of our executive officers, the initial terms and conditions of employment for Messrs. Darling, Smith, and Yee were set forth in written employment offer letters. In September 2017, we entered into new employment offer letters with each of our named executive officers setting forth the terms and conditions of their employment with us. Each of these employment offer letters provides for “at will” employment and sets forth the named executive officer’s initial base salary. These employment offer letters also contain provisions for certain payments and benefits in the event of certain qualifying terminations of employment, including a termination of employment following a change in control of the Company, as described in more detail in “Post-Employment Compensation Arrangements” below. Each of these arrangements was approved on our behalf by the Compensation Committee.

Each of our named executive officers is subject to customary confidentiality requirements and similar covenants. Each of our named executive officers has also executed our standard proprietary information and inventions agreement.

#### **Post-Employment Compensation Arrangements**

Each of our named executive officers is eligible to receive certain payments and benefits in the event of certain qualifying terminations of employment pursuant to their employment offer letters. These agreements provide for the payment of six months’ base salary and COBRA premium reimbursement (12 months in the case of our CEO) in the event that their employment is terminated by us without “cause” or by the executive officer for “good reason” (each as defined in his or her employment offer letter). In addition, if such termination of employment occurs during the period beginning one month prior to a change in control of the Company (as defined in our 2017 Plan) or within 12 months following a change in control of the Company, they will instead receive the payment of 12 months’ base salary and COBRA premium reimbursement (18 months in the case of our CEO), as well as vesting in full of all outstanding equity awards. The receipt of payments and benefits is contingent on the named executive officer’s execution of a release of claims in favor of the Company.

We believe that having in place reasonable and competitive post-employment compensation arrangements are essential to attracting and retaining highly qualified executive officers. These arrangements are designed to provide reasonable compensation to executive officers who leave our employ under certain circumstances to facilitate their transition to new employment. Further, in some instances

we seek to mitigate any potential employer liability and avoid future disputes or litigation by requiring a departing executive officer to sign a separation and release agreement acceptable to us as a condition to receiving post-employment compensation payments or benefits.

The Compensation Committee does not consider the specific amounts payable under these post-employment compensation arrangements when establishing annual compensation. We do believe, however, that these arrangements are necessary to offer compensation packages that are competitive.

We believe that these arrangements are designed to align the interests of our named executive officers and our stockholders when considering our long-term future. The primary purpose of these arrangements is to keep our most senior executive officers focused on pursuing corporate transaction activity that is in the best interests of our stockholders regardless of whether those transactions may result in their own job loss. Reasonable post-acquisition payments and benefits should serve the interests of both the named executive officer and our stockholders.

All payments, benefits, and acceleration of vesting of outstanding equity awards in the event of a change in control of the Company are payable only if there is a subsequent loss of employment by a named executive officer or the refusal of an acquirer to assume or substitute a comparable award for an outstanding equity award (a “double-trigger” arrangement). In the case of the acceleration of vesting of outstanding equity awards, we use this double-trigger arrangement to protect against the loss of retention value following a change in control of the Company and to avoid windfalls, both of which could occur if vesting of either equity or cash-based awards accelerated automatically as a result of the transaction.

We have not had excise tax gross-up provisions relating to a change in control of the Company and have no such gross-up obligations in place with respect to any of our named executive officers.

For detailed descriptions of the post-employment compensation arrangements we maintain with our named executive officers, as well as an estimate of the potential payments and benefits payable under these arrangements, see “Potential Payments upon Termination or Change in Control” below.

## **Other Compensation Policies and Practices**

### *Stock Ownership Policy*

We believe that stock ownership by our executive officers and the non-employee members of our Board is important to link the risks and rewards inherent in stock ownership of these individuals and our stockholders. Our Board has adopted formal stock ownership guidelines that require our executive officers and the non-employee members of our Board to own a minimum number of shares of our Class A or Class B common stock. These mandatory ownership levels are intended to create a clear standard that ties a portion of these individuals’ economic interests to the performance of our stock price. Compliance is evaluated on an annual basis on the last day of the fiscal year.

The current required ownership levels are as follows:

<b>Individual Subject to Ownership Guidelines</b>	<b>Minimum Required Level of Stock Ownership</b>
Chief Executive Officer	Lesser of five times base salary or 215,000 shares
Other Executive Officers	Lesser of two times base salary or 43,000 shares
Non-Employee Member of our Board	Lesser of four times annual retainer or 13,000 shares

The applicable guideline must be achieved by each covered individual within five years after the later of (a) the effective date of the registration statement pertaining to our initial public offering of our Class A common stock or (b) the date the individual became a covered individual, measured as of the last day of the applicable fiscal year.

### *Hedging and Pledging Activities*

Under our insider trading policy, our employees, including our executive officers, and the members of our Board are prohibited from hedging or pledging our stock, engaging in short selling of our securities, trading in derivative securities of the Company, holding our securities in a margin account or otherwise pledging them as collateral for a loan.

## **Tax and Accounting Considerations**

### *Deductibility of Executive Compensation*

In approving the amount and form of compensation for our named executive officers, the Compensation Committee considers all elements of our cost of providing such compensation, including the potential impact of Section 162(m) of the Internal Revenue Code.

Section 162(m) of the Code as in effect prior to the enactment of the Tax Cuts and Jobs Act of 2017 (the “Tax Act”) in December 2017 generally disallowed a tax deduction to public companies for compensation of more than \$1 million paid in any taxable year to

each “covered employee,” consisting of the chief executive officer and the three other highest paid executive officers employed at the end of the year (other than the chief financial officer). “Performance-based compensation” was exempt from this deduction limitation if the company met the requirements set forth in the Code and applicable Treasury regulations.

Further, as a result of a transition rule applicable to newly public companies, the Section 162(m) deduction limit generally does not apply to compensation paid pursuant to an arrangement that was in existence prior to the Company’s IPO and disclosed in its public filings.

The Tax Act retained the \$1 million deduction limit but repealed the “performance-based compensation” exemption from the deduction limit and expanded the definition of “covered employee,” effective for taxable years beginning after December 31, 2017, to, among other things, treat a public company’s chief financial officer as a “covered employee.” Thus, compensation paid to our chief executive officer, chief financial officer, and our three other highest paid executive officers in excess of \$1 million will not be deductible unless it qualifies for transitional relief applicable to certain binding, written performance-based compensation arrangements that were in place as of November 2, 2017, and/or qualifies for the transitional rule for newly public companies. As final guidance and regulations relating to Section 162(m), as amended, have not been issued, no assurance can be given that compensation will qualify for this transitional relief or that the transition rule for newly public companies will continue to be available. We will continue to closely monitor developments with respect to Section 162(m) of the Code.

The Compensation Committee believes that our stockholders’ interests are best served if its discretion and flexibility in awarding compensation is not restricted, even though some portion may result in non-deductible compensation expense. While tax deductibility is one item that is considered in determining the form and amount of executive compensation, the Compensation Committee also considers other factors, and reserves the right to pay compensation that is not deductible, including under Section 162(m) of the Code.

#### *Accounting for Stock-Based Compensation*

We follow the Financial Accounting Standard Board’s Accounting Standards Codification Topic 718 (“ASC Topic 718”) for our stock-based compensation awards. FASB ASC Topic 718 requires us to measure the compensation expense for all share-based payment awards made to our employees and non-employee members of our Board, including options to purchase shares of our Class A and Class B common stock and restricted stock unit awards that may be settled for shares of our Class A and Class B common stock, based on the grant date “fair value” of these awards. This calculation is performed for accounting purposes and reported in the executive compensation tables required by the federal securities laws, even though the recipient of the awards may never realize any value from their awards.

#### **Compensation Committee Report\***

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. Based on this review and discussion, the Compensation Committee has 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 fiscal year ended August 3, 2019.

#### THE COMPENSATION COMMITTEE

Ms. Marka Hansen (Chair)  
Mr. Steven Anderson  
Ms. Kirsten Lynch

\* The material in this report is not “soliciting material,” is furnished to, but not deemed “filed” with, the SEC, and is not deemed to be incorporated by reference in any filing of the Company under the Securities Act or the Exchange Act, other than the Company’s Annual Report on Form 10-K, where it shall be deemed to be “furnished,” whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

#### **Compensation-Related Risk**

The Compensation Committee has reviewed our compensation policies and practices, in consultation with its external compensation consultant, to assess whether they encourage our employees to take inappropriate risks. After reviewing and assessing our compensation philosophy, policies, and practices, including the mix of fixed and variable, short- and long-term compensation, and overall pay, incentive plan structures, and the checks and balances built into, and oversight of, each plan and practice, the Compensation Committee has determined that any risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on the Company as a whole.

The Compensation Committee believes that the mix and design of the elements of executive compensation do not encourage management to assume excessive risks; the mix of fixed and variable compensation prevents undue focus on short-term results and helps align the interests of our executive officers with the interests of our stockholders. In addition, under our Insider Trading Policy, our executive officers are prohibited from hedging and pledging our equity securities, which protects against short-term decision making.

## Compensation Tables

### Summary Compensation Table

The following table shows for the fiscal years ended August 3, 2019, July 28, 2018, and July 31, 2017, the compensation awarded or paid to, or earned by, our named executive officers.

**Fiscal Year 2019 Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$ (1))	Option Awards (\$ (2))	Non-Equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)	Total (\$)
Katrina Lake, Chief Executive Officer	2019	637,288	2,067,457	2,399,998	222,690	—	5,327,433
	2018	601,571	—	—	—	—	601,571
	2017	534,955	—	7,836,827	—	744,357 <sup>(4)</sup>	9,116,139
Paul Yee, Chief Financial Officer <sup>(5)</sup>	2019	448,462	—	—	150,744	—	599,206
	2018	440,000	—	—	—	—	440,000
	2017	59,231	—	4,826,721	—	—	4,885,952
Michael Smith, President and Chief Operating Officer <sup>(6)</sup>	2019	536,288	1,066,026	1,237,500	180,216	—	3,020,030
	2018	511,288	—	—	—	—	511,288
Scott Darling, Chief Legal Officer and Corporate Secretary <sup>(7)</sup>	2019	350,962	516,864	599,998	117,939	—	1,585,763
	2018	325,000	—	—	—	—	325,000
	2017	244,129	—	635,362	—	—	879,491

(1) The amounts reported in this column represent the aggregate grant date fair value of RSUs computed in accordance with ASC Topic 718. The assumptions used in calculating such amounts are set forth in the notes to our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended August 3, 2019, filed with the SEC on October 2, 2019 (our "2019 Annual Report"). In order to mitigate the impact of any short-term stock price volatility on the number of stock units granted, the number of stock units in an RSU award is based on the aggregate dollar value of the award divided by the average closing market price of our Class A common stock on Nasdaq for the 30 days immediately prior to the date of grant. As a result, the fair value of the awards at grant date in this column, computed in accordance with ASC Topic 718, may be lower or higher than the equity compensation value approved by the Compensation Committee.

(2) The amounts reported in this column represent the aggregate grant date fair value of options to purchase shares of our Class A or Class B common stock computed in accordance with ASC Topic 718. The assumptions used in calculating such amounts are set forth in the notes to our audited consolidated financial statements included in our 2019 Annual Report. This amount does not reflect the actual economic value that may be realized by our named executive officers from such awards.

(3) The amounts in this column represent bonuses paid under our annual cash bonus program.

(4) Amount paid in connection with a repurchase of shares by us from Ms. Lake pursuant to a tender offer to employees in December 2016, which represents the difference between the purchase price paid by us and the fair market value of the shares on the date of repurchase.

(5) Mr. Yee joined us as our Chief Financial Officer in June 2017.

(6) Mr. Smith first became an executive officer in November 2017 and, therefore, his fiscal year 2017 compensation has been omitted.

(7) Mr. Darling joined us as our Chief Legal Officer in October 2016.



## Grants of Plan-Based Awards

The following table shows for the fiscal year ended August 3, 2019, certain information regarding grants of plan-based awards to our named executive officers:

### Grants of Plan-Based Awards in Fiscal Year 2019

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/share)	Grant Date Fair Value of Stock and Option Awards (\$) (2)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Katrina Lake	—	146,250	195,000	243,750				
	12/12/2018				92,628 <sup>(3)</sup>		2,067,457	
	12/12/2018					243,248 <sup>(4)</sup>	22.32	2,399,998
Paul Yee	—	99,000	132,000	165,000				
Michael Smith	—	118,356	157,807	197,259				
	12/12/2018				47,761 <sup>(5)</sup>		1,066,026	
	12/12/2018					123,054 <sup>(6)</sup>	22.32	1,237,500
Scott Darling	—	77,455	103,274	129,092				
	12/12/2018				23,157 <sup>(7)</sup>		516,864	
	12/12/2018					57,643 <sup>(8)</sup>	22.32	599,998

(1) The amounts reported represent the threshold, target, and maximum payouts for each named executive officer under our 2019 annual cash bonus program. The actual annual cash bonus payment amounts are included in the “Non-Equity Incentive Plan Compensation” column of the Fiscal Year 2019 Summary Compensation Table above. For more information, see “Compensation Discussion and Analysis – Individual Compensation Elements – Annual Cash Bonuses” above.

(2) The amounts shown in this column represent the aggregate grant date fair value of RSUs and option awards granted during the fiscal year computed in accordance with ASC Topic 718. The assumptions used in calculating such amounts are set forth in the notes to our audited consolidated financial statements included in our 2019 Annual Report. In order to mitigate the impact of any short-term stock price volatility on the number of stock units granted, the number of stock units in an RSU award is based on the aggregate dollar value of the award divided by the average closing market price of our Class A common stock on Nasdaq for the 30 days immediately prior to the date of grant. As a result, the fair value of the awards at grant date in this column, computed in accordance with ASC Topic 718, may be lower or higher than the equity compensation value approved by the Compensation Committee.

(3) One third of these RSUs vested on September 18, 2019, with the remainder vesting in eight equal quarterly installments thereafter, subject to continued service on each vesting date.

(4) One third of this option to purchase shares of our Class A common stock vested on June 30, 2019, with the remainder vesting in 24 equal monthly installments thereafter, subject to continued service on each vesting date.

(5) One fourth of these RSUs vest on December 18, 2019, with the remainder vesting in 12 equal quarterly installments thereafter, subject to continued service on each vesting date.

(6) One fourth of this option to purchase shares of our Class A common stock vested on October 16, 2019, with the remainder vesting in 36 equal monthly installments thereafter, subject to continued service on each vesting date.

(7) These RSUs vest in eight equal quarterly installments starting on December 16, 2020, subject to continued service on each vesting date.

(8) This option to purchase shares of our Class A common stock vests in 24 equal monthly installments starting on November 28, 2020, subject to continued service on each vesting date.

## Employment Agreements

The terms and conditions of employment for each of our named executive officers are set forth in written employment offer letters. In September 2017, we entered into new employment offer letters with each of our named executive officers setting forth the terms and conditions of his or her employment with us. The employment offer letters generally provide for at-will employment and set forth the executive officer’s initial base salary. They also provide for certain payments and benefits in the event of a termination of employment, including a termination of employment in connection with a change in control of the Company. For more information on these post-employment compensation arrangements, see “Potential Payments upon Termination or Change in Control” below. Each named executive officer is subject to customary confidentiality requirements and similar covenants. In addition, each of our named executive officers has executed our standard proprietary information and inventions agreement.

### Katrina Lake

We entered into an employment offer letter with Ms. Lake, dated September 5, 2017. Pursuant to this offer letter, Ms. Lake’s base salary was set at \$650,000 per year, subject to adjustment as determined in the discretion of the Compensation Committee. Ms. Lake’s employment is at will and may be terminated at any time, with or without cause.

### Paul Yee

We entered into an initial employment offer letter with Mr. Yee dated April 10, 2017, which set forth the initial terms and conditions of his employment with us. We entered into a revised employment offer letter with Mr. Yee, dated September 5, 2017, which replaced

and superseded his prior employment offer letter. Pursuant to this revised offer letter, Mr. Yee's base salary was set at \$440,000 per year, subject to adjustment as determined in the discretion of the Compensation Committee. Mr. Yee's employment is at will and may be terminated at any time, with or without cause.

*Michael Smith*

We entered into an initial offer letter with Mr. Smith dated March 7, 2013, which set forth the initial terms and conditions of his employment with us. We entered into a revised employment offer letter with Mr. Smith, dated September 25, 2017, which replaced and superseded his prior employment offer letter. Pursuant to this revised offer letter, Mr. Smith's base salary was set at \$496,000 per year, subject to adjustment as determined in the discretion of the Compensation Committee. Mr. Smith's employment is at will and may be terminated at any time, with or without cause.

*Scott Darling*

We entered into an initial offer letter with Mr. Darling dated October 20, 2016, which set forth the initial terms and conditions of his employment with us. We entered into a revised employment offer letter with Mr. Darling, dated September 5, 2017, which replaced and superseded his prior employment offer letter. Pursuant to this revised offer letter, Mr. Darling's base salary was set at \$325,000 per year, subject to adjustment as determined in the discretion of the Compensation Committee. Mr. Darling's employment is at will and may be terminated at any time, with or without cause.

**Outstanding Equity Awards at Fiscal Year End**

The following table shows for fiscal year 2019 certain information with respect to the outstanding equity awards held by our named executive officers as of August 3, 2019.

The vesting schedule applicable to each outstanding equity award is described in the footnotes to the table. For information with respect to the vesting acceleration provisions applicable to the equity awards held by our named executive officers, see "Potential Payments upon Termination or Change in Control" below.

**Outstanding Equity Awards at Fiscal 2019 Year-End**

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$ (1))
Katrina Lake	15,103	166,129 <sup>(2)</sup>	16.98	06/29/27	92,628 <sup>(5)</sup>	2,299,953
	—	362,465 <sup>(3)</sup>	16.98	07/10/27		
	87,855	155,393 <sup>(4)</sup>	22.32	12/11/28		
Paul Yee	132,312	179,688 <sup>(6)</sup>	16.98	06/29/27		
Michael Smith	125,000		0.064	06/23/23	47,761 <sup>(11)</sup>	1,185,906
	203,978	34,826 <sup>(7)</sup>	1.30	03/17/25		
	5,662	62,280 <sup>(8)</sup>	16.98	06/29/27		
	—	120,822 <sup>(9)</sup>	16.98	07/10/27		
		123,054 <sup>(10)</sup>	22.32	12/11/28		
Scott Darling	38,688	70,312 <sup>(12)</sup>	4.94	10/28/26	23,157 <sup>(14)</sup>	574,988
		57,643 <sup>(13)</sup>	22.32	12/11/28		

(1) Amounts represent the market value of unvested RSUs, based on a closing price of our Class A common stock on August 2, 2019, the last trading day of the last completed fiscal year, of \$24.83 per share.

(2) This option to purchase shares of our Class B common stock vests in 24 equal monthly installments beginning on June 30, 2019, subject to continued service on each vesting date.

(3) This option to purchase shares of our Class B common stock vests in 24 equal monthly installments beginning on July 11, 2021, subject to continued service on each vesting date.

(4) One third of this option to purchase shares of our Class A common stock vested on June 30, 2019, with the remainder vesting in 24 equal monthly installments thereafter, subject to continued service on each vesting date.

(5) One third of these RSUs vested on September 18, 2019, with the remainder vesting in eight equal quarterly installments thereafter, subject to continued service on each vesting date.

(6) One fourth of this option to purchase shares of our Class B common stock vested on June 12, 2018, with the remainder vesting in 36 equal monthly installments thereafter, subject to continued service on each vesting date.

- (7) This option to purchase shares of our Class B common stock vests in 48 equal monthly installments beginning on April 1, 2016, subject to continued service on each vesting date.
- (8) This option to purchase shares of our Class B common stock vests in 24 equal monthly installments beginning on June 30, 2019, subject to continued service on each vesting date.
- (9) This option to purchase shares of our Class B common stock vests in 24 equal monthly installments beginning on July 11, 2021, subject to continued service on each vesting date.
- (10) One fourth of this option to purchase shares of our Class A common stock vested on October 16, 2019, with the remainder vesting in 36 equal monthly installments thereafter, subject to continued service on each vesting date.
- (11) One fourth of these RSUs vest on December 18, 2019, with the remainder vesting in 12 equal quarterly installments thereafter, subject to continued service on each vesting date.
- (12) One fourth of this option to purchase shares of our Class B common stock vested on October 28, 2017, with the remainder vesting in 36 equal monthly installments thereafter, subject to continued service on each vesting date.
- (13) This option to purchase shares of our Class A common stock vests in 24 equal monthly installments starting on November 28, 2020, subject to continued service on each vesting date.
- (14) These RSUs vest in eight equal quarterly installments starting on December 16, 2020, subject to continued service on each vesting date.

### Option Exercises and Stock Vested

The following table shows for fiscal year 2019 certain information regarding options to purchase shares of our Class A and Class B common stock that were exercised and full value awards that may be settled for shares of our Class A and Class B common stock that vested during the last fiscal year with respect to each named executive officer:

**Fiscal Year 2019 Option Exercises and Stock Vested Table**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$ (1))	Number of Shares Acquired on Vesting (#) (2)	Value Realized on Vesting (\$ (3))
Katrina Lake	—	—	160,417	4,157,777
Paul Yee	45,000	776,050		
Michael Smith	—	—	—	—
Scott Darling	61,000	1,141,850		

- (1) The value realized on exercise of stock options is based on the fair market value of our Class A common stock on the date of exercise minus the exercise price and does not reflect actual proceeds received.
- (2) The shares of Class B common stock reported in this column represent shares of restricted stock that were purchased upon the early exercise of options that vested during fiscal year 2019.
- (3) The value realized on vesting was calculated by multiplying the number of shares of Class B common stock vesting by the market value of our common stock on each vesting date less the amount paid to purchase such shares of Class B common stock prior to their vesting date.

### Fiscal Year 2019 Pension Benefits

Our named executive officers did not participate in, or otherwise receive any benefits under, any defined benefit pension or retirement plan sponsored by us during fiscal year 2019.

### Fiscal Year 2019 Nonqualified Deferred Compensation

Our named executive officers did not participate in, or earn any benefits under, a non-qualified deferred compensation plan sponsored by us during fiscal year 2019.

### Potential Payments upon Termination or Change in Control

Each of our named executive officers is eligible for severance payments and benefits pursuant to the post-employment compensation provisions of their 2017 employment offer letter. These provisions supersede severance provisions in the named executive officers' prior employment offer letter, if any.

For the purposes of the employment offer letters, "Cause" for a named executive officer's termination means her or his: (a) conviction (including a guilty plea or plea of nolo contendere) of any felony; (b) commission or attempted commission of or participation in a fraud or act of dishonesty or misrepresentation against us; (c) willful and continued failure to follow the lawful directions of our Board or officers to whom she or he reports, and failure to cure such failure within a reasonable time after receiving written notice from us of the claimed failure; (d) deliberate harm or injury, or attempt to deliberately harm or injure, us; (e) willful misconduct that materially discredits or harms us or our reputation; (f) material violation or breach of any written and fully executed contract or agreement between the named executive officer and us, including without limitation, material breach of her or his Confidentiality Agreement, or of any of our policies, or of any statutory duty owed to us by the named executive officer; (g) gross negligence or willful misconduct; (h) failure to cooperate with any investigation as requested by our Board or officers to whom the named executive officer reports; or

(i) unauthorized use of confidential information that causes material harm to us; and a named executive officer will have “Good Reason” for resigning if any of the following actions are taken by us without her or his prior written consent: (a) a material reduction in her or his base salary or target annual bonus (unless pursuant to a salary reduction program applicable generally to our similarly situated employees); (b) a material reduction in her or his duties (including responsibilities and/or authorities), provided, however, that a change in job position (including a change in title or change resulting from a change in control transaction) shall not be deemed a “material reduction” in and of itself unless her or his new duties are materially reduced from the prior duties; or (c) relocation of her or his principal place of employment to a place that increases her or his one-way commute by more than 35 miles as compared to her or his then-current principal place of employment immediately prior to such relocation.

#### *Involuntary Termination of Employment Not Involving a Change in Control*

Pursuant to these provisions, in the event we terminate a named executive officer’s employment without Cause, other than as a result of death or disability, or she or he resigns for Good Reason (an “Involuntary Termination of Employment”) more than one month prior to or 12 months following the closing of a change in control of the Company (as defined in her or his employment offer letter), then, subject to execution and delivery of an effective release of claims in favor of the Company and the return of all Company property as specified in her or his employment offer letter, the named executive officer will receive:

- a cash payment equal to six months (12 months in the case of our CEO) of her or his then-effective base salary; and
- continued health care coverage for a maximum period of six months (12 months in the case of our CEO), subject to cessation in the event she or he obtains such coverage from a new source.

#### *Involuntary Termination of Employment Involving a Change in Control*

Pursuant to these provisions, in the event of an Involuntary Termination of Employment within the period beginning one month prior to or ending 12 months following the closing of a change in control of the Company, then, subject to execution and delivery of an effective release of claims in favor of the Company and the return of all Company property as specified in her or his employment offer letter, the named executive officer will receive:

- a cash payment equal to 12 months (18 months in the case of our CEO) of her or his then-effective base salary;
- continued health care coverage for a maximum period of 12 months (18 months in the case of our CEO), subject to cessation in the event that she or he obtains such coverage from a new source; and
- full accelerated vesting of any and all outstanding and unvested equity awards held by her or him, except to the extent the award agreement for any such equity award contains an explicit provision to the contrary.

If any payment or benefit that a named executive officer may receive from us or otherwise would constitute a “parachute payment” within the meaning of Section 280G of the Code, and be subject to the excise tax imposed by Section 4999 of the Code, then such payment or benefit will be reduced to an amount that is either (i) the largest portion of the payment that would result in no portion of the payment being subject to such excise tax or (ii) the largest portion, up to and including the total, of the payment, whichever amount, after taking into account all applicable federal, state, and local employment taxes, income taxes, and the excise tax results in her or his receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the payment may be subject to the excise tax.

The following table presents the estimated payments and benefits that would be received by each of our named executive officers under the arrangements described above, assuming that a termination of employment and, where applicable, a change in control of the Company had occurred on August 3, 2019, the last day of fiscal year 2019, and that the price of our Class A common stock was \$24.83 per share, which represents the closing market price of our Class A common stock on August 2, 2019, the last trading day of fiscal year 2019. This table is intended only for illustrative purposes; the rights and benefits due to any named executive officer upon an actual termination of employment or change in control of the Company can only be determined at the time of such event, based on circumstances then existing and arrangements then in effect.

Named Executive Officer	Involuntary Termination of Employment Not Involving a Change in Control of the Company (\$) (1) (2)	Involuntary Termination of Employment Involving a Change in Control of the Company (\$) (1) (2) (3) (4)
<b>Katrina Lake</b>		
Severance Payment	650,000	975,000
Health Care Coverage	24,159	36,238
Equity Acceleration - Options	—	4,539,499
Equity Acceleration - RSUs	—	2,299,953
<b>Total</b>	<b>674,159</b>	<b>7,850,690</b>
<b>Paul Yee</b>		
Severance Payment	220,000	440,000
Health Care Coverage	12,079	24,159
Equity Acceleration - Options	—	1,410,551
<b>Total</b>	<b>232,079</b>	<b>1,874,710</b>
<b>Michael Smith</b>		
Severance Payment	267,500	535,000
Health Care Coverage	10,934	21,869
Equity Acceleration - Options	—	2,565,672
Equity Acceleration - RSUs	—	1,185,906
<b>Total</b>	<b>278,434</b>	<b>4,308,447</b>
<b>Scott Darling</b>		
Severance Payment	175,000	350,000
Health Care Coverage	12,079	24,159
Equity Acceleration - Options	—	1,543,190
Equity Acceleration - RSUs	—	574,988
<b>Total</b>	<b>187,079</b>	<b>2,492,337</b>

- (1) The amounts reported for “Severance Payment” represent that annual base salary of each named executive officer as of the last day of the last completed fiscal year multiplied by the number of months for which such payment would be provided.
- (2) The amounts reported for “Health Care Coverage” represent the Company’s monthly cost of medical, dental, and vision insurance coverage multiplied by the number of months of coverage that would be provided to each named executive officer.
- (3) The amounts reported for “Equity Acceleration - Options” represents the number of shares of our Class B common stock subject to unvested and unexercised options to purchase shares of our Class B common stock outstanding as of the last day of the last completed fiscal year multiplied by \$24.83 per share, which represents the closing market price of our Class A common stock on August 2, 2019, the last trading day of fiscal year 2019, less the exercise price.
- (4) The amounts reported for “Equity Acceleration - RSUs” represents the number of unvested RSUs as of the last day of the last completed fiscal year multiplied by \$24.83 per share, which represents the closing market price of our Class A common stock on August 2, 2019, the last trading day of fiscal year 2019.

In addition to the benefits described and quantified above, the 2011 Equity Incentive Plan (the “2011 Plan”) and 2017 Plan provide for an extended period of time during which an optionholder may exercise options following the optionholder’s termination of service (the “post-termination exercise period”). Generally, under the 2011 Plan and the 2017 Plan, if an optionholder’s service relationship with us ends, the optionholder may exercise any vested options for up to three months after the date that the service relationship ends. However, if the optionholder’s service relationship with us ceases due to disability or death, the optionholder, or his or her beneficiary, may exercise any vested options for up to 12 months in the event of disability, or 18 months in the event of death, after the date the service relationship ends. Accordingly, each of our named executive officers would be entitled to an extended post-termination exercise period in the event of a termination of employment due to death or disability.

## Pay Ratio

Under SEC rules, we are required to calculate and disclose the annual total compensation of our median employee and the ratio of the annual total compensation of our median employee as compared to the annual total compensation of our CEO. To identify our median employee, we used the following methodology:

- To determine our total population of employees, we included all full-time and part-time U.S. employees as of August 3, 2019, excluding our CEO.
- As the pay ratio disclosure rules provide an exemption for companies to exclude non-U.S. employees from the median employee calculation if non-U.S. employees in a particular jurisdiction account for 5% or less of the company's total number of employees, we excluded 114 employees in the United Kingdom, who comprise approximately 1.4% of our total employee population of 7,955 employees on August 3, 2019. After taking into account this exemption, 7,841 U.S. employees were considered for identifying the median employee.
- To identify our median employee from our U.S. employee population (other than Ms. Lake), we calculated the aggregate amount of cash compensation received by each employee in fiscal year 2019, excluding bonuses and other non-regular payments.
- We annualized the base compensation of employees who were employed by us for less than the entire fiscal year.

Using this approach, we determined our median employee. Our median employee is a part-time remote Senior Stylist. Once the median employee was identified, we then calculated the annual total compensation of this employee for fiscal year 2019 in accordance with the requirements of the Summary Compensation Table.

For fiscal year 2019, the annual total compensation for our median employee was \$15,125 and the annual total compensation of Ms. Lake, as reported in the Summary Compensation Table included in this proxy statement, was \$5,327,433. Based on this information, the ratio of our CEO's annual total compensation to the annual total compensation of the median employee was 352:1. This ratio is a reasonable estimate calculated in a manner consistent with SEC rules.

Because SEC rules for identifying the median employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, apply certain exclusions, and make reasonable estimates and assumptions that reflect their employee population and compensation practices, the pay ratio reported by other companies may not be comparable to our pay ratio, as other companies have different employee populations and compensation practices and may have used different methodologies, exclusions, estimates, and assumptions in calculating their pay ratios. As explained by the SEC when it adopted these rules, the rule was not designed to facilitate comparisons of pay ratios among different companies, even companies within the same industry, but rather to allow stockholders to better understand and assess each particular company's compensation practices and pay ratio disclosures.

## Equity Compensation Plan Information

The following table provides information as of August 3, 2019, with respect to the shares of our Class A or Class B common stock that may be issued under our equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#) (1) (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$) (2) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#) (3) (c)
Equity compensation plans approved by security holders	11,498,970	14.48	1,133,258
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>11,498,970</b>		<b>1,133,258</b>

(1) Amounts include outstanding awards under the 2011 Plan and 2017 Plan.

(2) The weighted-average exercise price excludes RSU awards, which have no exercise price.

(3) Amounts reflect shares available for future issuance under the 2017 Plan.

The 2017 Plan provides that the number of shares reserved for issuance may be increased by the Board of Directors as of the first day of each fiscal year, starting in 2018 and ending in 2027, by a number of shares of Class A common stock that does not exceed 5% of the total number of shares of all classes of common stock outstanding on the last day of the preceding fiscal year. Effective as of August 4, 2019, the Board approved an increase to the shares reserved for issuance by 5,069,874 (approximately 5% of the total number of shares of common stock outstanding on August 3, 2019) pursuant to this provision. This increase is not reflected in the table above.

## DIRECTOR COMPENSATION

The Compensation Committee of our Board regularly reviews and assesses the compensation levels of our non-employee directors, with the assistance of its external compensation consultant. Our Board has adopted a director compensation policy for our non-employee directors who are not affiliated with our stockholders, who we refer to below as our “Independent Directors,” which became effective in connection with our IPO. Pursuant to this policy, which was last amended by our Board in December 2018, our Independent Directors receive the compensation described below.

### *Cash Compensation*

- A \$50,000 annual cash retainer for service as a board member;
- \$20,000 per year for service as chair of the Audit Committee and \$10,000 per year for service as a member of the Audit Committee;
- \$15,000 per year for service as chair of the Compensation Committee and \$7,500 per year for service as a member of the Compensation Committee;
- \$10,000 per year for service as chair of the Nominating and Corporate Governance Committee and \$5,000 per year for service as a member of the Nominating and Corporate Governance Committee; and
- \$10,000 per year for service as Lead Independent Director.

The annual cash compensation amounts are payable in equal quarterly installments following the end of each quarter in which the service occurred, pro-rated for any partial quarters. All annual cash fees are vested upon payment.

### *Equity Compensation*

- A nonqualified option to purchase shares of our Class A common stock with an aggregate value of \$75,000; and
- an RSU grant with an aggregate value of \$75,000.

Equity grants are made as of the date of each annual meeting of our stockholders, provided that any Independent Director serving on our Board as of the date of our IPO will not receive an option or RSU grant until the date of the annual meeting that follows the date on which all equity award grants held by such Independent Director as of the date of the offering have become fully vested.

Each such stock option and RSU grant will be made under our 2017 Plan and will vest on the earlier of the first anniversary of its date of grant and the date of the next annual meeting of stockholders, subject to the director’s continuous service through the applicable vesting date.

In addition, any person who is elected or appointed as an Independent Director for the first time will, upon the date of her or his initial election or appointment, receive a nonqualified option to purchase shares of our Class A common stock with an aggregate value of \$75,000 and an RSU grant with an aggregate value of \$75,000, each multiplied by a fraction, the numerator of which is the number of days between the date of appointment and the date of the next then-scheduled annual meeting of stockholders (or, if the date of such annual meeting has not yet been scheduled, the first anniversary of the immediately preceding annual meeting), and the denominator of which is 365.

Any outstanding options to purchase shares of our Class A or Class B common stock held by each Independent Director who remains in continuous service with us until immediately prior to a change in control of the Company (as defined in our 2017 Plan) will become fully vested immediately prior to the closing of such change in control event in which their service is terminated.

### *Reimbursement of Expenses*

We also reimburse each eligible non-employee director for ordinary, necessary, and reasonable out-of-pocket travel expenses to cover in-person attendance at and participation in meetings of our Board and any committee of the Board.

## Fiscal Year 2019 Director Compensation Table

The following table shows for the fiscal year ended August 3, 2019, certain information with respect to the compensation of our non-employee directors:

**Fiscal Year 2019 Director Compensation Table**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) (1) (2)	Option Awards (\$) (2) (3)	Total (\$)
Steven Anderson <sup>(4)</sup>	—	—	—	—
J. William Gurley <sup>(4)</sup>	—	—	—	—
Marka Hansen	70,000	—	—	70,000
Kirsten Lynch	57,500	56,937	74,992	189,429
Sharon McCollam	85,000	—	—	85,000
Mikkel Svane <sup>(5)</sup>	46,978	56,937	101,291	205,206
Elizabeth Williams <sup>(6)</sup>	32,637	76,911	70,471	180,019

(1) The amounts reported in this column represent the aggregate grant date fair value of RSUs computed in accordance with ASC Topic 718. The assumptions used in calculating such amounts are set forth in the notes to our audited consolidated financial statements included in our 2019 Annual Report. In order to mitigate the impact of any short-term stock price volatility on the number of stock units granted, the number of stock units in an RSU award is based on the aggregate dollar value of the award divided by the average closing market price of our Class A common stock on Nasdaq for the 30 days immediately prior to the date of grant. As a result, the fair value of the awards at grant date in this column, computed in accordance with ASC Topic 718, may be lower or higher than the equity compensation value approved by the Board.

(2) The aggregate number of RSUs and stock options held by each non-employee director listed as of August 3, 2019, was as follows:

Name	Stock Options (#)	RSUs (#)
Steven Anderson	—	—
J. William Gurley	—	—
Marka Hansen	—	189,875
Kirsten Lynch	3,076	22,639
Sharon McCollam	—	49,200
Mikkel Svane	3,076	11,832
Elizabeth Williams	3,772	8,064

(3) The amounts reported in this column represent the aggregate grant date fair value of the options to purchase shares of our Class A common stock granted to our Independent Directors during fiscal year 2019 under our 2017 Plan, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in the notes to our audited consolidated financial statements included in our 2019 Annual Report. This amount does not reflect the actual economic value that may be realized by the non-employee directors from such awards.

(4) Pursuant to our Independent Director Compensation Policy, Messrs. Anderson and Gurley, who are affiliated with certain of our stockholders, do not receive any compensation for their service as members of our Board.

(5) Mr. Svane joined the Board in October 2018

(6) Ms. Williams joined the Board in January 2019.

Ms. Lake, our Chief Executive Officer, is also a member of our Board but does not receive any additional compensation for her service as a director. See the section titled “Executive Compensation” for more information regarding the compensation of Ms. Lake.



## TRANSACTIONS WITH RELATED PERSONS AND INDEMNIFICATION

### Certain Related-Person Transactions

The following is a summary of transactions since July 29, 2018, to which we have been a participant in which the amount involved exceeded or will exceed \$120,000, and in which any of our directors, executive officers, or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements which are described in the section titled “Executive Compensation.”

### Employment of an Immediate Family Member

Chelsea Lake, the sister of Katrina Lake, our Founder, Chief Executive Officer, and a member of our Board, is an employee on our Women’s merchandising team. During fiscal year 2019, Chelsea Lake served principally as a Buying Director and had total cash compensation of \$202,208. In December 2018, Chelsea Lake’s annual base salary was increased to \$204,000. Chelsea Lake’s cash compensation was determined based on external market compensation data for similar positions and internal pay equity when compared to the compensation paid to employees with similar experience serving in similar positions who were not related to our Founder, Chief Executive Officer, and a member of our Board. In September 2018, Chelsea Lake received an RSU to acquire 1,478 shares of Class A common stock, with an aggregate fair value of \$61,086. The RSUs vest in eight equal quarterly installments, beginning on June 17, 2020. Chelsea Lake has received and continues to be eligible for equity awards on the same general terms and conditions as applicable to employees in similar positions who are not related to our Founder, Chief Executive Officer, and a member of our Board.

### Indemnification

Our amended and restated certificate of incorporation (“Certificate of Incorporation”) contains provisions that limit the liability of our current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director’s duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our Certificate of Incorporation authorizes us to indemnify our directors, officers, employees, and other agents to the fullest extent permitted by Delaware law. Our Bylaws provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law and may indemnify our other employees and agents. Our Bylaws also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee, or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers, and other employees as determined by the Board. With certain exceptions, these agreements provide for indemnification for related expenses including attorneys’ fees, judgments, fines, and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these Certificate of Incorporation and Bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors’ and officers’ liability insurance.

### Related-Person Transactions Policy and Procedures

In September 2017, we adopted a policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock, and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our Audit Committee or other independent body of our Board. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any class of our common stock, or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds \$120,000 and such person would have a direct or indirect interest, must be presented to our Audit Committee or other independent body of our board for review, consideration, and approval. In approving or rejecting any such proposal, our Audit Committee or other independent body of our board is to consider the relevant facts of the transaction, including the risks, costs, and benefits to us and whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances. All of the transactions described above were presented, considered, and approved or ratified by our Board or the Audit Committee.

## OTHER MATTERS

The Board knows of no other matters that will be presented for consideration at the 2019 Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors



Scott Darling  
Chief Legal Officer and Corporate Secretary

San Francisco, California  
November 7, 2019

**A copy of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended August 3, 2019, is available without charge upon written request to: Corporate Secretary, Stitch Fix, Inc., 1 Montgomery Street, Suite 1500, San Francisco, California 94104.**

**APPENDIX A**  
**NON-GAAP FINANCIAL MEASURES**

We report our financial results in accordance with generally accepted accounting principles in the United States (“GAAP”). However, management believes that adjusted EBITDA, a non-GAAP financial measure, provides users of our financial information with additional useful information in evaluating our performance. Management believes that adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, and that this supplemental measure facilitates comparisons between companies. This non-GAAP financial measure may be different than similarly titled measures used by other companies.

There are several limitations related to the use of adjusted EBITDA as compared to net income, the most directly comparable GAAP financial measure. Some of these limitations include:

- adjusted EBITDA excludes the remeasurement of the preferred stock warrant liability, which is a non-cash expense incurred in the periods prior to the completion of our initial public offering;
- adjusted EBITDA excludes the recurring, non-cash expenses of depreciation and amortization of property and equipment and, although these are non-cash expenses, the assets being depreciated and amortized may have to be replaced in the future;
- adjusted EBITDA does not reflect our tax provision, which reduces cash available to us; and
- adjusted EBITDA excludes interest income and other income, net, as these items are not components of our core business.

**Adjusted EBITDA**

We define adjusted EBITDA as net income excluding interest income, other income, net, provision for income taxes, depreciation and amortization, and, when present, the remeasurement of preferred stock warrant liability. The following table presents a reconciliation of net income, the most comparable GAAP financial measure, to adjusted EBITDA for each of the periods presented:

(in thousands)	For the Fiscal Year Ended	
	August 3, 2019	July 28, 2018
<b>Adjusted EBITDA reconciliation:</b>		
Net income	\$ 36,881	\$ 44,900
Add (deduct):		
Interest income	(5,791)	(904)
Other income, net	(1,535)	(100)
Provision (benefit) for income taxes	(6,060)	9,813
Depreciation and amortization	16,095	10,542
Remeasurement of preferred stock warrant liability	—	(10,685)
<b>Adjusted EBITDA</b>	<b>\$ 39,590</b>	<b>\$ 53,566</b>

**STITCH FIX, INC.**  
**1 MONTGOMERY STREET, SUITE 1500**  
**SAN FRANCISCO, CA 94104**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E86073-P29183

KEEP THIS PORTION FOR YOUR RECORDS

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**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

DETACH AND RETURN THIS PORTION ONLY

STITCH FIX, INC.

The Board of Directors recommends you vote FOR the following nominees:

1. Election of Directors

Nominees:	For	Withhold
1a. Steven Anderson	<input type="checkbox"/>	<input type="checkbox"/>
1b. Marka Hansen	<input type="checkbox"/>	<input type="checkbox"/>

The Board of Directors recommends you vote FOR proposals 2 and 3.

	For	Against	Abstain
2. Advisory vote to approve executive compensation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending August 1, 2020.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date

Signature (Joint Owners)	Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

E86074-P29183

**STITCH FIX, INC.  
Annual Meeting of Stockholders  
December 19, 2019 1:30 PM  
This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) Katrina Lake, Paul Yee, and Scott Darling, or each of them individually, as proxies, each with the power to appoint his/her substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Class A and Class B common stock of STITCH FIX, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 1:30 PM, PST on December 19, 2019, at 101 California Street, 5th Floor, San Francisco, CA 94111, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Continued and to be signed on reverse side**