LEVI STRAUSS & CO. | 2011 ANNUAL REPORT

WE PUT THE CONSUMER AT THE FOREFRONT OF EVERYTHING WE DO. IT STARTED WHEN WE INVENTED RUGGED WORK WEAR THAT ALLOWED THE PEOPLE WHO BUILT THE AMERICAN WEST TO GET THE JOB DONE. TODAY, IT'S ABOUT DELIVERING THE UNIQUE CRAFTSMANSHIP, AUTHENTIC STYLE AND COMPELLING VALUE THEY'VE COME TO EXPECT FROM US.

LEVI STRAUSS & CO.


Levi's


dENiZEN
from Levi's

CHIP BERGH
President and Chief Executive Officer

DEAR SHAREHOLDERS, CUSTOMERS, EMPLOYEES AND STAKEHOLDERS,

For more than 150 years, Levi Strauss & Co. has been innovating. We started as a dry goods company. Twenty years later, Levi Strauss invented blue jeans. We led another revolution in khakis just as the workplace went casual in the 1980's. This Company has been a pioneer, an innovator, not just in product, but in all aspects of our business. We set the standard for responsible sourcing in the apparel industry with the original "Terms of Engagement" first executed more than twenty years ago. We were the first company to pioneer HIV/AIDS support for employees thirty years ago.

Everything we do is rooted in our values of empathy, originality, integrity and courage. These values, which are at our core, are a key reason for the Company's success over one and a half centuries and I am extremely proud and humbled to now be a part of it.

I joined this company seven months ago because I believe that LS&Co. has the potential to be, and be seen, as the best apparel company in the world. Not just the best denim company, or the best American clothing brand, but a company loved by our consumers and customers, studied by our peers and admired in the communities where we live and work. We have work to do, but this is our ambition: to make this Company great, again.

My reasons for joining LS&Co. were simple. One — I believe the Company has what it takes to be the best. We have great brands. Nobody else can claim that they are the authentic and the original jean.

"Everything we do is rooted in our values of empathy, originality, integrity and courage."

We have talented people. We have a global footprint, operating in more than 110 countries around the world with strong leadership positions in some of the fastest growing markets. Two — I came for the challenge. Despite all of the ingredients to be a top performer, this company could have done better over the last decade. I want to be a part of restoring this Company to greatness, as measured by the strength of our brands and organization and our ability to create shareholder value.

The Company has built positive momentum — with eight percent compound annual revenue growth in the last two years. Consumers are responding to the progress we are making in innovation, product and store experiences.

Over the last two years, the Company has innovated with products like Levi's® Curve ID jeans — our first-ever global product launch — that have started to redefine our women's business and are now outpacing the total brand growth. We've also introduced products like Water<Less™ jeans, which use up to 96 percent less water in the finishing process than is standard. Cumulatively, the Water<Less™ collection has saved 172 million liters of water since it

launched in 2011. We also introduced the Commuter Series, featuring fabric innovation with water-resistance and odor-resistance technologies.

The Dockers® brand has likewise been innovating with the launch of Dockers® Alpha Khaki, which is winning younger consumers with its modern fits, colors and fabrics. The reintroduced Relaxed Fit Khaki and Wearever Series are engaging our more traditional consumers with their classic styles, wrinkle-resistant and stain-resistant options.

The Denizen® brand celebrated its one-year anniversary in 2011 by launching in more than 1,700 Target stores in the United States. This global brand, which originated in Asia and is designed to win with the aspiring middle-class consumer in that region, continues to build its consumer base in the key markets of China and India.

Top-line growth in the last two years has come at a significant cost. The combination of commodity cost increases and higher operating costs resulted in gross margin decline and net income decline last year.

Let's take a closer look at our performance for fiscal year 2011 and the plans to grow the business more profitably going forward.

2011 FINANCIAL HIGHLIGHTS

- **Net revenue** for 2011 was $4.8 billion, an eight percent increase over the prior year.
- **Gross margin** was 48 percent compared with 50 percent in 2010, due to the higher cost of cotton and an increase in sales to lower-margin channels to manage our inventory.
- **Operating income** was $336 million compared to $381 million for the prior year, due to a lower gross margin and higher operating costs.
- **Net income** was $138 million compared with $156 million for the prior year.
- **Net debt** at the end of the fiscal year was $1.8 billion compared to $1.6 billion at the end of the prior year.

REGIONAL PERFORMANCE

Americas

For the Americas region, our full year net revenues grew six percent on both a constant currency and reported basis. Levi's® brand net revenues increased in our retail stores, primarily due to a higher volume of sales in our outlets, and in our wholesale channels, where the benefit of price increases were partially offset by corresponding volume declines. Higher net revenues in the Americas also reflected the Denizen® launch at Target. Our Dockers® net revenues declined, as the brand was negatively affected by price increases.

Europe

In Europe, full year net revenues were up three percent on a constant currency basis, reflecting expansion and performance of retail stores and the performance of our Levi's® Curve ID products for women. This growth was partially offset by lower sales to our wholesale customers, due to the issues we had fulfilling some orders during the implementation of an enterprise resource planning system in the back-half of the year as well as general economic conditions in the region.

Asia Pacific

In Asia Pacific, net revenues for fiscal year 2011 increased 10 percent on a constant currency basis. The growth was led by the Levi's® brand with the continued expansion of our brand-dedicated retail network in China and India, as well as in other emerging markets. The Denizen® brand also contributed incremental revenues. This growth more than offset the continued decline of revenues in Japan.

BUILDING THE FOUNDATION FOR SUSTAINED PROFITABLE GROWTH: GREAT BRANDS AND A GREAT BUSINESS

It's clear that in order to maximize shareholder value, we need to balance our growth agenda with discipline: grow the top-line while at the same time improving our profitability. We need to grow the

bottom-line faster than the top-line, rebuild margins and generate more cash. This will create shareholder value and improve our financial flexibility longer term.

This starts, first and foremost, with our greatest assets: our brands. We will put the consumer at the center of everything we do to build our brands' momentum. We will continue to focus on innovation, and driving big ideas that consumers respond to, building on the success of many of the platforms we've launched over the last two years: Levi's® Curve ID, Water<Less™ and Commuter Series jeans, Dockers® Alpha Khaki and the entire Denizen® proposition.

Second, we need to get benefit from our scale and develop a more competitive cost structure. We have a tremendous global footprint and the opportunity to leverage our scale more effectively. One of the first things I have done is to work with the company leaders to refine our global operating model and organization structure so that we can build more synergies between our brands, eliminate unnecessary duplication and get the benefit of scale in the market.

We have created a model that balances three strong pillars for our business: brands, commercial operations and global retail. We believe that this refined model ensures a consistent focus on our brands with an emphasis on strategy, innovation and consumer understanding to drive the best possible product and product portfolio to the marketplace. The structure balances this against the need to execute brilliantly in market, across all brands and the Commercial Operations and Retail channels. This model will enable us to drive scale, drive deeper accountability for deliverables and drive more balanced top- and bottom-line growth.

> "It's clear that in order to maximize shareholder value, we need to balance our growth agenda with discipline: grow the top-line while at the same time improving our profitability. "

We will scale commercial operations across all three brands, rather than operate with three brands, each with its own sales forces and operating functions. In this structure, when the company works with a key wholesale customer, the team can bring the full portfolio of brands at one time, versus each brand showing up independently, almost as if they were from different companies. It's more efficient and productive for us, it leverages our scale and it benefits our customers as well. It also allows our smaller brands to benefit from the power of our namesake brand and helps us avoid competing against ourselves. We've started moving in to this model, putting leaders in place and building the teams.

Which leads to my other top priority:

TALENT AND LEADERSHIP

A major agenda item for me is to create a deep bench of talent, focusing on leadership development, career pathing and assignment planning. If we aspire to be the best apparel company in the world, we must be able to recruit and retain the best talent, then train and develop, and give them careers, not jobs. I am working with the Board and the Worldwide Leadership Team to put in place a robust leadership and talent development program to enable us to have the best talent in the industry over time.

As we pursue our plans for 2012 and beyond, I want to recognize and thank our employees for their hard work in creating the best experience for consumers around the world, as well as their support for the communities in which we do business. I also want to thank our Board of Directors for their wise counsel and their dedication to our success.

We have exciting times ahead and I look forward to sharing our progress with you.

Sincerely,

Chip Bergh
April 16, 2012

"You can face the world with Levi's®."

Levi's® male consumer, Paris

BUILDING ON OUR HERITAGE

For more than 139 years people have been wearing Levi's® jeans. They wear them for a lot of reasons. Because of their quality and craftsmanship. Because of the values they represent. Because they are cool. Because Levi's® jeans are truly authentic.

Building on its heritage, the Levi's® brand continues to differentiate itself through product innovation, a dedication to craftsmanship, trend-setting style and industry-leading sustainability.

The Levi's® Curve ID collection continues to win women's approval with its style and revolutionary fit system based on shape not size. In 2011, the brand added a fourth fit, the Supreme Curve, to meet needs of more women, and offered rich finishes, new rises and leg openings, such as the skinny boot.

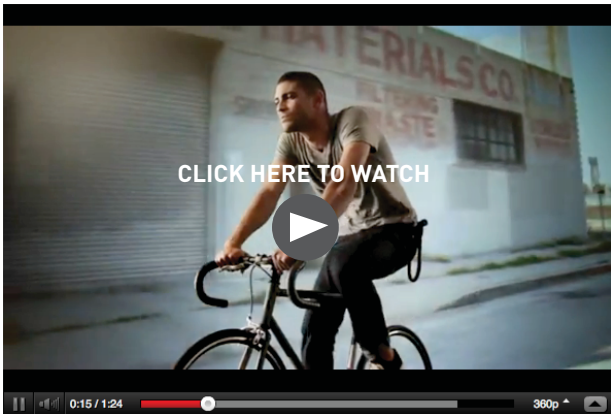
The brand introduced its Commuter Series, performance denim designed specifically for the needs of the urban commuter cyclist. Using cutting-edge performance apparel technologies, the collection offers mobility, protection, safety and style. Based on its successful launch, the Levi's® brand expanded the line in the fall of 2011.

In addition, the Levi's® brand offered men modern interpretations of work wear through its second collaboration with Filson®, an American outdoor performance brand. The collaboration featured the finest and most durable materials that both the Levi's® and Filson® brands have historically used in their products, as well as a special Made in the U.S.A. collection.

With a commitment to innovation and sustainability, the Levi's® brand debuted its Water<Less™ collection. Using less water to create rich finishes consumers love, the Water<Less™ Collection is now available in the Americas, Asia and Europe.

The premium business, which includes Levi's® Vintage Clothing as well as Levi's® Made & Crafted product, continued to delight consumers with its assortments of clothing and accessories distinctly inspired by archival Levi's® product, but made with modern fits and materials.

The Levi's® brand has always been about embracing the energy and events of our time. In 2011, it connected with consumers through its first global marketing campaign. Running in 24 countries, the "Now is Our Time" campaign sparked a dialogue and helped the brand build momentum.



"Dockers® are back in a big way with these bad boys..."

Dockers® male consumer,
Los Angeles

WEAR THE PANTS™

Since its introduction in 1986, the Dockers® brand has been perfecting the khaki — and the essential goods to go with them — for consumers all over the world. Dockers® khakis do their job so that men and women can do theirs. Offered in more than 50 countries, Dockers® product provides versatile, essential style. Day to night. Monday to Sunday. Wearing the pants has never looked so good.

In 2011, the Dockers® brand introduced several new styles to appeal to a broad consumer base. Celebrating the reemergence of khaki as the go-to versatile pant, the brand debuted its newest style, the Alpha Khaki. Created as the perfect alternative to jeans, it features the best attributes of a jean including the slim fit, rugged construction and lower rise but offers the more polished, classic look of a khaki.

Launched with the Blind Barber in New York City, a unique place where men can get a shave and a haircut along with a cocktail, the Alpha Khaki created quite a buzz with the press. With its slim fit and bold colors, the Alpha Khaki was well received by modern consumers in North America and abroad.

The Dockers® brand teamed up with the nominees of GQ's Best New Menswear Designers in America. Collaborating with celebrated apparel designer Alexander Wang, the Dockers® brand introduced a limited edition collection at Bloomingdales' that showcased the brand's khaki heritage in an elevated way.

The team also concentrated on re-building traction with its more traditional consumer. In the fall of 2011, the brand reintroduced the Dockers® Wearever series, offering a range of versatile styles enhanced with best-in-class technology, including Stain Defender® finish and the Mobile Pant. In addition, the brand reintroduced its classic Relaxed Fit at customers such as Macy's and Kohl's. This old favorite quickly resumed a leading position within the overall mix.

Through its Wear the Pants™ campaign, the brand continued to connect with consumers and sparked conversations about what it means to be a man today. The latest marketing platform features Bear Grylls, a popular outdoorsman. Wearing the Alpha Khaki as well the more traditional Signature Khaki, Grylls was photographed "getting it done" on the streets of Manhattan.

"I am a very cool, bold, independent girl.
I like the casual Denizen® style."

Denizen® female consumer, Delhi

GLOBAL JEANS FOR A NEW GENERATION

"Denizen" means "inhabitant:" living in a place, living on earth, and belonging to a community of friends and family. The name reflects "denim," the heart of the brand. The Denizen® brand started with a strong vision — a global jeans brand for a new generation. It was not created for a country or a culture, but for people everywhere. Denizen® products are modern and stylish, with a great fit at affordable prices.

In 2011, the brand celebrated an important milestone, its one-year anniversary. Following an exciting launch in China, its reach expanded by rolling out nationally across India and debuting in North America. Throughout Asia, the Denizen® brand connected to new consumers online and in stores through fun launch events as well as the brand's global Fit Out Start Up marketing campaign

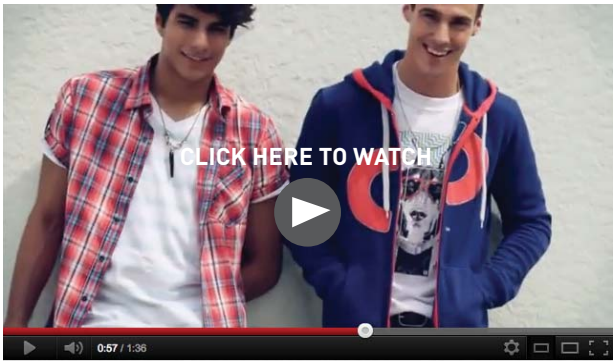
In India, the brand replaced Levi Strauss Signature™ in more than 200 exclusive stores and more than 1000 multi-brand outlets. Popular Bollywood star Imran Khan joined the Denizen® Eight brand ambassadors at flagship store festivities in New Delhi and other cities, and he appeared in a musical commercial showing consumers a new way to fit out better.

PERFECT FIT FOR THE FAMILY

Denizen® product rolled out across the United States exclusively at Target stores in July 2011. Offering families great fitting jeans at affordable prices, the brand struck a chord. Through a mix of marketing by Target stores and social media programs, it began a dialogue with consumers.

The first 10,000 Facebook fans received free jeans, a product rebate or a Target gift card and consumers saw the brand through a partnerships with major league baseball teams in key markets, including the New York Yankees, Los Angeles Angels and St. Louis Cardinals.

In addition, Wal-Mart stores in the United States expanded their Signature by Levi Strauss Co.™ collection, adding women's and juniors product to the men's line in time for back-to-school shopping.



OUR PRODUCTS ARE SOLD IN **110** COUNTRIES

2 MILLION PAIRS OF LEVI'S® AND DENIZEN® JEANS MADE WITH BETTER COTTON.

COMMUNITY DAY 2011: **158 PROJECTS** IN 47 COUNTRIES.

$9.5 MILLION CHARITABLE DONATIONS IN 2011

NUMBER OF EMPLOYEES, WORLDWIDE: **17,000**

172 MILLION **LITERS OF WATER SAVED**

USING OUR INNOVATIVE WATER<LESS™ TECHNIQUES

SCALING FOR CHANGE

Our goal at Levi Strauss & Co. is to build sustainability into everything we do. We're constantly striving to reduce the impact our products have on the planet and influence not only what people wear, but the way people think and act.

We know from our lifecycle assessment work that the greatest opportunities for reducing our water and energy use exist at the beginning and end of our product's lifecycle: at the cotton production stage and after consumers take their jeans home. We've based our sustainability strategy on this scientific research, recognizing that that's how we can make the biggest positive impact.

In 2011, we were able to hit a major milestone in our journey: we embedded sustainability into our products on a larger global scale. We proudly took our sustainability strategy to the next level and expanded our actions across all parts of the supply chain — from blending Better Cotton into more than two million pairs of jeans to expanding our collection of Water<Less™ clothes, made using significantly less water.

We also worked to scale key supply chain initiatives, including our efforts to improve workers' lives and reduce water use by our suppliers.

GROWING A "BETTER" COTTON

Over the past few years, we've asked ourselves a tough question: how do we make cotton better? Our lifecycle research has demonstrated that one of the biggest environmental impacts from making jeans is in cotton farming. As nearly 95 percent of our products are made from cotton, we knew it was essential to make cotton more sustainable.

In 2009, we joined the Better Cotton Initiative with several other brands and other stakeholders to change how one of the most important commodities in fashion is grown. Between 2009 and 2011, the Levi Strauss Foundation invested $350,000 in this initiative.

At its heart, Better Cotton is better for the environment and for farmers. The Better Cotton Initiative (BCI) aims to make all cotton grown around the world more sustainable by reducing water and chemical use (including pesticides and fertilizers), protecting the health of the soil and promoting important labor standards including no forced or child labor. The BCI also focuses on training and empowering farmers to improve their long-term financial profitability.

We know these techniques are working. A pilot group of farmers in Pakistan using Better Cotton farming methods has reduced pesticide and water use by an average of 32 percent, and increased its net profits by up to 69 percent.

Our long-term goal is to make all our products from Better Cotton or other sustainable fibers. We still have challenges to overcome to make this goal a reality, but we're making progress.

Last fall, we incorporated a modest blend of Better Cotton from the first official harvest into about two million pairs of Levi's® and Denizen® jeans around the globe.

We're planning to increase the amount of Better Cotton blended in our products in 2012 and begin blending Better Cotton into our Dockers® products as well. Our near-term goal is for Better Cotton to comprise 20 percent of our virgin cotton use globally by 2015.

Though we're at the beginning of this journey, we know we're on our way to a "better" future.

IMPROVING WORKERS' LIVES IN OUR SUPPLY CHAIN

To be a successful global company, we know we have to set high workplace standards for ourselves and our supply chain.

Twenty years ago, we became the first multinational apparel company to establish a comprehensive workplace code of conduct for manufacturing suppliers, called our Terms of Engagement.

This compliance-focused "do no harm" code established labor, health, safety, and environmental requirements for our suppliers.

These codes — demanding that workers be treated with dignity, respect, and fairness within safe and clean factories — are now the norm for most global companies.

We recognized that it was time to expand our approach beyond "do no harm" to create programs that would improve the everyday reality of workers. We knew it was vital to continue our ongoing commitment to human rights and improving supplier performances, and continue to strongly implement our Terms of Engagement with suppliers. It was obvious that the heart of this new approach would be centered on the development of worker-focused initiatives.

We identified five areas of focus for our new approach, taking inspiration from the UN Millennium Development Goals:

- Economic Empowerment
- Good Health and Family Well-Being
- Equality and Acceptance
- Education and Professional Development
- Access to a Safe and Healthy Environment

We know from experience that there's no one-size-fits-all approach to address workers' needs and improve the well-being of their families and communities. To effect real change, it's important to design and customize programs at the factory level.

We also knew it was essential to engage our stakeholders as we created this new strategy. Last fall, Levi Strauss & Co. and Ceres brought together a group of stakeholders from across the globe to help evaluate and provide feedback on our proposal. Stakeholders reviewed each component of the proposed approach — from the vision, priorities, and goals to how we'd roll out the new approach and measure success.

We've integrated their collective feedback and, with their help, developed a strategy for implementing our new approach.

In 2012, we're excited to pilot our new approach with five key vendors. We'll be focusing on understanding workers' needs and developing relevant programs for them; educating suppliers on business benefits and providing direct incentives for establishing programs to benefit workers; and creating opportunities for suppliers to collaborate on lessons learned. Each year, we'll continue to expand our pilots based on learnings.

From assessing worker needs to designing programs and measuring impact, it's clear that one company can't do this alone. Collaboration is essential to our success, whether it's through partnerships with NGOs in the communities where factories operate or engagement with labor organizations, local governments and other companies. We've already invited other brands and retailers to participate, and we look forward to continued collaboration in the coming years.

SUSTAINABILITY + STYLE GOES GLOBAL

As a business, we've been working hard to reduce our products' impact on the environment.

Last year, we introduced the Levi's® Water<Less™ collection — denim finished in a way that uses significantly less water.

Our designers challenged themselves to rethink how we design and make our products. The result? Jeans made in the same authentic styles and finishes our consumers love — but using up to 96 percent less water.

Embracing this innovative process, we produced nearly 1.5 million pairs of jeans for last spring's line while saving 16 million liters of water.

We knew that we could make an even greater impact on the environment if we engaged our consumers about how to care for their jeans. Our lifecycle research in 2007 showed that when considering the full lifecycle of the studied Levi's® 501® jean, almost 60 percent of the climate impact comes during the consumer-use phase, after consumers take their jeans home.

In 2011, Levi Strauss & Co. supported Water.org, a non-profit organization that has transformed hundreds of communities by providing access to safe water and sanitation.

The Company invested $400,000 in this organization to fund sustainable water programs — providing at least 200 million liters of clean water access to communities in South Asia, Latin America and Africa.

On World Water Day, the Levi's® brand partnered with Water.org to launch the Levi's® Water Tank, a Facebook game aimed at educating people about how they can save water in their daily lives. Throughout the year, the brand harnessed the power of its digital fan base to raise awareness about water usage and the water crisis affecting almost 900 million people around the world. More than 20,000 consumers took fun online water-saving challenges that 'unlocked' water from the Levi's® Water Tank, such as pledging to wash their jeans less. Once the Water Tank was full, the Levi's® brand made a contribution to Water.org's sustainable water programs, providing more than 200 million liters of clean drinking water to communities in need.

We knew we could do more. Over the past year, we've been working with our suppliers around the globe to spread our water-saving techniques.

We're proud to say that the Levi's® global collection now includes nearly 13 million Water<Less™ jeans in the Americas, Europe and Asia. Since we introduced the Water<Less™ collection, we have saved 172 million liters of water around the world.

We'll continue to innovate in Water<Less™ processes and spread the technologies across our apparel supply chain.

WATER QUALITY PROGRAM

We take a full lifecycle approach to our water use, so we also look at our suppliers' water use.

In 2011, Levi Strauss & Co. developed new water recycle reuse standards for our owned and contracted garment finishing facilities to ensure they reduce their impact on fresh water resources.

We engaged various key stakeholders, including academics, environmental nongovernmental organizations, suppliers, and product finishing specialists, to create the new standards for how garment finishing facilities can source and use reclaimed water.

Next year, we'll be piloting our new water recycle reuse standard at three garment finishing facilities in Cambodia and China. When the pilots are completed, we'll refine the standards if needed and roll the new guidelines out to all our finishing facilities.

CLIMATE CHANGE

In 2009, Levi Strauss & Co. publicly announced we would reduce our Scope 1 and 2 greenhouse gas emissions by 11 percent by the end of 2011 as compared to our 2007 baseline. We're proud to announce that we have acheived that goal.

Over the past three years, we've been working to meet this target by implementing energy efficiency and conservation programs at our stores, offices, factories, and distribution centers, as well as procuring electricity generated from 100 percent renewable energy sources (RES-E) in Europe.

These initiatives have helped keep our emissions almost flat with an absolute increase in our climate impact by one percent, despite a seven percent increase in the size of our global real estate portfolio since 2007.

The increase in our climate impact was primarily driven by more than doubling the number of retail stores that we operate and the opening of a new finishing plant in Vietnam, which ramped up its production capacity in 2012. To meet the 11 percent target, we purchased Green-e® renewable energy certificates (RECs), which is equivalent to 12,000 metric tons of greenhouse gasses. We continue to pursue absolute reductions toward achieving our long-term goals.

GREENING OUR RETAIL STORES

Not only are we greening our jeans, but we're working to make sure the stores they're sold in are more sustainable.

From a retail perspective, that means building stores that not only showcase our product, but also minimize the environmental impact during the building process and over the lifetime of the store.

In 2011, 22 percent of our greenhouse gas emissions came from our 500 retail stores globally. As part of our learning curve on how we can increase energy efficiency in our retail stores, we implemented LEED™ best practices and successfully achieved LEED™ certification for Commercial Interiors (CI) for three Levi's® stores in Paris, France; Liege, Belgium; and Birmingham, England.

LEED™ is an internationally recognized green building certification system developed by the U.S. Green Building Council. It provides verification that a building was designed and built using strategies aimed at improving everything from energy savings and water efficiency to greenhouse gases emissions and indoor environmental quality.

Our three LEED™ certified Levi's® stores have a number of features that reduce energy by at least 37 percent versus our average European retail stores. Some key features include energy-efficient ambient and spot lighting, integration of daylight into the store, automatic sliding doors with synchronized air curtain, as well as energy-efficient heating, ventilation and air conditioning systems. Each of the three stores procures electricity produced from 100 percent renewable sources. As in many of our stores, consumers can drop off their old jeans at any of these stores for reuse and recycling through local charities.

Our Levi's® LEED™ certified store in Paris is taking our Company's innovation in sustainability one step farther. This store is participating in a pilot with the French Ministry of Ecology, Sustainable Development,

Transport and Housing to find the most effective ways to educate consumers about the environmental impact of products. As part of this pilot, the Levi's® brand is providing consumers with information about the environmental impact of eight Levi's® jean styles on our French Levi's® website and also at our Levi's® store in Paris. We're committed to measuring the full lifecycle impact of our products and making the information available to our consumers so they can make smart purchasing decisions.

Positive changes are also occurring in our existing retail store portfolio through energy efficiency measures. Since 2009, the average kilowatt per foot at our U.S. retail stores has declined by more than three percent due to the use of more efficient lighting systems.

In addition, we're greening our corporate headquarters. Our San Francisco office received a coveted Gold LEED™ rating in early 2012. The newly renovated building includes a number of sustainable features, including energy efficient lighting, recycled denim insulation, light sensors, separate HVAC zoning and EnergyStar® rated equipment and appliances.

INCREASING OUR RENEWABLE ENERGY USE

Procuring electricity from renewable energy sources is helping us reduce our greenhouse gas emissions around the world.

In Europe, over the past two years, 23 of our retail stores, nine Levi Strauss & Co. offices and a distribution center in the United Kingdom switched to purchasing electricity generated from 100 percent renewable energy sources. This renewable energy procurement, together with previous years' efforts helped us reduce greenhouse gas emissions by 3,039 metric tons in 2011. Renewable energy now makes up almost five percent of our total electricity consumption globally and six percent of retail consumption globally.

In the United States we purchased 16,000 MWh of renewable energy certificates (RECs), which is equivalent to 12,151 metric tons of green house gas emissions, 13 percent of our total climate impact from Scope 1 and 2 emissions. This purchase of Green-e® certified RECs encourages further development of renewable energy markets by making electricity generated by wind farms, biomass facilities, small-hydro installations, geothermal plants, and solar facilities cost-competitive.

IMPROVING OUR DISTRIBUTION CENTERS

Levi Strauss & Co. owns and operates 10 distribution centers globally. In 2011, distribution centers accounted for 46 percent of our global real estate portfolio square footage and 34 percent of our electricity consumption. To help meet our target of an 11 percent reduction in greenhouse gas emissions, we implemented a suite of initiatives across our distribution centers including lighting system retrofits and installing energy management systems. These initiatives led to an overall 27 percent reduction in greenhouse gas emissions from 2007 in the distribution center category.

GIVING BACK NEVER GOES OUT OF STYLE

In the spirit of our founder, Levi Strauss & Co. has been giving back to communities for more than 150 years through employee volunteering, corporate sponsorship and the Levi Strauss Foundation.

Our employee volunteer and corporate sponsorship programs mobilize resources and create authentic partnerships in communities around the globe to address HIV/AIDS, equality and sustainability. These efforts create positive impact in communities where we work, and also help to increase our reputation and build value for our brands.

In addition to our corporate giving efforts, the Levi Strauss Foundation, founded in 1952, is driving pioneering social change that brings our values — courage, empathy, originality and integrity — to life in communities around the world.

The Foundation focuses on making a difference in three issues — Asset Building, Workers' Rights and HIV/AIDS, while also supporting programs that advance the fields of philanthropy and human rights.

COMMUNITY DAY: Employees Do Their Part

Once a year, employees around the world take time away from work to participate in Community Day — a day in which employees roll up their sleeves and help their local communities.

Dubbed by many as their favorite day of the year, employees get to volunteer with nonprofit organizations focused on the fight against HIV/AIDS, and on sustainability and equality for all.

In 2011, employees in 48 countries donated thousands of volunteer hours in more than 170 projects — from implementing a safe water supply system at a foster home in Ninh Bihn, Vietnam, to installing drip irrigation at schools in San Francisco.

In total, Levi Strauss & Co. and the Levi Strauss Foundation provided $400,000 in grants to participating nonprofit partner organizations.

This wasn't the only chance for employees to donate their time in support of their local communities. In more than 12 office locations in Southeast Asia, Europe and the Americas, "Giving Back to Schools" and "Giving Back for the Holidays" volunteer events engaged several hundred employees with an easy and efficient way to give back. During those campaigns, employees made donations and participated in volunteer opportunities that benefited thousands of families and individuals in need.

The positive impact of these authentic partnerships help build pride of association among Levi Strauss & Co. employees, and enhance the reputation of the Company and the value of our brands.

AIDS CARE CHINA: The Courage to Drive Change in China

The Levi Strauss Foundation is a strong supporter of AIDS Care China, a nonprofit organization that works alongside government agencies and healthcare providers to raise awareness about stigma and discrimination against people living with HIV/AIDS in China.

Founded and led by Thomas Cai, AIDS Care China began as one of the first AIDS hospices in the country. Today, the organization helps over 20,000 people living with HIV/AIDS have access to prevention, treatment and care services.

Thomas Cai received the prestigious United Nations' Red Ribbon Award in 2008 — given to leaders who

display extraordinary courage in addressing the issues of our time.

In 2011, Levi Strauss & Co.'s Employee HIV/AIDS Program partnered with AIDS Care China to deliver trainings in our offices in China and Hong Kong.

Levi Strauss & Co. and the Levi Strauss Foundation are leaders in supporting innovative pioneers around the world who address stigma and discrimination against people affected by HIV/AIDS. To this day, the Levi Strauss Foundation has invested nearly $60 million to promote the health and human rights of marginalized groups disproportionately affected by this epidemic.

The Levi Strauss Foundation's support of AIDS CareChina extends Levi Strauss & Co.'s proven track record and pioneering commitment to the fight against HIV/AIDS, a fight that is far from over.

LA COCINA:
Helping Low-income Women Grow

La Cocina is a pioneering nonprofit in San Francisco supported by the Levi Strauss Foundation that helps low-income women start and grow their food businesses — from Mayan to Malaysian cuisine.

Low-income women in San Francisco who cannot access the food industry usually start their own enterprises by selling homemade food on the streets or out of their homes. This, coupled with large financial risks associated with loans and predatory lenders, makes it hard for them to build lasting food businesses.

La Cocina gives these talented women chefs the resources they need in order to survive the crucial

start-up phase and become part of the local economy. By providing them with a low-cost commercial kitchen space, and financial, business and marketing assistance, the organization guides them every step of the way into financial success and stability.

The Levi Strauss Foundation has supported La Cocina's groundbreaking model since the beginning. Firmly grounded in the Company's stance for women's equality, La Cocina provides opportunities for low-income women to transform their passion for good food into full-fledged livelihoods for them and their families.

THOUGHT LEADERSHIP:
Shaping the Future of Sustainability

In 2011, Levi Strauss & Co. created opportunities for college students and academics to engage with our sustainability work. The goal: to prepare the next generation of business leaders to address the monumental social and environmental challenges that affect not just business but society in general.

The Company organized a sustainable business competition at the Hong Kong University of Science

and Technology, and also cohosted a one-day sustainability workshop with the Haas School of Business. The workshop, which engaged Berkeley Professors, MBA students and Company executives, provided an opportunity to discuss the importance of industry-wide collaboration to drive sustainability efforts.

Our partnership with the Aspen Institute generated a business school teaching module that uses the context of the fashion industry to discuss topics that are shaping the future of sustainability. The Aspen Institute Dinner & Dialogue introduced the module and was cohosted at our San Francisco headquarters. Thirty-five business and academic leaders attended this critical conversation about the future of business education and the impact of business on society.

Finally, Levi Strauss & Co. sponsored the Net Impact conference in Portland, Oregon. Net Impact is an international nonprofit organization that connects students and young professionals who wish to leverage the power of business to change the world. During the conference, representatives from the Dockers® and Levi's® brands communicated the Company's sustainability efforts in the supply chain.

These efforts proactively position Levi Strauss & Co. as a thought leader, develop a pipeline of sustainability-minded talent for the Company, and help build value for our brands.

FORM 10-K

LEVI STRAUSS & CO - N/A

Filed: February 07, 2012 (period: November 27, 2011)

Annual report with a comprehensive overview of the company

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

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

or

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

For the fiscal year ended November 27, 2011

Commission file number: 002-90139

LEVI STRAUSS & CO.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	**94-0905160**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*

1155 BATTERY STREET, SAN FRANCISCO, CALIFORNIA 94111
(Address of Principal Executive Offices)

(415) 501-6000
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☑ No ☐

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

The Company is privately held. Nearly all of its common equity is owned by descendants of the family of the Company's founder, Levi Strauss, and their relatives. There is no trading in the common equity and therefore an aggregate market value based on sales or bid and asked prices is not determinable.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock $.01 par value — 37,354,021 shares outstanding on February 2, 2012

Documents incorporated by reference: None

LEVI STRAUSS & CO.

TABLE OF CONTENTS TO FORM 10-K

FOR FISCAL YEAR ENDED NOVEMBER 27, 2011

PART I

Item 1. ***BUSINESS***

Overview

From our California Gold Rush beginnings, we have grown into one of the world's largest brand-name apparel companies. A history of responsible business practices, rooted in our core values, has helped us build our brands and engender consumer trust around the world. Under our brand names, we design, market and sell — directly or through third parties and licensees — products that include jeans, casual and dress pants, tops, shorts, skirts, jackets, footwear, and related accessories for men, women and children.

An Authentic American Icon

Our Levi's® brand has become one of the most widely recognized brands in the history of the apparel industry. Its broad distribution reflects the brand's appeal across consumers of all ages and lifestyles. Its merchandising and marketing reflect the brand's core attributes: original, definitive, honest, confident and youthful.

Our Dockers® brand was at the forefront of the business casual trend in the United States, offering an alternative to suit dressing and casual wear that led to the American staple — the khaki pant. The brand quickly planted its stake in the marketplace and today, the Dockers® brand has evolved around the world as a market leader in the casual pant category. The Dockers® brand continues to strive to become the world's most loved khaki brand, providing a variety of styles and fits for men and women.

We also bring style, authenticity and quality to a broader base of jeanswear consumers through our Signature by Levi Strauss & Co.™ and Denizen® brands.

Our Global Reach

Our products are sold in more than 110 countries, grouped into three geographic regions: Americas, Europe and Asia Pacific. We support our brands throughout these regions through a global infrastructure, developing, sourcing and marketing our products around the world. Although our brands are recognized as authentically "American," we derive approximately half of our net revenues from outside the United States. A summary of financial information for each geographical region, which comprise our three reporting segments, is found in Note 19 to our audited consolidated financial statements included in this report.

Our products are sold in approximately 55,000 retail locations worldwide, including approximately 2,300 retail stores dedicated to our brands, both franchised and company-operated. We distribute our Levi's® and Dockers® products primarily through chain retailers and department stores in the United States and primarily through department stores, specialty retailers and franchised stores outside of the United States. Levi's® and Dockers® products are also sold through brand-dedicated online stores operated by us as well as the online stores of certain of our key wholesale customers and other third parties. We distribute Signature by Levi Strauss & Co.™ brand products primarily through mass channel retailers in the United States and Canada and franchised stores in Asia Pacific, and we distribute Denizen® products through mass channel retailers in the United States and Mexico and franchised stores in Asia Pacific.

Levi Strauss & Co. was founded in San Francisco, California, in 1853 and incorporated in Delaware in 1971. We conduct our operations outside the United States through foreign subsidiaries owned directly or indirectly by Levi Strauss & Co. We have headquarter offices in San Francisco, Brussels and Singapore. Our corporate offices are located at Levi's Plaza, 1155 Battery Street, San Francisco, California 94111, and our main telephone number is (415) 501-6000.

Our common stock is primarily owned by descendants of the family of Levi Strauss and their relatives.

Our Website — www.levistrauss.com — contains additional and detailed information about our history, our products and our commitments. Financial news and reports and related information about our company can be

found at http://www.levistrauss.com/investors/financial-news. Our Website and the information contained on our Website are not part of this annual report and are not incorporated by reference into this annual report.

Our Business Strategies

Our management team is focused on strategies to profitably grow our business, expand across consumer segments and price tiers, respond to marketplace dynamics and build on our competitive strengths. Our key long-term strategies are:

- *Grow our global brands through product innovation and a sharp consumer focus*. We intend to build upon our brand equity and our design and marketing expertise to expand the reach and appeal of our brands globally. We believe that our insights, innovation and market responsiveness enable us to create trend-right and trend-leading products and marketing programs that appeal to our existing consumer base, while also providing a solid foundation to enhance our appeal to under-served consumer segments. We also seek to further extend our brands' leadership in jeans and khakis into product and pricing categories that we believe offer attractive opportunities for growth.

- *Strengthen our wholesale business.* We intend to strengthen our relationship with existing wholesale customers and develop new wholesale opportunities based on targeted consumer segments, including through e-commerce. We are focused on generating competitive economics and engaging in collaborative volume, inventory and marketing planning to achieve mutual commercial success with our customers. Our goal is to create a rewarding brand and service experience to drive consumer traffic and demand to our wholesale customers' stores.

- *Accelerate growth through dedicated retail channels.* We continue to seek opportunities for strategic expansion of our dedicated store and online presence around the world, including through franchisee and other dedicated store models. We believe mainline, outlet and online stores represent an attractive opportunity to establish incremental distribution and sales as well as to showcase the full breadth of our product offerings and to enhance our brands' appeal. We aim to provide a compelling and brand-elevating consumer experience in our dedicated retail stores.

- *Capitalize upon our global footprint.* Our global footprint is a key factor in the success of our long term growth. We intend to leverage our expansive global presence and local-market talent to drive growth globally and will focus on those markets that offer us the best opportunities for profitable growth, including an emphasis on fast-growing developing markets and their emerging middle-class consumers. We aim to identify global as well as local consumer trends, adapt successes from one market to another and drive growth across our brand portfolio, balancing the power of our global reach with local-market insight.

- *Drive productivity to enable sustained, profitable growth.* We are focused on deriving greater efficiencies in our operations by increasing cost effectiveness across our brands and support functions. We intend to use the cost improvements to improve profitability as well as to invest in our brands to drive growth. We will continue to build sustainability and social responsibility into our operations, and refine our organizational structure to better support our operating model.

Our Brands and Products

We offer a broad range of products, including jeans, casual and dress pants, tops, shorts, skirts, jackets, footwear and related accessories. Across all of our brands, pants — including jeans, casual pants and dress pants — represented approximately 83%, 84% and 85% of our total units sold in each of fiscal years 2011, 2010 and 2009, respectively. Men's products generated approximately 72%, 72% and 73% of our total net sales in each of fiscal years 2011, 2010 and 2009, respectively.

Levi's® Brand

The Levi's® brand epitomizes classic American style and effortless cool and is positioned as the original and definitive jeans brand. Since their inception in 1873, Levi's® jeans have become one of the most

recognizable garments in the world — reflecting the aspirations and earning the loyalty of people for generations. Consumers around the world instantly recognize the distinctive traits of Levi's® jeans — the double arc of stitching, known as the Arcuate Stitching Design, and the Red Tab Device, a fabric tab stitched into the back right pocket. Today, the Levi's ® brand continues to evolve, driven by its distinctive pioneering and innovative spirit. Our range of leading jeanswear and accessories for men, women and children is available in more than 110 countries, allowing individuals around the world to express their personal style.

The Levi's® brand encompasses a range of products. Levi's® Red Tab™ products are the foundation of the brand, consisting of a wide spectrum of jeans and jeanswear offered in a variety of fits, fabrics, finishes, styles and price points intended to appeal to a broad spectrum of consumers. The line includes the flagship 501® jean, the original and best-selling five-pocket jean of all-time. The line also incorporates a full range of jeanswear fits and styles designed specifically for women. Sales of Red Tab™ products represented the majority of our Levi's ® brand net sales in all three of our regions in fiscal years 2011, 2010 and 2009. We also offer premium products around the world including a range of premium pants, tops, shorts, skirts, jackets, footwear, and related accessories.

Our Levi's® brand products accounted for approximately 83%, 81% and 79% of our total net sales in fiscal 2011, 2010 and 2009, respectively, approximately half of which were generated in our Americas region.

Dockers® Brand

The Dockers® brand has embodied the spirit of khakis for more than 25 years. Since its introduction in 1986, the brand has been perfecting the khaki – and the essential goods to go with them — for consumers all over the world. The brand focuses on men, celebrating the re-emergence of khakis as the go-to versatile pant around the world. The brand also leverages its khaki expertise to deliver a range of women's products targeted at consumers in selected key markets.

Our Dockers® brand products accounted for approximately 12%, 15% and 16% of our total net sales in fiscal 2011, 2010 and 2009, respectively. Although the substantial majority of these net sales were in the Americas region, Dockers® brand products are sold in more than 50 countries.

Signature by Levi Strauss & Co.™ Brand and Denizen® Brand

In addition to our Levi's® and Dockers® brands, we offer two brands focused on consumers who seek high-quality, affordable and fashionable jeanswear from a company they trust. We offer denim jeans, casual pants, tops and jackets in a variety of fits, fabrics and finishes for men, women and kids under the Signature by Levi Strauss & Co.™ brand through the mass retail channel in the United States and Canada and franchised stores in Asia Pacific. The Denizen ® brand launched in 2010 in Asia Pacific to reach emerging middle class consumers in developing markets who seek high-quality jeanswear and other fashion essentials at affordable prices. The brand was recently expanded to the United States at Target stores and Mexico at Coppel stores. The Denizen ® product collection — including a variety of jeans, tops and accessories — complements active lifestyles and empowers consumers to express their aspirations, individuality and attitudes at an affordable price point.

Signature by Levi Strauss & Co.™ brand and Denizen® brand products accounted for approximately 5%, 4% and 5% of our total net sales in fiscal years 2011, 2010 and 2009, respectively.

Licensing

The appeal of our brands across consumer groups and our global reach enable us to license our Levi's® and Dockers® trademarks for a variety of product categories in multiple markets in each of our regions, including footwear, belts, wallets and bags, outerwear, sweaters, dress shirts, kidswear, sleepwear and hosiery. We also license our Signature by Levi Strauss & Co.™ and our Denizen ® trademarks in various markets for certain product categories.

In addition to product category licenses, we enter into regional license agreements with third parties to produce, market and distribute our products in several countries around the world, including various Latin American, Middle Eastern and Asia Pacific countries.

We enter into licensing agreements with our licensees covering royalty payments, product design and manufacturing standards, marketing and sale of licensed products, and protection of our trademarks. We require our licensees to comply with our code of conduct for contract manufacturing and engage independent monitors to perform regular on-site inspections and assessments of production facilities.

Sales, Distribution and Customers

We distribute our products through a wide variety of retail formats around the world, including chain and department stores, franchise stores dedicated to our brands, our own company-operated retail network, multi-brand specialty stores, mass channel retailers, and both company-operated and retailer websites.

Multi-brand Retailers

We seek to make our brands and products available where consumers shop, including offering products and assortments that are appropriately tailored for our wholesale customers and their retail consumers. Our products are also sold through authorized third-party Internet sites. Sales to our top ten wholesale customers accounted for approximately 30%, 33% and 36% of our total net revenues in fiscal years 2011, 2010 and 2009, respectively. No customer represented 10% or more of net revenues in any of these years. The loss of any major customer could have a material adverse effect on one or more of our segments or on the company as a whole.

Dedicated Stores

We believe retail stores dedicated to our brands are important for the growth, visibility, availability and commercial success of our brands, and they are an increasingly important part of our strategy for expanding distribution of our products. Our brand-dedicated stores are either operated by us or by independent third parties such as franchisees. In addition to the dedicated stores, we maintain brand-dedicated websites that sell products directly to retail consumers.

Company-operated retail stores. Our company-operated retail and online stores, including both mainline and outlet stores, generated approximately 18%, 15% and 11% of our net revenues in fiscal 2011, 2010 and 2009, respectively. As of November 27, 2011, we had 498 company-operated stores, predominantly Levi's® stores, located in 32 countries across our three regions. We had 211 stores in the Americas, 178 stores in Europe and 109 stores in Asia Pacific. During 2011, we added 62 company-operated stores and closed 34 stores.

Franchised and other stores. Franchised, licensed, or other forms of brand-dedicated stores operated by independent third parties sell Levi's®, Dockers®, Signature by Levi Strauss & Co.™ and Denizen® products in markets outside the United States. There were approximately 1,800 of these stores as of November 27, 2011, and they are a key element of our international distribution. In addition to these stores, we consider our network of dedicated shop-in-shops located within department stores, which may be either operated directly by us or third parties, to be an important component of our retail distribution in international markets. Outside of the United States, approximately 330 dedicated shop-in-shops were operated directly by us as of November 27, 2011.

Seasonality of Sales

We typically achieve our largest quarterly revenues in the fourth quarter, reflecting the "holiday" season, generally followed by the third quarter, reflecting the Fall or "back to school" season. In 2011, our net revenues in the first, second, third and fourth quarters represented 24%, 23%, 25% and 28%, respectively, of our total net revenues for the year. In 2010, our net revenues in the first, second, third and fourth quarters represented 23%, 22%, 25% and 30%, respectively, of our total net revenues in the year.

Our fiscal year ends on the last Sunday of November in each year, although the fiscal years of certain foreign subsidiaries end on November 30. Each quarter of fiscal years 2011, 2010 and 2009 consisted of 13 weeks.

Marketing and Promotion

We root our marketing in globally consistent brand messages that reflect the unique attributes of our brands, including the Levi's® brand as the original and definitive jeans brand and the Dockers® brand as world's best and most loved khaki. We support our brands with a diverse mix of marketing initiatives to drive consumer demand.

We also market through social media and digital and mobile outlets, event and music sponsorships, product placement in leading fashion magazines and with celebrities, personal sponsorships and endorsements, on the ground efforts such as street-level events and similar targeted "viral" marketing activities.

We also use our websites, www.levi.com, www.dockers.com, www.levistrausssignature.com, and www.denizen.com, in relevant markets to enhance consumer understanding of our brands and help consumers find and buy our products.

Sourcing and Logistics

Organization. Our global sourcing and logistics organizations are responsible for taking a product from the design concept stage through production to delivery to our customers. Our objective is to leverage our global scale to achieve product development and sourcing efficiencies and reduce total product and distribution costs while maintaining our focus on local service levels and working capital management.

Product procurement. We source nearly all of our products through independent contract manufacturers. The remainder are sourced from our company-operated manufacturing and finishing plants, including facilities for our innovation and development efforts that provide us with the opportunity to develop new product styles and finishes. See "Item 2 — Properties" for more information about those manufacturing facilities.

Sources and availability of raw materials. The principal fabrics used in our business are cotton, blends, synthetics and wools. The prices we pay our suppliers for our products are dependent in part on the market price for raw materials used to produce them, primarily cotton. The price and availability of cotton may fluctuate substantially, depending on a variety of factors. The price fluctuations impact the cost of our products in future seasons given the lead time of our product development cycle. We have already raised, and may continue to raise, product prices in an attempt to mitigate the impact of these fluctuating costs. Fluctuations in product costs have caused a decrease in our profitability and continued fluctuations in product costs may adversely affect our profitability in the future if our product pricing actions are insufficient or if those actions cause our wholesale customers or retail consumers to reduce the volumes they purchase.

Sourcing locations. We use numerous independent contract manufacturers located throughout the world for the production and finishing of our garments. We conduct assessments of political, social, economic, trade, labor and intellectual property protection conditions in the countries in which we source our products before placing production in those countries and on an ongoing basis.

In 2011 we sourced products from contractors located in more than 30 countries around the world. We sourced products in North and South Asia, South and Central America (including Mexico and the Caribbean), Europe and Africa. No single country accounted for more than 20% of our sourcing in 2011.

Sourcing practices. Our sourcing practices include these elements:

- We require all third-party contractors and subcontractors who manufacture or finish products for us to comply with our code of conduct relating to supplier working conditions as well as environmental and employment practices. We also require our licensees to ensure that their manufacturers comply with our requirements.

- Our code of conduct covers employment practices such as wages and benefits, working hours, health and safety, working age and discriminatory practices, environmental matters such as wastewater treatment and solid waste disposal, and ethical and legal conduct.

- We regularly assess manufacturing and finishing facilities through periodic on-site facility inspections and improvement activities, including use of independent monitors to supplement our internal staff. We integrate review and performance results into our sourcing decisions.

We disclose the names and locations of our contract manufacturers to encourage collaboration among apparel companies in factory monitoring and improvement. We regularly evaluate and refine our code of conduct processes.

Logistics. We own and operate dedicated distribution centers in a number of countries. For more information, see "Item 2 — Properties." Distribution center activities include receiving finished goods from our contractors and plants, inspecting those products, preparing them for retail presentation, and shipping them to our customers and to our own stores. Our distribution centers maintain a combination of replenishment and seasonal inventory from which we ship to our stores and wholesale customers. In certain locations around the globe we have consolidated our distribution centers to service multiple countries and brands. Our inventory significantly builds during peaks in seasonal shipping periods. We are constantly monitoring our inventory levels and adjusting them as necessary to meet market demand. In addition, we outsource some of our logistics activities to third-party logistics providers.

Competition

The worldwide apparel industry is highly competitive and fragmented. It is characterized by low barriers to entry, brands targeted at specific consumer segments, many regional and local competitors, and an increasing number of global competitors. Principal competitive factors include:

- developing products with relevant fits, finishes, fabrics, style and performance features;
- maintaining favorable brand recognition and appeal through strong and effective marketing;
- anticipating and responding to changing consumer demands in a timely manner;
- securing desirable retail locations and presenting products effectively at retail;
- providing sufficient wholesale distribution, visibility and availability, and presenting products effectively at wholesale;
- delivering compelling value for the price; and
- generating competitive economics for wholesale customers, including retailers, franchisees, and distributors.

We face competition from a broad range of competitors at the worldwide, regional and local levels in diverse channels across a wide range of retail price points. Worldwide, a few of our primary competitors include vertically integrated specialty stores operated by such companies such as Gap Inc. and Inditex; jeanswear brands such as those marketed by VF Corporation, a competitor in multiple channels and product lines including through their Wrangler, Lee and Seven for All Mankind brands; khakiwear brands such as Haggar; and athletic wear companies such as adidas Group and Nike, Inc. In addition, each region faces local or regional competition, such as G-Star and Diesel in Europe and UNIQLO in Asia Pacific; and retailers' private or exclusive labels such as those from Wal-Mart Stores, Inc. (Faded Glory brand), Target Corporation (Mossimo and Merona brands) and JC Penney (Arizona brand) in the Americas. Many of our regional competitors are also seeking to expand globally through an expanded store footprint and the e-commerce channel. For more information on the factors affecting our competitive position, see "Item 1A — Risk Factors."

Trademarks

We have more than 5,300 trademark registrations and pending applications in approximately 175 countries worldwide, and we acquire rights in new trademarks according to business needs. Substantially all of our global trademarks are owned by Levi Strauss & Co., the parent and U.S. operating company. We regard our trademarks as our most valuable assets and believe they have substantial value in the marketing of our products. The Levi's®, Dockers® and 501® trademarks, the Arcuate Stitching Design, the Tab Device, the Two Horse ® Design, the Housemark and the Wings and Anchor Design are among our core trademarks.

We protect these trademarks by registering them with the U.S. Patent and Trademark Office and with governmental agencies in other countries, particularly where our products are manufactured or sold. We work

vigorously to enforce and protect our trademark rights by engaging in regular market reviews, helping local law enforcement authorities detect and prosecute counterfeiters, issuing cease-and-desist letters against third parties infringing or denigrating our trademarks, opposing registration of infringing trademarks, and initiating litigation as necessary. We currently are pursuing approximately 350 infringement matters around the world. We also work with trade groups and industry participants seeking to strengthen laws relating to the protection of intellectual property rights in markets around the world.

Employees

As of November 27, 2011, we employed approximately 17,000 people, approximately 9,600 of whom were located in the Americas, 4,800 in Europe, and 2,600 in Asia Pacific. Approximately 4,500 of our employees were associated with manufacturing of our products, 6,700 worked in retail, including seasonal employees, 1,600 worked in distribution and 4,200 were other non-production employees.

History and Corporate Citizenship

Our history and longevity are unique in the apparel industry. Our commitment to quality, innovation and corporate citizenship began with our founder, Levi Strauss, who infused the business with the principle of responsible commercial success that has been embedded in our business practices throughout our more than 150-year history. This mixture of history, quality, innovation and corporate citizenship contributes to the iconic reputations of our brands.

In 1853, during the California Gold Rush, Mr. Strauss opened a wholesale dry goods business in San Francisco that became known as "Levi Strauss & Co." Seeing a need for work pants that could hold up under rough conditions, he and Jacob Davis, a tailor, created the first jean. In 1873, they received a U.S. patent for "waist overalls" with metal rivets at points of strain. The first product line designated by the lot number "501" was created in 1890.

In the 19th and early 20th centuries, our work pants were worn primarily by cowboys, miners and other working men in the western United States. Then, in 1934, we introduced our first jeans for women, and after World War II, our jeans began to appeal to a wider market. By the 1960s they had become a symbol of American culture, representing a unique blend of history and youth. We opened our export and international businesses in the 1950s and 1960s. In 1986, we introduced the Dockers® brand of casual apparel which revolutionized the concept of business casual.

Throughout this long history, we upheld our strong belief that we can help shape society through civic engagement and community involvement, responsible labor and workplace practices, philanthropy, ethical conduct, environmental stewardship and transparency. We have engaged in a "profits through principles" business approach from the earliest years of the business. Among our milestone initiatives over the years, we integrated our factories two decades prior to the U.S. civil rights movement and federally mandated desegregation, we developed a comprehensive supplier code of conduct requiring safe and healthy working conditions among our suppliers (a first of its kind for a multinational apparel company), and we offered full medical benefits to domestic partners of employees prior to other companies of our size, a practice that is widely accepted today.

Our website — www.levistrauss.com — contains additional and detailed information about our history and corporate citizenship initiatives. Our website and the information contained on our website are not part of this annual report and are not incorporated by reference into this annual report.

Item 1A. *RISK FACTORS*

Risks Relating to the Industry in Which We Compete

Our revenues are influenced by economic conditions that impact consumer spending.

Apparel is a cyclical industry that is dependent upon the overall level of consumer spending. Our wholesale customers anticipate and respond to adverse changes in economic conditions and uncertainty by reducing

inventories and canceling orders. Our brand-dedicated stores are also affected by these conditions which may lead to a decline in consumer traffic to, and spending in, these stores. As a result, factors that diminish consumer spending and confidence in any of the markets in which we compete, particularly deterioration in general economic conditions, volatility in investment returns, high levels and fear of unemployment, increases in energy costs or interest rates, housing market downturns, fear about and impact of pandemic illness, and other factors such as acts of war, acts of nature or terrorist or political events that impact consumer confidence, could reduce our sales and adversely affect our business and financial condition through their impact on our wholesale customers as well as its direct impact on us. The global financial economic downturn that began in 2008 and that continued throughout 2011, particularly in Europe, has impacted consumer confidence and spending negatively. These outcomes and behaviors have, and may continue to, adversely affect our business and financial condition.

Intense competition in the worldwide apparel industry could lead to reduced sales and prices.

We face a variety of competitive challenges in the worldwide apparel industry from a variety of jeanswear and casual apparel marketers, and competition has increased over the years due to factors such as the international expansion and increased presence of vertically integrated specialty stores; expansion into e-commerce by existing and new competitors; the proliferation of private labels or exclusive labels offered by department stores, chain stores and mass channel retailers; the introduction of jeans and casual apparel by well-known and successful non-apparel brands (such as athletic wear marketers); and the movement of apparel companies who traditionally relied on wholesale distribution channels into their own retail distribution network. Some of these competitors have greater financial and marketing resources than we do and may be able to adapt to changes in consumer preferences or retail requirements more quickly, devote greater resources to the building and sustaining of their brand equity and the marketing and sale of their products. In addition, some of these competitors may not respond to changing sourcing conditions in the same manner we do, and may be able to achieve lower product costs or adopt more aggressive pricing policies than we can. As a result, we may not be able to compete as effectively with them and may not be able to maintain or grow the equity of and demand for our brands. These evolving competitive factors could reduce our sales and adversely affect our business and financial condition.

The success of our business depends upon our ability to offer innovative and updated products at attractive price points.

The worldwide apparel industry is characterized by constant product innovation due to changing fashion trends and consumer preferences and by the rapid replication of new products by competitors. As a result, our success depends in large part on our ability to develop, market and deliver innovative and stylish products at a pace, intensity, and price competitive with other brands in our segments. We must also have the agility to respond to changes in consumer preference such as a consumer shift in some markets away from premium-priced brands to lower-priced fast-fashion products. In addition, we must create products at a range of price points that appeal to the consumers of both our wholesale customers and our dedicated retail stores. Failure on our part to regularly and rapidly develop innovative and stylish products and update core products could limit sales growth, adversely affect retail and consumer acceptance of our products, negatively impact the consumer traffic in our dedicated retail stores, leave us with a substantial amount of unsold inventory which we may be forced to sell at discounted prices, and impair the image of our brands. Moreover, our newer products may not produce as high a gross margin as our traditional products and thus may have an adverse effect on our overall margins and profitability.

The worldwide apparel industry is subject to ongoing pricing pressure.

The apparel market is characterized by low barriers to entry for both suppliers and marketers, global sourcing through suppliers located throughout the world, trade liberalization, continuing movement of product sourcing to lower cost countries, and the ongoing emergence of new competitors with widely varying strategies and resources. These factors have contributed, and may continue to contribute, to ongoing pricing pressure and uncertainty throughout the supply chain. Pricing pressure has been exacerbated by the variability of raw material and energy costs in recent years. This pressure has had and may continue to have the following effects:

- require us to raise wholesale prices on existing products resulting in decreased sales volume;

- result in reduced gross margins across our product lines;
- increase retailer demands for allowances, incentives and other forms of economic support; and
- increase pressure on us to reduce our production costs and our operating expenses.

Any of these factors could adversely affect our business and financial condition.

Increases in the price of raw materials could increase our cost of goods and negatively impact our financial results.

The principal materials used in our business are cotton, blends, synthetics and wools. The prices we pay our suppliers for our products are dependent in part on the market price for raw materials used to produce them, primarily cotton. The price and availability of cotton may fluctuate substantially, depending on a variety of factors, including demand, acreage devoted to cotton crops and crop yields, weather, supply conditions, transportation costs, energy prices, work stoppages, government regulation and government policy, economic climates, market speculation and other unpredictable factors. Any and all of these factors may be exacerbated by global climate change. Cotton prices suffered from unprecedented variability and uncertainty in 2010 and 2011. Increases in raw material costs, unless sufficiently offset with our pricing actions, have caused and may continue to cause a decrease in our profitability and impact our sales volume. These factors may also have an adverse impact on our cash and working capital needs as well as those of our suppliers.

Our business is subject to risks associated with sourcing and manufacturing overseas.

We import both raw materials and finished garments into all of our operating regions. Our ability to import products in a timely and cost-effective manner may be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as port and shipping capacity, labor disputes and work stoppages, political unrest, severe weather, or security requirements in the United States and other countries. These issues could delay importation of products or require us to locate alternative ports or warehousing providers to avoid disruption to our customers. These alternatives may not be available on short notice or could result in higher transportation costs, which could have an adverse impact on our business and financial condition.

Substantially all of our import operations are subject to customs and tax requirements and to tariffs and quotas set by governments through mutual agreements or bilateral actions. In addition, the countries in which our products are manufactured or imported may from time to time impose additional quotas, duties, tariffs or other restrictions on our imports or adversely modify existing restrictions. Adverse changes in these import costs and restrictions, or our suppliers' failure to comply with customs regulations or similar laws, could harm our business.

Our operations are also subject to the effects of international trade agreements and regulations such as the North American Free Trade Agreement, the Dominican-Republic Central America Free Trade Agreement, the Egypt Qualified Industrial Zone program, and the activities and regulations of the World Trade Organization. Although generally these trade agreements have positive effects on trade liberalization, sourcing flexibility and cost of goods by reducing or eliminating the duties and/or quotas assessed on products manufactured in a particular country, trade agreements can also impose requirements that adversely affect our business, such as setting quotas on products that may be imported from a particular country into our key markets such as the United States or the European Union.

Risks Relating to Our Business

We depend on a group of key customers for a significant portion of our revenues. A significant adverse change in a customer relationship or in a customer's performance or financial position could harm our business and financial condition.

Sales to our top ten wholesale customers accounted for approximately 30%, 33% and 36% of our total net revenues in fiscal years 2011, 2010 and 2009, respectively. No customer represented 10% or more of net revenues in any of these years. While we have long-standing relationships with our wholesale customers, we do

not have long-term contracts with them. As a result, purchases generally occur on an order-by-order basis, and the relationship, as well as particular orders, can generally be terminated by either party at any time. If any major customer decreases or ceases its purchases from us, reduces the floor space, assortments, fixtures or advertising for our products or changes its manner of doing business with us for any reason, such actions could adversely affect our business and financial condition. In addition, a customer may revise its strategy to one that shifts its focus away from our typical consumer or that otherwise results in a reduction of its sales of our products generally, negatively impacting our sales through that channel. Also, the performance and financial condition of a wholesale customer may cause us to alter our business terms or to cease doing business with that customer, which could in turn adversely affect our own business and financial condition.

The retail industry in the United States has experienced substantial consolidation over the last decade, and further consolidation may occur. Consolidation in the retail industry typically results in store closures, centralized purchasing decisions, increased customer leverage over suppliers, greater exposure for suppliers to credit risk and an increased emphasis by retailers on inventory management and productivity, any of which can, and have, adversely impacted our net revenues, margins and ability to operate efficiently.

Our introduction and expansion of a new brand creates risks for us and may not be successful.

In August 2010, we launched the Denizen® brand in Asia Pacific to reach consumers in the emerging middle class in developing markets who seek high-quality jeanswear and other fashion essentials at affordable prices. The brand was expanded in Asia Pacific and also in the mass channel in the United States and Mexico in 2011. We face a number of risks with respect to this new offering. Growing a new brand involves considerable investments, which are initially made with limited information regarding actual consumer acceptance of the brand, as we are entering into a new business with limited history of performance and no guarantees of maintaining a successful response in the marketplace. Additionally, our relationships with our current customers may be adversely affected if they react negatively to our selling the brand through a distribution channel other than their own. Any of these risks could result in decreased sales, additional expenses and increased working capital requirements, which may adversely affect our business and financial condition.

We may be unable to maintain or increase our sales through our primary distribution channels.

In the United States, chain stores and department stores are the primary distribution channels for our Levi's® and Dockers® products, and the mass channel is the primary distribution channel for Signature by Levi Strauss & Co.™ and Denizen® products. Outside the United States, department stores and independent jeanswear retailers have traditionally been our primary distribution channels.

We may be unable to maintain or increase sales of our products through these distribution channels for several reasons, including the following:

- The retailers in these channels maintain — and seek to grow — substantial private-label and exclusive offerings as they strive to differentiate the brands and products they offer from those of their competitors.

- These retailers may also change their apparel strategies and reduce fixture spaces and purchases of brands misaligned with their strategic requirements.

- Other channels, including vertically integrated specialty stores, account for a substantial portion of jeanswear and casual wear sales. In some of our mature markets, these stores have already placed competitive pressure on our primary distribution channels, and many of these stores are now looking to our developing markets to grow their business.

Further success by retailer private-labels and vertically integrated specialty stores may continue to adversely affect the sales of our products across all channels, as well as the profitability of our brand-dedicated stores. Additionally, our ability to secure or maintain retail floor space, market share and sales in these channels depends on our ability to offer differentiated products and to increase retailer profitability on our products, which could have an adverse impact on our margins.

During the past several years, we have experienced significant changes in senior management and our board. The success of our business depends on our ability to attract and retain qualified and effective senior management and board leadership.

The composition of our senior management team and the board has changed significantly in recent years. Recent changes in our senior management team include the transition to a new President and Chief Executive Officer, Charles V. Bergh, starting September 1, 2011, and the departure of Robert L. Hanson, Executive Vice President and President, Global Levi's®. Our Board of Directors also appointed a new Chairman, Steven C. Neal, who has been a director since 2007. Collective or individual changes in our senior management group or board membership could have an adverse effect on our ability to determine and implement our strategies, which in turn may adversely affect our business and results of operations.

We must successfully maintain and/or upgrade our information technology systems.

We rely on various information technology systems to manage our operations. Over the last several years we have been and continue to implement modifications and upgrades to our systems, including making changes to legacy systems, replacing legacy systems with successor systems with new functionality and acquiring new systems with new functionality. These types of activities subject us to inherent costs and risks associated with replacing and changing these systems, including impairment of our ability to fulfill customer orders, potential disruption of our internal control structure, substantial capital expenditures, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time, and other risks and costs of delays or difficulties in transitioning to new systems or of integrating new systems into our current systems. Our system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. In addition, the difficulties with implementing new technology systems may cause disruptions in our business operations and have an adverse effect on our business and operations, if not anticipated and appropriately mitigated.

We currently rely on contract manufacturing of our products. Our inability to secure production sources meeting our quality, cost, working conditions and other requirements, or failures by our contractors to perform, could harm our sales, service levels and reputation.

We source approximately 95% of our products from independent contract manufacturers who purchase fabric and make our products and may also provide us with design and development services. As a result, we must locate and secure production capacity. We depend on independent manufacturers to maintain adequate financial resources, including access to sufficient credit, secure a sufficient supply of raw materials, and maintain sufficient development and manufacturing capacity in an environment characterized by continuing cost pressure and demands for product innovation and speed-to-market. In addition, we do not have material long-term contracts with any of our independent manufacturers, and these manufacturers generally may unilaterally terminate their relationship with us at any time. Finally, we may experience capability-building and infrastructure challenges as we expand our sourcing to new contractors throughout the world.

Our suppliers are subject to the fluctuations in general economic cycles, and the global economic conditions may impact their ability to operate their business. They may also be impacted by the increasing costs of raw materials, labor and distribution, resulting in demands for less attractive contract terms or an inability for them to meet our requirements or conduct their own businesses. The performance and financial condition of a supplier may cause us to alter our business terms or to cease doing business with a particular supplier, or change our sourcing practices generally, which could in turn adversely affect our own business and financial condition.

Our dependence on contract manufacturing could subject us to difficulty in obtaining timely delivery of products of acceptable quality. A contractor's failure to ship products to us in a timely manner or to meet our quality standards, or interference with our ability to receive shipments due to factors such as port or transportation conditions, could cause us to miss the delivery date requirements of our customers. Failing to make timely deliveries may cause our customers to cancel orders, refuse to accept deliveries, impose non-compliance charges, demand reduced prices, or reduce future orders, any of which could harm our sales and margins.

We require contractors to meet our standards in terms of working conditions, environmental protection, security and other matters before we are willing to place business with them. As such, we may not be able to obtain the lowest-cost production. In addition, the labor and business practices of apparel manufacturers have received increased attention from the media, non-governmental organizations, consumers and governmental agencies in recent years. Any failure by our independent manufacturers to adhere to labor or other laws or appropriate labor or business practices, and the potential litigation, negative publicity and political pressure relating to any of these events, could harm our business and reputation.

We are a global company with significant revenues coming from our Europe and Asia Pacific businesses, which exposes us to political and economic risks as well as the impact of foreign currency fluctuations.

We generated approximately 43%, 42% and 43% of our net revenues from our Europe and Asia Pacific businesses in 2011, 2010 and 2009, respectively. A substantial amount of our products came from sources outside of the country of distribution. As a result, we are subject to the risks of doing business outside of the United States, including:

- currency fluctuations, which have impacted our results of operations significantly in recent years;
- political, economic and social instability;
- changes in tariffs and taxes;
- regulatory restrictions on repatriating foreign funds back to the United States; and
- less protective foreign laws relating to intellectual property.

The functional currency for most of our foreign operations is the applicable local currency. As a result, fluctuations in foreign currency exchange rates affect the results of our operations and the value of our foreign assets and liabilities, including debt, which in turn may benefit or adversely affect results of operations and cash flows and the comparability of period-to-period results of operations. In addition, we engage in hedging activities to manage our foreign currency exposures resulting from certain product sourcing activities, some intercompany sales, foreign subsidiaries' royalty payments, earnings repatriations, net investment in foreign operations and funding activities. However, our earnings may be subject to volatility since we do not fully hedge our foreign currency exposures and we are required to record in income the changes in the market values of our exposure management instruments that we do not designate or that do not qualify for hedge accounting treatment. Changes in the value of the relevant currencies may affect the cost of certain items required in our operations as the majority of our sourcing activities are conducted in U.S. Dollars. Changes in currency exchange rates may also affect the relative prices at which we and foreign competitors sell products in the same market. Foreign policies and actions regarding currency valuation could result in actions by the United States and other countries to offset the effects of such fluctuations. Recently, there has been a high level of volatility in foreign currency exchange rates and that level of volatility may continue and may adversely impact our business or financial conditions.

Furthermore, due to our global operations, we are subject to numerous domestic and foreign laws and regulations affecting our business, such as those related to labor, employment, worker health and safety, antitrust and competition, environmental protection, consumer protection, import/export, and anti-corruption, including but not limited to the Foreign Corrupt Practices Act which prohibits giving anything of value intended to influence the awarding of government contracts. Although we have put into place policies and procedures aimed at ensuring legal and regulatory compliance, our employees, subcontractors and agents could take actions that violate these requirements. Violations of these regulations could subject us to criminal or civil enforcement actions, any of which could have a material adverse effect on our business.

As a global company, we are exposed to risks of doing business in foreign jurisdictions and risks relating to U.S. policy with respect to companies doing business in foreign jurisdictions. Legislation or other changes in the U.S. tax laws could increase our U.S. income tax liability and adversely affect our after-tax profitability.

Most of the employees in our production and distribution facilities are covered by collective bargaining agreements, and any material job actions could negatively affect our results of operations.

In North America, most of our distribution employees are covered by various collective bargaining agreements, and outside North America, most of our production and distribution employees are covered by either industry-sponsored and/or state-sponsored collective bargaining mechanisms. Any work stoppages or other job actions by these employees could harm our business and reputation.

Our licensees may not comply with our product quality, manufacturing standards, marketing and other requirements.

We license our trademarks to third parties for manufacturing, marketing and distribution of various products. While we enter into comprehensive agreements with our licensees covering product design, product quality, sourcing, manufacturing, marketing and other requirements, our licensees may not comply fully with those agreements. Non-compliance could include marketing products under our brand names that do not meet our quality and other requirements or engaging in manufacturing practices that do not meet our supplier code of conduct. These activities could harm our brand equity, our reputation and our business.

Our success depends on the continued protection of our trademarks and other proprietary intellectual property rights.

Our trademarks and other intellectual property rights are important to our success and competitive position, and the loss of or inability to enforce trademark and other proprietary intellectual property rights could harm our business. We devote substantial resources to the establishment and protection of our trademark and other proprietary intellectual property rights on a worldwide basis. Our efforts to establish and protect our trademark and other proprietary intellectual property rights may not be adequate to prevent imitation of our products by others or to prevent others from seeking to block sales of our products. Unauthorized copying of our products or unauthorized use of our trademarks or other proprietary rights may not only erode sales of our products but may also cause significant damage to our brand names and our ability to effectively represent ourselves to our customers, contractors, suppliers and/or licensees. Moreover, others may seek to assert rights in, or ownership of, our trademarks and other proprietary intellectual property, and we may not be able to successfully resolve those claims. In addition, the laws and enforcement mechanisms of some foreign countries may not allow us to protect our proprietary rights to the same extent as we are able to in the United States and other countries.

We have substantial liabilities and cash requirements associated with postretirement benefits, pension and our deferred compensation plans.

Our postretirement benefits, pension, and our deferred compensation plans result in substantial liabilities on our balance sheet. These plans and activities have and will generate substantial cash requirements for us, and these requirements may increase beyond our expectations in future years based on changing market conditions. The difference between plan obligations and assets, or the funded status of the plans, is a significant factor in determining the net periodic benefit costs of our pension plans and the ongoing funding requirements of those plans. Many variables, such as changes in interest rates, mortality rates, health care costs, investment returns, and/or the market value of plan assets can affect the funded status of our defined benefit pension, other postretirement, and postemployment benefit plans and cause volatility in the net periodic benefit cost and future funding requirements of the plans. Our current estimates indicate our future annual funding requirements may be approximately $65 million in 2012. Plan liabilities may impair our liquidity, have an unfavorable impact on our ability to obtain financing and place us at a competitive disadvantage compared to some of our competitors who do not have such liabilities and cash requirements.

Earthquakes or other events outside of our control may damage our facilities or the facilities of third parties on which we depend.

Our corporate headquarters are located in California near major geologic faults that have experienced earthquakes in the past. An earthquake or other natural disaster or the loss of power caused by power shortages could disrupt operations or impair critical systems. Any of these disruptions or other events outside of our control

could affect our business negatively, harming our operating results. In addition, if any of our other facilities, including our manufacturing, finishing or distribution facilities or our company-operated or franchised stores, or the facilities of our suppliers or customers, is affected by earthquakes, tsunamis, power shortages, floods, monsoons, terrorism, epidemics or other events outside of our control, our business could suffer. The Company has plans in place to mitigate the impact of these types of events on its own facilities including the geographic diversity of our IT infrastructure, the duplication of headquarter locations, training and education of employees for such circumstances, and the capacity for many employees to work remotely. Oversight to these preparedness strategies is provided by several committees comprised of key functions representing the regions in which the company does business. However, we cannot assure that these mitigation plans will offset the impact of such events, and we cannot control the impact of such events on the operations of our suppliers or customers.

Risks Relating to Our Debt

We have debt and interest payment requirements at a level that may restrict our future operations.

As of November 27, 2011, we had approximately $2.0 billion of debt, of which all but approximately $200.0 million was unsecured, and we had $494.7 million of additional borrowing capacity under our senior secured revolving credit facility. We entered into our credit facility on September 30, 2011, refinancing our previous facility which would have matured in 2012. The new facility has a maturity date of September 30, 2016, which may be accelerated to December 26, 2013, if the Term Loan Agreement, dated as of March 27, 2007, among the Company, Bank of America, as administrative agent and the other lenders and financial institutions party thereto, is still outstanding on that date and we have not met certain other conditions. Upon the maturity date, all of the borrowings under the credit facility become due.

Our debt requires us to dedicate a substantial portion of any cash flow from operations to the payment of interest and principal due under our debt, which will reduce funds available for other business purposes, and result in us having lower net income than we would otherwise have had. This dedicated use of cash could impact our ability to successfully compete by, for example:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for or reacting to changes in our business and industry;
- placing us at a competitive disadvantage compared to some of our competitors that have less debt; and
- limiting our ability to obtain additional financing required to fund working capital and capital expenditures and for other general corporate purposes.

In addition, borrowings under our senior secured revolving credit facility and our unsecured term loan bear interest at variable rates of interest. As a result, increases in market interest rates would require a greater portion of our cash flow to be used to pay interest, which could further hinder our operations. Increase in market interest rates may also affect the trading price of our debt securities that bear interest at a fixed rate. Our ability to satisfy our obligations and to reduce our total debt depends on our future operating performance and on economic, financial, competitive and other factors, many of which are beyond our control.

The downturn in the economy and the volatility in the capital markets could affect our ability to access capital or could increase our costs of capital.

The dramatic downturn in the U.S. and global economy and disruption in the credit markets, which began in 2008, has not fully abated. Further downturn or disruption in the credit markets may reduce sources of liquidity available to us or increase our costs of capital, which could impact our ability to maintain or grow our business, which in turn may adversely affect our business and results of operations.

Restrictions in our notes, indentures, unsecured term loan and senior secured revolving credit facility may limit our activities, including dividend payments, share repurchases and acquisitions.

The indentures relating to our senior unsecured notes, our Euro notes, our Yen-denominated Eurobonds, our unsecured term loan and our senior secured revolving credit facility contain restrictions, including covenants limiting our ability to incur additional debt, grant liens, make acquisitions and other investments, prepay

specified debt, consolidate, merge or acquire other businesses, sell assets, pay dividends and other distributions, repurchase stock, and enter into transactions with affiliates. These restrictions, in combination with our leveraged condition, may make it more difficult for us to successfully execute our business strategy, grow our business or compete with companies not similarly restricted.

If our foreign subsidiaries are unable to distribute cash to us when needed, we may be unable to satisfy our obligations under our debt securities, which could force us to sell assets or use cash that we were planning to use elsewhere in our business.

We conduct our international operations through foreign subsidiaries, and therefore we depend upon funds from our foreign subsidiaries for a portion of the funds necessary to meet our debt service obligations. We only receive the cash that remains after our foreign subsidiaries satisfy their obligations. Any agreements our foreign subsidiaries enter into with other parties, as well as applicable laws and regulations limiting the right and ability of non-U.S. subsidiaries and affiliates to pay dividends and remit cash to affiliated companies, may restrict the ability of our foreign subsidiaries to pay dividends or make other distributions to us. If those subsidiaries are unable to pass on the amount of cash that we need, we will be unable to make payments on our debt obligations, which could force us to sell assets or use cash that we were planning on using elsewhere in our business, which could hinder our operations and affect the trading price of our debt securities.

Item 1B. *UNRESOLVED STAFF COMMENTS*

Not applicable.

Item 2. *PROPERTIES*

We conduct manufacturing, distribution and administrative activities in owned and leased facilities. We operate four manufacturing-related facilities abroad and nine distribution centers around the world. We have renewal rights for most of our property leases. We anticipate that we will be able to extend these leases on terms satisfactory to us or, if necessary, locate substitute facilities on acceptable terms. We believe our facilities and equipment are in good condition and are suitable for our needs. Information about our key operating properties in use as of November 27, 2011, is summarized in the following table**:**

Location	Primary Use	Leased/Owned
Americas		
Hebron, KY	Distribution	Owned
Canton, MS	Distribution	Owned
Henderson, NV	Distribution	Owned
Westlake, TX	Data Center	Leased
Etobicoke, Canada	Distribution	Owned
Cuautitlan, Mexico	Distribution	Leased
Europe		
Plock, Poland	Manufacturing and Finishing	Leased(1)
Northhampton, U.K	Distribution	Owned
Sabadell, Spain	Distribution	Leased
Corlu, Turkey	Manufacturing, Finishing and Distribution	Owned
Asia Pacific		
Adelaide, Australia	Distribution	Leased
Cape Town, South Africa	Manufacturing, Finishing and Distribution	Leased
Hiratsuka Kanagawa, Japan	Distribution	Owned(2)
Ninh Binh, Vietnam	Finishing	Leased

(1) Building and improvements are owned but subject to a ground lease.

(2) Owned by our 84%-owned Japanese subsidiary.

Our global headquarters and the headquarters of our Americas region are both located in leased premises in San Francisco, California. Our Europe and Asia Pacific headquarters are located in leased premises in Brussels, Belgium and Singapore, respectively. In addition to the above, we operate a finance shared service center in Eugene, Oregon. As of November 27, 2011, we also leased or owned 110 administrative and sales offices in 41 countries, as well as leased 17 warehouses in nine countries. We own or lease several facilities that are no longer in operation that we are working to sell or sublease.

In addition, as of November 27, 2011, we had 498 company-operated retail and outlet stores in leased premises in 32 countries. We had 211 stores in the Americas region, 178 stores in the Europe region and 109 stores in the Asia Pacific region.

Item 3. ***LEGAL PROCEEDINGS***

In the ordinary course of business, we have various pending cases involving contractual matters, facility- and employee-related matters, distribution questions, product liability claims, trademark infringement and other matters. We do not believe there are any of these pending legal proceedings that will have a material impact on our financial condition, results of operations or cash flows.

Item 4. ***REMOVED AND RESERVED***

PART II

Item 5. ***MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES***

Our common stock is primarily owned by descendants of the family of Levi Strauss and their relatives. From April 15, 1996 to April 15, 2011, all of our common stock was deposited in a voting trust which granted to four voting trustees the exclusive ability to elect and remove directors, amend our by-laws and take certain other actions which would normally be within the power of stockholders of a Delaware corporation. Following the expiration of the voting trust in 2011, the voting powers shifted back into the hands of all stockholders who may now engage in voting procedures directly.

Shares of our common stock are not publicly held or traded. All shares are subject to a stockholders' agreement. The agreement, which expires in April 2016, limits the transfer of shares to other holders, family members, specified charities and foundations and back to the Company. The agreement does not provide for registration rights or other contractual devices for forcing a public sale of shares or certificates, or other access to liquidity.

As of February 2, 2012, there were 223 record holders of our common stock. Our shares are not registered on any national securities exchange, there is no established public trading market for our shares and none of our shares are convertible into shares of any other class of stock or other securities.

We paid cash dividends of $20 million on our common stock in the first quarter of 2011 and in the second quarters of 2010 and 2009. Please see Note 14 to our audited consolidated financial statements included in this report for more information. The Company does not have an established annual dividend policy. The Company will continue to review its ability to pay cash dividends at least annually, and dividends may be declared at the discretion of our board of directors depending upon, among other factors, the income tax impact to the dividend recipients, our financial condition and compliance with the terms of our debt agreements. Our debt arrangements limit our ability to pay dividends. For more detailed information about these limitations, see Note 6 to our audited consolidated financial statements included in this report.

We repurchased a total of 11,853 shares of our common stock during the first and fourth quarters of the fiscal year ended November 27, 2011, in connection with the exercise of call rights under our 2006 Equity Incentive Plan. For more detailed information, see Note 11 to our audited consolidated financial statements included in this report.

Item 6. ***SELECTED FINANCIAL DATA***

The following table sets forth our selected historical consolidated financial data which are derived from our consolidated financial statements for 2011, 2010, 2009, 2008 and 2007. The financial data set forth below should be read in conjunction with, and are qualified by reference to, "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations," our audited consolidated financial statements for 2011, 2010 and 2009 and the related notes to those audited consolidated financial statements, included elsewhere in this report.

	Year Ended November 27, 2011	Year Ended November 28, 2010	Year Ended November 29, 2009	Year Ended November 30, 2008	Year Ended November 25, 2007
			(Dollars in thousands)		
Statements of Income Data:					
Net sales	$ 4,674,426	$ 4,325,908	$ 4,022,854	$ 4,303,075	$ 4,266,108
Licensing revenue	87,140	84,741	82,912	97,839	94,821
Net revenues	4,761,566	4,410,649	4,105,766	4,400,914	4,360,929
Cost of goods sold	2,469,327	2,187,726	2,132,361	2,261,112	2,318,883
Gross profit	2,292,239	2,222,923	1,973,405	2,139,802	2,042,046
Selling, general and administrative expenses	1,955,846	1,841,562	1,595,317	1,614,730	1,401,005
Operating income	336,393	381,361	378,088	525,072	641,041
Interest expense	(132,043)	(135,823)	(148,718)	(154,086)	(215,715)
Loss on early extinguishment of debt	(248)	(16,587)	—	(1,417)	(63,838)
Other income (expense), net	(1,275)	6,647	(39,445)	(303)	15,047
Income before taxes	202,827	235,598	189,925	369,266	376,535
Income tax expense (benefit)[(1)]	67,715	86,152	39,213	138,884	(84,759)
Net income	135,112	149,446	150,712	230,382	461,294
Net loss (income) attributable to noncontrolling interest	2,841	7,057	1,163	(1,097)	(909)
Net income attributable to Levi Strauss & Co.	$ 137,953	$ 156,503	$ 151,875	$ 229,285	$ 460,385
Statements of Cash Flow Data:					
Net cash flow provided by (used for):					
Operating activities	$ 1,848	$ 146,274	$ 388,783	$ 224,809	$ 302,271
Investing activities	(140,957)	(181,781)	(233,029)	(26,815)	(107,277)
Financing activities	77,707	32,313	(97,155)	(135,460)	(325,534)
Balance Sheet Data:					
Cash and cash equivalents	$ 204,542	$ 269,726	$ 270,804	$ 210,812	$ 155,914
Working capital	870,960	891,607	778,888	713,644	647,256
Total assets	3,279,555	3,135,249	2,989,381	2,776,875	2,850,666
Total debt, excluding capital leases	1,972,372	1,863,146	1,852,900	1,853,207	1,960,406
Total capital leases	3,713	5,355	7,365	7,806	8,177
Total Levi Strauss & Co. stockholders' deficit	(165,592)	(219,609)	(333,119)	(349,517)	(398,029)
Other Financial Data:					
Depreciation and amortization	$ 117,793	$ 104,896	$ 84,603	$ 77,983	$ 67,514
Capital expenditures	130,580	154,632	82,938	80,350	92,519
Dividends paid	20,023	20,013	20,001	49,953	—

(1) In the fourth quarter of 2007, as a result of improvements in business performance and positive developments in an ongoing IRS examination, we reversed valuation allowances against our deferred tax assets for foreign tax credit carryforwards, as we believed that it was more likely than not that these credits will be utilized prior to their expiration.

Item 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

Overview

Our Company

We design and market jeans, casual and dress pants, tops, shorts, skirts, jackets, footwear and related accessories for men, women and children under our Levi's®, Dockers®, Signature by Levi Strauss & Co.™ ("Signature") and Denizen® brands around the world. We also license our trademarks in many countries throughout the world for a wide array of products, including accessories, pants, tops, footwear and other products.

Our business is operated through three geographic regions: Americas, Europe and Asia Pacific. Our products are sold in approximately 55,000 retail locations in more than 110 countries. We support our brands through a global infrastructure, developing, sourcing and marketing our products around the world. We distribute our Levi's® and Dockers® products primarily through chain retailers and department stores in the United States and primarily through department stores, specialty retailers and nearly 1,800 franchised and other brand-dedicated stores outside of the United States. We also distribute our Levi's® and Dockers® products through the online stores we operate, and 498 company-operated stores located in 32 countries, including the United States. These stores generated approximately 18% of our net revenues in 2011, as compared to 15% in 2010. In addition, we distribute our Levi's® and Dockers® products through online stores operated by certain of our key wholesale customers and other third parties. We distribute products under the Signature brand primarily through mass channel retailers in the United States and Canada and through franchised stores in Asia Pacific. We currently distribute our Denizen® products through mass channel retailers in the United States and Mexico and through franchised stores in Asia Pacific.

Our Europe and Asia Pacific businesses, collectively, contributed approximately 43% of our net revenues and 42% of our regional operating income in 2011. Sales of Levi's® brand products represented approximately 83% of our total net sales in 2011. Pants, including jeans, casual pants and dress pants, represented approximately 83% of our total units sold in 2011, and men's products generated approximately 72% of our total net sales.

Our Objectives

Our key long-term objectives are to strengthen our brands globally in order to deliver sustainable profitable growth, generate strong cash flow and reduce our debt. Critical strategies to achieve these objectives include growing our global brands through product innovation and consumer focus, enhancing relationships with wholesale customers and expanding our dedicated retail channels to drive sales growth, capitalizing on our global footprint to maximize opportunities in targeted growth markets, and continuously increasing our productivity while refining our operating model and organizational structure.

Trends Affecting Our Business

We believe the key business and marketplace factors affecting us include the following:

- Factors that impact consumer discretionary spending, which continues to be weak in many markets around the world, are creating a challenging retail environment for us and our customers. Such factors include continuing pressures in the U.S. and global economy related to the global economic downturn, volatility in investment returns, housing market downturns, high level and fear of unemployment, and other similar elements.

- Wholesaler/retailer dynamics are changing as the wholesale channels face slowed growth prospects as a result of consolidation in the industry, the increasing presence of vertically integrated specialty stores and e-commerce shopping. As a result, many of our customers desire increased returns on their investment with us through increased margins and inventory turns, and they continue to build competitive exclusive or private-label offerings. Many apparel wholesalers, including us, seek to strengthen relationships with customers as a result of these changes in the marketplace through efforts such as investment in new products, marketing programs, fixtures and collaborative planning systems.

- Many apparel companies that have traditionally relied on wholesale distribution channels have invested in expanding their own retail store distribution network, which has raised competitiveness in the retail market.

- More competitors are seeking growth globally, thereby raising the competitiveness of the international markets. Some of these competitors are entering into markets where we already have a mature business such as the United States, Western Europe, Japan and Canada, and those new brands provide consumers discretionary purchase alternatives and lower-priced apparel offerings. Opportunities for major brands also are increasing in rapidly growing developing markets such as China, India, Russia and Brazil.

- The increasingly global nature of our business exposes us to earnings volatility resulting from exchange rate fluctuations.

- Brand and product proliferation continues around the world as we and other companies compete through differentiated brands and products targeted for specific consumers, price-points and retail segments. In addition, the ways of marketing these brands are changing to new mediums, challenging the effectiveness of more mass-market approaches such as television advertising.

- Competition for, and price volatility of, resources throughout the supply chain have increased, causing us and other apparel manufacturers to continue to seek alternative sourcing channels and create new efficiencies in our global supply chain. Trends affecting the supply chain include:

  - the proliferation of low-cost sourcing alternatives around the world, which enables competitors to attract consumers with a constant flow of competitively-priced new products, resulting in reduced barriers to entry for new competitors.

  - the impact of fluctuating prices of labor and raw materials, such as cotton, which has contributed, and will continue to contribute, to ongoing pricing pressure throughout the supply chain. In particular, during the first half of 2011, the price of cotton increased as a result of various dynamics in the commodity markets.

  Trends such as these bring additional pressure on us and other wholesalers and retailers to shorten lead-times, reduce costs and raise product prices. Raw materials costs may have an adverse impact on our cash and working capital needs as well as those of our suppliers.

These factors contribute to a global market environment of intense competition, constant product innovation and continuing cost pressure, and combine with the continuing global economic conditions to create a challenging commercial and economic environment. We expect these trends to continue into the foreseeable future. In addition, we will remain focused on our key strategies and will continue to incur costs related to investment in our retail and wholesale network and in our information technology infrastructure, as well as refining our organizational structure to enable sustained, profitable growth. We expect our operating margins will continue to be pressured by these factors in 2012, especially during the first half of the year. We anticipate that our 2012 gross margin will be in the high-40s.

Our 2011 Results

Our 2011 results reflect net revenue growth and the effects of the strategic investments we have made in line with our long-term strategies.

- *Net revenues.* Consolidated net revenues increased by 8% compared to 2010, an increase of 6% on a constant-currency basis, reflecting growth in each of our geographic regions. Increased net revenues were primarily associated with our Levi's® brand, through the expansion and performance of our dedicated store network globally.

- *Operating income*. Consolidated operating income and operating margin declined compared to 2010, as the benefits from the increase in our net revenues were more than offset by a lower gross margin, reflecting higher sales in the discount channel and the higher cost of cotton, which our price increases did not fully cover.

- *Cash flows.* Cash flows provided by operating activities were $2 million in 2011 as compared to $146 million in 2010, primarily reflecting the higher cost of cotton in our inventory and our higher operating expense in 2011.

Financial Information Presentation

Fiscal year. Our fiscal year ends on the last Sunday of November in each year, although the fiscal years of certain foreign subsidiaries end on November 30. Each quarter of fiscal years 2011, 2010 and 2009 consisted of 13 weeks.

Segments. We manage our business according to three regional segments: the Americas, Europe and Asia Pacific. In each of 2010 and 2011, accountability for certain information technology, human resources, advertising and promotion, and marketing staff costs of a global nature, that in prior years were captured in our geographic regions, was centralized under corporate management in conjunction with our key strategy of driving productivity. Subsequent to these changes, these costs were classified as corporate expenses. These costs were not significant to any of our regional segments individually in any of the periods presented herein, and accordingly, business segment information for prior years has not been revised.

Classification. Our classification of certain significant revenues and expenses reflects the following:

- Net sales is primarily comprised of sales of products to wholesale customers, including franchised stores, and direct sales to consumers at our company-operated and online stores and at our company-operated shop-in-shops located within department stores. It includes discounts, allowances for estimated returns and incentives.

- Licensing revenue consists of royalties earned from the use of our trademarks by third-party licensees in connection with the manufacturing, advertising and distribution of trademarked products.

- Cost of goods sold is primarily comprised of product costs, labor and related overhead, sourcing costs, inbound freight, internal transfers, and the cost of operating our remaining manufacturing facilities, including the related depreciation expense.

- Selling costs include, among other things, all occupancy costs and depreciation associated with our company-operated stores and commission payments associated with our company-operated shop-in-shops.

- We reflect substantially all distribution costs in selling, general and administrative expenses, including costs related to receiving and inspection at distribution centers, warehousing, shipping to our customers, handling, and certain other activities associated with our distribution network.

Gross margins may not be comparable to those of other companies in our industry since some companies may include costs related to their distribution network and occupancy costs associated with company-operated stores in cost of goods sold.

Constant currency. Constant-currency comparisons are based on translating local currency amounts in both periods at the foreign exchange rates used in the Company's internal planning process for the current year. We routinely evaluate our financial performance on a constant-currency basis in order to facilitate period-to-period comparisons without regard to the impact of changing foreign currency exchange rates.

Results of Operations

2011 compared to 2010

The following table summarizes, for the periods indicated, the consolidated statements of income, the changes in these items from period to period and these items expressed as a percentage of net revenues:

	Year Ended				
	November 27, 2011	November 28, 2010	% Increase (Decrease)	November 27, 2011 % of Net Revenues	November 28, 2010 % of Net Revenues
	(Dollars in millions)				
Net sales	$ 4,674.4	$ 4,325.9	8.1%	98.2%	98.1%
Licensing revenue	87.2	84.7	2.8%	1.8%	1.9%
Net revenues	4,761.6	4,410.6	8.0%	100.0%	100.0%
Cost of goods sold	2,469.4	2,187.7	12.9%	51.9%	49.6%
Gross profit	2,292.2	2,222.9	3.1%	48.1%	50.4%
Selling, general and administrative expenses	1,955.8	1,841.5	6.2%	41.1%	41.8%
Operating income	336.4	381.4	(11.8)%	7.1%	8.6%
Interest expense	(132.0)	(135.8)	(2.8)%	(2.8)%	(3.1)%
Loss on early extinguishment of debt	(0.3)	(16.6)	(98.5)%	—	(0.4)%
Other income (expense), net	(1.3)	6.6	(119.2)%	—	0.2%
Income before income taxes	202.8	235.6	(13.9)%	4.3%	5.3%
Income tax expense	67.7	86.2	(21.4)%	1.4%	2.0%
Net income	135.1	149.4	(9.6)%	2.8%	3.4%
Net loss attributable to noncontrolling interest	2.9	7.1	(59.7)%	0.1%	0.2%
Net income attributable to Levi Strauss & Co.	$ 138.0	$ 156.5	(11.9)%	2.9%	3.5%

Net revenues

The following table presents net revenues by reporting segment for the periods indicated and the changes in net revenues by reporting segment on both reported and constant-currency bases from period to period:

	Year Ended		% Increase (Decrease)	
	November 27, 2011	November 28, 2010	As Reported	Constant Currency
	(Dollars in millions)			
Net revenues:				
Americas	$ 2,715.9	$ 2,549.1	6.5%	6.2%
Europe	1,174.2	1,105.2	6.2%	3.2%
Asia Pacific	871.5	756.3	15.2%	10.4%
Total net revenues	$ 4,761.6	$ 4,410.6	8.0%	6.2%

Total net revenues increased on both reported and constant-currency bases for the year ended November 27, 2011, as compared to the prior year. Reported amounts were affected favorably by changes in foreign currency exchange rates across all regions.

Americas. On both reported and constant-currency bases, net revenues in our Americas region increased in 2011. Currency affected net revenues favorably by approximately $9 million.

Levi's® brand net revenues increased in our retail stores, primarily due to a higher volume of sales in our outlets, and in our wholesale channels, where the benefit of price increases we have implemented were partially offset by corresponding volume declines. The region's increased net revenues also reflected the launch of our Denizen® brand products. Dockers® brand net sales declined as compared to the prior year, primarily in men's long bottoms due to a higher price-sensitivity of the traditional Dockers® consumer.

Europe. Net revenues in Europe increased on both reported and constant-currency bases. Currency affected net revenues favorably by approximately $33 million.

The increase in the region's net revenues was due to the growth of our company-operated retail network, reflecting expansion and improved performance of our stores and the success of our Levi's® brand women's products throughout the region. This growth was partially offset by lower net sales to our wholesale customers, reflecting issues fulfilling customer orders during the implementation and stabilization of our enterprise resource planning system during second half of 2011 as well as the general economic downturn in Europe.

Asia Pacific. Net revenues in Asia Pacific increased on both reported and constant-currency bases. Currency affected net revenues favorably by approximately $34 million.

The net revenues increase was primarily from our Levi's® brand through the continued expansion of our brand-dedicated retail network in China and India as well as other of our emerging markets, partially offset by the continued decline of net revenues in Japan. Our Denizen® brand products also contributed incremental revenues.

Gross profit

The following table shows consolidated gross profit and gross margin for the periods indicated and the changes in these items from period to period:

	Year Ended		
	November 27, 2011	November 28, 2010	% Increase
	(Dollars in millions)		
Net revenues	$ 4,761.6	$ 4,410.6	8.0%
Cost of goods sold	2,469.4	2,187.7	12.9%
Gross profit	$ 2,292.2	$ 2,222.9	3.1%
Gross margin	48.1%	50.4%	

As compared to the prior year, the gross profit increase in 2011 resulted from the increase in our net revenues and a favorable currency impact of approximately $53 million, partially offset by a decline in our gross margin. The gross margin decrease was primarily due to an increase in sales to lower-margin channels to manage inventory, and the higher cost of cotton, which our price increases did not fully cover. The gross margin decrease was partially offset by the increased revenue contribution from our company-operated retail network, which generally has a higher gross margin than our wholesale business.

Selling, general and administrative expenses

The following table shows our selling, general and administrative expenses ("SG&A") for the periods indicated, the changes in these items from period to period and these items expressed as a percentage of net revenues:

	Year Ended				
	November 27, 2011	November 28, 2010	% Increase (Decrease)	November 27, 2011 % of Net Revenues	November 28, 2010 % of Net Revenues
			(Dollars in millions)		
Selling	$ 711.1	$ 636.8	11.7%	14.9%	14.4%
Advertising and promotion	313.8	327.8	(4.3)%	6.6%	7.4%
Administration	402.3	403.7	(0.3)%	8.5%	9.2%
Other	528.6	473.2	11.7%	11.1%	10.7%
Total SG&A	$ 1,955.8	$ 1,841.5	6.32%	41.1%	41.8%

Currency contributed approximately $36 million of the $114 million increase in SG&A as compared to the prior year.

Selling. Currency contributed approximately $15 million of the $74 million increase. Higher selling expenses across all business segments primarily reflected additional costs, such as rents and increased headcount, associated with the support and continued expansion of our company-operated store network. We had 28 more company-operated stores at the end of 2011 than we did at the end of 2010.

Advertising and promotion. The $14 million decrease in advertising and promotion expenses was attributable to a reduction of our advertising activities in most markets as compared to the prior year.

Administration. Administration expenses declined slightly, as a decrease in incentive compensation expense related to lower projected funding and a decline in pension expense primarily as a result of changes to the U.S. pension plans in the second quarter of 2011 were offset primarily by higher severance costs for headcount reductions and separation benefits related to the departure of executives.

Other. Other SG&A includes distribution, information resources, and marketing organization costs. The $55 million increase in these costs was primarily due to our investment in global information technology systems and increased marketing project costs related to our strategic initiatives.

Operating income

The following table shows operating income by reporting segment and corporate expenses for the periods indicated, the changes in these items from period to period and these items expressed as a percentage of net revenues:

	Year Ended				
	November 27, 2011	November 28, 2010	% Increase (Decrease)	November 27, 2011 % of Net Revenues	November 28, 2010 % of Net Revenues
			(Dollars in millions)		
Operating income:					
Americas	$ 393.9	$ 402.5	(2.1)%	14.5%	15.8%
Europe	182.3	163.5	11.5%	15.5%	14.8%
Asia Pacific	108.1	86.3	25.3%	12.4%	11.4%
Total regional operating income	684.3	652.3	4.9%	14.4%*	14.8%*
Corporate expenses	347.9	270.9	28.4%	7.3%*	6.1%*
Total operating income	$ 336.4	$ 381.4	(11.8)%	7.1%*	8.6%*
Operating margin	7.1%	8.6%			

* Percentage of consolidated net revenues

The net $45 million decline in total operating income as compared to the prior year included a favorable currency effect of approximately $17 million.

Regional operating income.

- *Americas.* Operating margin declined due to the region's decline in gross margin, the effects of which on operating income was partially offset by lower SG&A and the favorable impact of the region's higher net revenues.

- *Europe.* The increase in operating income primarily reflected the favorable impact of currency as well as the region's higher net revenues. The increase was partially offset by a decline in the region's gross margin.

- *Asia Pacific.* The increase in operating margin and operating income reflected the region's higher net revenues and the favorable impact of currency.

Corporate. Corporate expenses are selling, general and administrative expenses that are not attributed to any of our regional operating segments. The $77 million increase in corporate expenses in 2011 reflected higher severance costs for headcount reductions and seperation benefits related to the departure of executives, as well as an increase in our investment in global information technology systems. Corporate expenses also increased due to the classification of marketing, advertising and promotion, information technology and human resources costs of a global nature that were centralized under corporate management during 2011. Such costs totaled approximately $29 million in our Americas region and were not significant to our Europe and Asia Pacific regions; prior period amounts have not been reclassified. These increases in corporate expenses were partially offset by a decrease in incentive compensation expense related to lower projected funding, and a decline in pension expense primarily as a result of changes to the U.S. pension plans in the second quarter of 2011.

Corporate expenses in 2011 and 2010 include amortization of prior service benefit of $28.9 million and $29.6 million, respectively, related to postretirement benefit plan amendments in 2004 and 2003. We will continue to amortize the prior service benefit in the future, although the amount will decline significantly beginning in 2012. For more information, see Note 8 to our audited consolidated financial statements included in this report.

Interest expense

Interest expense was $132.0 million for the year ended November 27, 2011, as compared to $135.8 million in the prior year.

The weighted-average interest rate on average borrowings outstanding for 2011 was 6.90% as compared to 7.05% for 2010.

Loss on early extinguishment of debt

For the year ended November 28, 2010, we recorded a $16.6 million loss on early extinguishment of debt as a result of our debt refinancing activities during the second quarter of 2010. The loss was comprised of tender premiums of $30.2 million and the write-off of $7.6 million of unamortized debt issuance costs, net of applicable premium, offset by a gain of $21.2 million related to the partial repurchase of Yen-denominated Eurobonds due 2016 at a discount to their par value.

Other income (expense), net

Other income (expense), net, primarily consists of foreign exchange management activities and transactions. For the year ended November 27, 2011, we recorded expense of $1.3 million compared to income of $6.6 million for the prior year.

The expense in 2011 primarily reflected losses on our foreign currency denominated balances. The income in 2010 primarily reflects transaction gains on our foreign currency denominated balances, partially offset by losses on foreign exchange derivatives which economically hedge future foreign currency cash flow obligations.

Income tax expense

Income tax expense was $67.7 million for the year ended November 27, 2011, compared to $86.2 million for the prior year. Our effective tax rate was 33.4% for the year ended November 27, 2011, compared to 36.6% for the prior year.

The 3.2 percentage point decrease in our effective tax rate was primarily caused by an increase in the proportion of our 2011 earnings in foreign jurisdictions where we are subject to lower tax rates, as well as an unfavorable net impact of income tax charges recognized in 2010. In 2010, we recognized a $27.5 million tax charge for a valuation allowance to fully offset the amount of deferred tax assets in Japan and a $14.5 million tax charge for a reduction in deferred tax assets as a result of the enactment of the Patient Protection and Affordable Care Act. These charges in 2010 were partially offset by a $34.2 million tax benefit arising from our plan to repatriate the prior undistributed earnings of certain foreign subsidiaries.

2010 compared to 2009

The following table summarizes, for the periods indicated, the consolidated statements of income, the changes in these items from period to period and these items expressed as a percentage of net revenues:

	Year Ended				
	November 28, 2010	November 29, 2009	% Increase (Decrease)	November 28, 2010 % of Net Revenues	November 29, 2009 % of Net Revenues
	(Dollars in millions)				
Net sales	$ 4,325.9	$ 4,022.9	7.5%	98.1%	98.0%
Licensing revenue	84.7	82.9	2.2%	1.9%	2.0%
Net revenues	4,410.6	4,105.8	7.4%	100.0%	100.0%
Cost of goods sold	2,187.7	2,132.4	2.6%	49.6%	51.9%
Gross profit	2,222.9	1,973.4	12.6%	50.4%	48.1%
Selling, general and administrative expenses	1,841.5	1,595.3	15.4%	41.8%	38.9%
Operating income	381.4	378.1	0.9%	8.6%	9.2%
Interest expense	(135.8)	(148.7)	(8.7)%	(3.1)%	(3.6)%
Loss on early extinguishment of debt	(16.6)	—	—	(0.4)%	—
Other income (expense), net	6.6	(39.5)	(116.9)%	0.2%	(1.0)%
Income before income taxes	235.6	189.9	24.0%	5.3%	4.6%
Income tax expense	86.2	39.2	119.7%	2.0%	1.0%
Net income	149.4	150.7	(0.8)%	3.4%	3.7%
Net loss attributable to noncontrolling interest	7.1	1.2	506.8%	0.2%	—
Net income attributable to Levi Strauss & Co.	$ 156.5	$ 151.9	3.0%	3.5%	3.7%

Net revenues

The following table presents net revenues by reporting segment for the periods indicated and the changes in net revenues by reporting segment on both reported and constant-currency bases from period to period:

	Year Ended		% Increase (Decrease)	
	November 28, 2010	November 29, 2009	As Reported	Constant Currency
	(Dollars in millions)			
Net revenues:				
Americas	$ 2,549.1	$ 2,357.7	8.1%	7.1%
Europe	1,105.2	1,042.1	6.1%	7.5%
Asia Pacific	756.3	706.0	7.1%	0.3%
Total net revenues	$ 4,410.6	$ 4,105.8	7.4%	6.0%

Total net revenues increased on both reported and constant-currency bases for the year ended November 28, 2010, as compared to the prior year. Changes in foreign currency exchange rates affected our consolidated reported amounts favorably by approximately $53 million.

Americas. On both reported and constant-currency bases, net revenues in our Americas region increased in 2010. Currency affected net revenues favorably by approximately $23 million.

Levi's® brand net revenues increased, driven by the outlet stores we acquired in July 2009, as well as strong performance of our men's and juniors' products in the wholesale channel. The improved Levi's® brand performance was partially offset by declines of net sales from our Signature and U.S. Dockers® brands as compared to 2009, although for the fourth quarter, Dockers® brand net sales increased as compared to the prior year, primarily driven by men's long bottoms.

Europe. Net revenues in our Europe region increased on both reported and constant-currency bases. Currency affected net revenues unfavorably by approximately $18 million.

The increase was driven by the positive impact of our Levi's® brand, including our 2009 footwear and accessories business acquisition and our expanding company-operated retail network throughout the region, and was partially offset by continued sales declines in our traditional wholesale channels, reflecting the region's ongoing depressed economic environment.

Asia Pacific. Net revenues in Asia Pacific increased on both reported and constant-currency bases. Currency affected net revenues favorably by approximately $48 million.

Net revenues in the region increased primarily due to the continued expansion of our brand-dedicated retail network in our emerging markets of China and India, offset by continued net revenue declines due to the weak performance of our business in Japan.

Gross profit

The following table shows consolidated gross profit and gross margin for the periods indicated and the changes in these items from period to period:

	Year Ended		% Increase (Decrease)
	November 28, 2010	November 29, 2009	
	(Dollars in millions)		
Net revenues	$ 4,410.6	$ 4,105.8	7.4%
Cost of goods sold	2,187.7	2,132.4	2.6%
Gross profit	$ 2,222.9	$ 1,973.4	12.6%
Gross margin	50.4%	48.1%	

Compared to the prior year, gross profit increased in 2010 primarily due to the increase in our constant-currency net revenues, improved gross margins in each of our regions, and a favorable currency impact of approximately $47 million. The improvement in our gross margin primarily reflected the increased contribution from our company-operated retail network, which generally has a higher gross margin than our wholesale business.

Selling, general and administrative expenses

The following table shows our selling, general and administrative expenses ("SG&A") for the periods indicated, the changes in these items from period to period and these items expressed as a percentage of net revenues:

	Year Ended				
	November 28, 2010	November 29, 2009	% Increase (Decrease)	November 28, 2010 % of Net Revenues	November 29, 2009 % of Net Revenues
			(Dollars in millions)		
Selling	$ 636.8	$ 498.9	27.7%	14.4%	12.1%
Advertising and promotion	327.8	266.1	23.2%	7.4%	6.5%
Administration	403.7	371.8	8.6%	9.2%	9.1%
Other	473.2	458.5	3.2%	10.7%	11.2%
Total SG&A	$ 1,841.5	$ 1,595.3	15.4%	41.8%	38.9%

Currency contributed approximately $12 million of the $246 million increase in SG&A as compared to the prior year.

Selling. The $138 million increase in selling expenses was across all business segments, primarily reflecting higher costs, such as rents and increased headcount, associated with the continued expansion of our company-operated store network.

Advertising and promotion. The $62 million increase in advertising and promotion expenses was attributable to the planned increase in support of our U.S. Levi's® and U.S. Dockers® brands, as well as our global launch of our Levi's® Curve ID jeans for women and the launch of our Denizen® brand in the Asia Pacific region.

Administration. The $32 million increase in administration expenses reflects higher costs associated with our pension and postretirement benefit plans, as well as higher costs related to various corporate initiatives, including costs in the third quarter of 2010 associated with executive separations.

Other. Other SG&A includes distribution, information technology, and marketing organization costs. The $15 million increase in expenses was primarily due to increased marketing project costs related to our strategic initiatives.

Operating income

The following table shows operating income by reporting segment and certain components of corporate expense for the periods indicated, the changes in these items from period to period and these items expressed as a percentage of net revenues:

	Year Ended				
	November 28, 2010	November 29, 2009	% Increase (Decrease)	November 28, 2010 % of Net Revenues	November 29, 2009 % of Net Revenues
			(Dollars in millions)		
Operating income:					
Americas	$ 402.5	$ 346.3	16.2%	15.8%	14.7%
Europe	163.5	154.8	5.6%	14.8%	14.9%
Asia Pacific	86.3	91.0	(5.2)%	11.4%	12.9%
Total regional operating income	652.3	592.1	10.2%	14.8%*	14.4%*
Corporate expenses	270.9	214.0	26.6%	6.1%*	5.2%*
Total operating income	$ 381.4	$ 378.1	0.9%	8.6%*	9.2%*
Operating margin	8.6%	9.2%			

* Percentage of consolidated net revenues

The net $3 million increase in total operating income as compared to the prior year included a favorable currency effect of approximately $35 million.

Regional operating income.

- *Americas.* Operating income and operating margin reflected the region's improvement in gross margin and higher constant-currency net revenues, the effects of which were partially offset by the increased selling and advertising expenses.

- *Europe.* The increase in the region's operating income was primarily due to the favorable impact of currency. The region's higher constant-currency net revenues and gross margin improvement were more than offset by higher expenses reflecting our retail expansion.

- *Asia Pacific.* Despite the favorable impact of currency and improved gross margin, the region's operating income decreased due to the net sales declines in Japan as well as the region's retail expansion and increased advertising.

Corporate. Corporate expenses are selling, general and administrative expenses that are not attributed to any of our regional operating segments. Corporate expenses for 2010 increased $57 million due to higher costs associated with our pension and postretirement benefit plans and higher costs related to various corporate initiatives, including costs in the third quarter of 2010 associated with executive separations, as well as the increased marketing costs. Corporate expenses also increased due to the classification of information technology and marketing staff costs of a global nature that were centralized under corporate management beginning in 2010; these costs were not significant to any of our regional segments individually or to prior periods, and as such, prior period amounts were not reclassified.

Corporate expenses in 2010 and 2009 include amortization of prior service benefit of $29.6 million and $39.7 million, respectively, related to postretirement benefit plan amendments in 2004 and 2003. We will continue to amortize the prior service benefit in the future. For more information, see Note 8 to our audited consolidated financial statements included in this report.

Interest expense

Interest expense was $135.8 million for the year ended November 28, 2010, as compared to $148.7 million in the prior year. The decrease in interest expense was driven primarily by lower average borrowing rates in 2010, resulting from our debt refinancing activity that occurred in the second quarter of 2010, and lower interest expense on our deferred compensation plans in 2010.

The weighted-average interest rate on average borrowings outstanding for 2010 was 7.05% as compared to 7.44% for 2009.

Loss on early extinguishment of debt

For the year ended November 28, 2010, we recorded a $16.6 million loss on early extinguishment of debt as a result of our debt refinancing activities during the second quarter of 2010. The loss was comprised of tender premiums of $30.2 million and the write-off of $7.6 million of unamortized debt issuance costs net of applicable premium, offset by a gain of $21.2 million related to the partial repurchase of Yen-denominated Eurobonds due 2016 at a discount to their par value.

Other income (expense), net

Other income (expense), net, primarily consists of foreign exchange management activities and transactions. For the year ended November 28, 2010, we recorded net income of $6.6 million compared to net expense of $39.5 million for the prior year.

The income in 2010 primarily reflects transaction gains on our foreign currency denominated balances, partially offset by losses on foreign exchange derivatives which economically hedge future cash flow obligations of our foreign operations. The expense in 2009 reflected losses on foreign exchange derivatives.

Income tax expense

Income tax expense was $86.2 million for the year ended November 28, 2010, compared to $39.2 million for the prior year. Our effective tax rate was 36.6% for the year ended November 28, 2010, compared to 20.6% for the prior year.

The 16.0 percentage point increase in our effective tax rate was primarily driven by the recognition in 2010 of a $27.5 million tax charge for a valuation allowance to fully offset the amount of deferred tax assets in Japan and a $14.5 million tax charge for a reduction in deferred tax assets as a result of the enactment of the Patient Protection and Affordable Care Act. The $47.0 million increase in our income tax expense was primarily attributed to the same factors coupled with an increase in income before income taxes.

Liquidity and Capital Resources

Liquidity outlook

We believe we will have adequate liquidity over the next twelve months to operate our business and to meet our cash requirements.

Cash sources

We are a privately-held corporation. We have historically relied primarily on cash flows from operations, borrowings under credit facilities, issuances of notes and other forms of debt financing. We regularly explore financing and debt reduction alternatives, including new credit agreements, unsecured and secured note issuances, equity financing, equipment and real estate financing, securitizations and asset sales. Key sources of cash include earnings from operations and borrowing availability under our revolving credit facility.

Prior to the below-referenced refinancing, we were borrowers under an amended and restated senior secured revolving credit facility that had a maximum availability of $750 million, secured by certain of our domestic assets and certain U.S. trademarks associated with the Levi's® brand and other related intellectual property. The facility included a $250 million trademark tranche and a $500 million revolving tranche.

On September 30, 2011, we entered into a new senior secured revolving credit facility. The new facility is an asset-based facility, in which the borrowing availability is primarily based on the value of our U.S. Levi's® trademarks and the levels of accounts receivable and inventory in the United States and Canada. The maximum availability under the new facility is $850 million, of which $800 million is available to us for revolving loans in U.S. Dollars and $50 million is available to us for revolving loans either in U.S. Dollars or Canadian Dollars. Upon entering into the new facility, we borrowed $215 million and used the proceeds to repay the borrowings outstanding under the previous senior secured revolving credit facility, including the $108 million outstanding under the trademark tranche. We then terminated the previous facility.

As of November 27, 2011, we had borrowings of $200.0 million under the facility, $100.0 million of which is classified as short-term debt. The increase in borrowings as compared to prior year reflected the additional cash needed to support our inventory build during 2011, due to the higher cost of cotton. Unused availability under the facility was $494.7 million, as our total availability of $577.8 million, based on collateral levels as defined by the agreement, was reduced by $83.1 million of other credit-related instruments.

As of November 27, 2011, we had cash and cash equivalents totaling $204.5 million, resulting in a net liquidity position (unused availability and cash and cash equivalents) of $699.2 million.

During the first quarter of 2012, we repaid $100 million of the borrowings outstanding under our senior secured revolving credit facility.

Cash uses

Our principal cash requirements include working capital, capital expenditures, payments of principal and interest on our debt, payments of taxes, contributions to our pension plans and payments for postretirement health benefit plans, and, if market conditions warrant, occasional investments in, or acquisitions of, business ventures in our line of business. In addition, we regularly evaluate our ability to pay dividends or repurchase stock, all consistent with the terms of our debt agreements.

The following table presents selected cash uses in 2011 and the related projected cash uses for these items in 2012 as of November 27, 2011:

	Cash Used in 2011	Projected Cash Uses in 2012
	(Dollars in millions)	
Capital expenditures[1]	$ 131	$ 100
Interest	129	125
Federal, foreign and state taxes (net of refunds)	56	68
Pension plans[2]	68	65
Postretirement health benefit plans	19	19
Dividend	20	20
Total selected cash requirements	$ 423	$ 397

(1) Capital expenditures consist primarily of costs associated with information technology systems and investment in company-operated retail stores.

(2) The 2012 pension contribution amounts will be recalculated at the end of the plans' fiscal years, which for our U.S. pension plan is at the beginning of the Company's third fiscal quarter. Accordingly, actual contributions may differ materially from those presented here, based on factors such as changes in discount rates and the valuation of pension assets, as well as alternative methods that may be available to us for measuring our funding obligation.

The following table provides information about our significant cash contractual obligations and commitments as of November 27, 2011:

	Payments due or projected by period						
	Total	2012	2013	2014	2015	2016	Thereafter
	(Dollars in millions)						
Contractual and Long-term Liabilities:							
Short-term and long-term debt obligations	$ 1,972	$ 155	$ —	$ 324	$ —	$ 568	$ 925
Interest[1]	747	125	121	114	112	90	185
Capital lease obligations	4	2	2	—	—	—	—
Operating leases[2]	690	149	117	91	75	64	194
Purchase obligations[3]	526	476	33	14	3	—	—
Postretirement obligations[4]	164	19	18	18	17	17	75
Pension obligations[5]	450	65	65	57	67	57	139
Long-term employee related benefits[6]	84	14	8	9	9	9	35
Total	$ 4,637	$ 1,005	$ 364	$ 627	$ 283	$ 805	$ 1,553

(1) Interest obligations are computed using constant interest rates until maturity. The LIBOR rate as of November 27, 2011, was used for variable-rate debt.

(2) Amounts reflect contractual obligations relating to our existing leased facilities as of November 27, 2011, and therefore do not reflect our planned future openings of company-operated retail stores. For more information, see "Item 2 — Properties."

(3) Amounts reflect estimated commitments of $407 million for inventory purchases and $119 million for human resources, advertising, information technology and other professional services.

(4) The amounts presented in the table represent an estimate for the next ten years of our projected payments, based on information provided by our plans' actuaries, and have not been reduced by estimated Medicare subsidy receipts, the amounts of which are not material. Our policy is to fund postretirement benefits as claims and premiums are paid. For more information, see Note 8 to our audited consolidated financial statements included in this report.

(5) The amounts presented in the table represent an estimate of our projected contributions to the plans for the next ten years based on information provided by our plans' actuaries. For U.S qualified plans, these estimates comply with minimum funded status and minimum required contributions under the Pension Protection Act. The 2012 contribution amounts will be recalculated at the end of the plans' fiscal years, which for our U.S. pension plan is at the beginning of the Company's third fiscal quarter. Accordingly, actual contributions may differ materially from those presented here, based on factors such as changes in discount rates and the valuation of pension assets, as well

as alternative methods that may be available to us for measuring our funding obligation. For more information, see Note 8 to our audited consolidated financial statements included in this report.

(6) Long-term employee-related benefits relate to the current and non-current portion of deferred compensation arrangements and workers' compensation. We estimated these payments based on prior experience and forecasted activity for these items. For more information, see Note 12 to our audited consolidated financial statements included in this report.

This table does not include amounts related to our income tax liabilities associated with uncertain tax positions of $143.4 million, as we are unable to make reasonable estimates for the periods in which these liabilities may become due. We do not anticipate a material effect on our liquidity as a result of payments in future periods of liabilities for uncertain tax positions.

Information in the two preceding tables reflects our estimates of future cash payments. These estimates and projections are based upon assumptions that are inherently subject to significant economic, competitive, legislative and other uncertainties and contingencies, many of which are beyond our control. Accordingly, our actual expenditures and liabilities may be materially higher or lower than the estimates and projections reflected in these tables. The inclusion of these projections and estimates should not be regarded as a representation by us that the estimates will prove to be correct.

Cash flows

The following table summarizes, for the periods indicated, selected items in our consolidated statements of cash flows:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in millions)		
Cash provided by operating activities	$ 1.8	$ 146.3	$ 388.8
Cash used for investing activities	(141.0)	(181.8)	(233.0)
Cash provided by (used for) financing activities	77.7	32.3	(97.2)
Cash and cash equivalents	204.5	269.7	270.8

2011 as compared to 2010

Cash flows from operating activities

Cash provided by operating activities was $1.8 million for 2011, as compared to $146.3 million for 2010. Cash provided by operating activities declined compared to the prior year due to higher cash used for inventory as a result of higher cotton costs, and higher payments to vendors, reflecting the increase in our SG&A. This decline was partially offset by an increase in customer collections, reflecting our higher net revenues.

Cash flows from investing activities

Cash used for investing activities was $141.0 million for 2011 compared to $181.8 million for 2010. The decrease in cash used for investing activities as compared to the prior year primarily reflects higher costs in 2010 associated with the remodeling of the Company's headquarters and the final payment for a 2009 acquisition. This was partially offset by an increase in 2011 in information technology costs associated with the installation of our global enterprise resource planning system.

Cash flows from financing activities

Cash provided by financing activities was $77.7 million for 2011 compared to $32.3 million for 2010. Net cash provided in 2011 primarily related to proceeds borrowed under our senior revolving credit facility. Net cash provided in 2010 reflected our May 2010 refinancing activities.

2010 as compared to 2009

Cash flows from operating activities

Cash provided by operating activities was $146.3 million for 2010, as compared to $388.8 million for 2009. Operating cash declined compared to the prior year due to higher payments to vendors, reflecting our retail expansion and increased advertising as well as higher cash used for inventory, in support of our business growth. This decline was partially offset by an increase in cash collected from customers, reflecting our higher net revenues.

Cash flows from investing activities

Cash used for investing activities was $181.8 million for 2010 compared to $233.0 million for 2009. As compared to the prior year, the decrease in cash used for investing activities primarily reflects less cash used for acquisitions and lower payments on the settlement of our forward foreign exchange contracts, partially offset by more cash used towards the remodeling of the Company's headquarters as well as our information technology systems associated with the installation of our global enterprise resource planning system and our company-operated retail stores.

Cash flows from financing activities

Cash provided by financing activities was $32.3 million for 2010 compared to cash used of $97.2 million for 2009. Net cash provided in 2010 reflected our May 2010 refinancing activities. Cash used in 2009 primarily related to required payments on the trademark tranche of our senior secured revolving credit facility; no such payment was required in 2010.

Indebtedness

The borrower of substantially all of our debt is Levi Strauss & Co., the parent and U.S. operating company. Of our total debt of $2.0 billion as of November 27, 2011, we had fixed-rate debt of approximately $1.5 billion (73% of total debt) and variable-rate debt of approximately $0.5 billion (27% of total debt). Required aggregate debt principal payments on our long-term debt were $324.0 million in 2014, $568.2 million in 2016, and the remaining $925.4 million in years after 2016. Short-term debt of $100.0 million borrowed under our senior secured revolving credit facility was expected to be repaid over the next twelve months; short-term borrowings of $54.7 million at various foreign subsidiaries were expected to be either paid over the next twelve months or refinanced at the end of their applicable terms.

Our long-term debt agreements contain customary covenants restricting our activities as well as those of our subsidiaries. Currently, we are in compliance with all of these covenants.

Effects of Inflation

We believe that inflation in the regions where most of our sales occur has not had a significant effect on our net revenues or profitability.

Off-Balance Sheet Arrangements, Guarantees and Other Contingent Obligations

Off-balance sheet arrangements and other. We have contractual commitments for non-cancelable operating leases; for more information, see Note 13 to our audited consolidated financial statements included in this report. We participate in a multiemployer pension plan, however our exposure to risks arising from participation in the plan and the extent to which we can be liable to the plan for other participating employers' obligations are not material in the near-term. We have no other material non-cancelable guarantees or commitments, and no material special-purpose entities or other off-balance sheet debt obligations.

Indemnification agreements. In the ordinary course of our business, we enter into agreements containing indemnification provisions under which we agree to indemnify the other party for specified claims and losses. For example, our trademark license agreements, real estate leases, consulting agreements, logistics outsourcing

agreements, securities purchase agreements and credit agreements typically contain these provisions. This type of indemnification provision obligates us to pay certain amounts associated with claims brought against the other party as the result of trademark infringement, negligence or willful misconduct of our employees, breach of contract by us including inaccuracy of representations and warranties, specified lawsuits in which we and the other party are co-defendants, product claims and other matters. These amounts are generally not readily quantifiable: the maximum possible liability or amount of potential payments that could arise out of an indemnification claim depends entirely on the specific facts and circumstances associated with the claim. We have insurance coverage that minimizes the potential exposure to certain of these claims. We also believe that the likelihood of substantial payment obligations under these agreements to third parties is low and that any such amounts would be immaterial.

Critical Accounting Policies, Assumptions and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the related notes. We believe that the following discussion addresses our critical accounting policies, which are those that are most important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Changes in such estimates, based on newly available information, or different assumptions or conditions, may affect amounts reported in future periods.

We summarize our critical accounting policies below.

Revenue recognition. Net sales is primarily comprised of sales of products to wholesale customers, including franchised stores, and direct sales to consumers at our company-operated and online stores and at our company-operated shop-in-shops located within department stores. We recognize revenue on sale of product when the goods are shipped or delivered and title to the goods passes to the customer provided that: there are no uncertainties regarding customer acceptance; persuasive evidence of an arrangement exists; the sales price is fixed or determinable; and collectability is reasonably assured. Revenue is recorded net of an allowance for estimated returns, discounts and retailer promotions and other similar incentives. Licensing revenues from the use of our trademarks in connection with the manufacturing, advertising, and distribution of trademarked products by third-party licensees are earned and recognized as products are sold by licensees based on royalty rates as set forth in the licensing agreements.

We recognize allowances for estimated returns in the period in which the related sale is recorded. We recognize allowances for estimated discounts, retailer promotions and other similar incentives at the later of the period in which the related sale is recorded or the period in which the sales incentive is offered to the customer. We estimate non-volume based allowances based on historical rates as well as customer and product-specific circumstances. Actual allowances may differ from estimates due to changes in sales volume based on retailer or consumer demand and changes in customer and product-specific circumstances. Sales and value-added taxes collected from customers and remitted to governmental authorities are presented on a net basis in the accompanying consolidated statements of income.

Accounts receivable, net. We extend credit to our wholesale and licensing customers that satisfy pre-defined credit criteria. Accounts receivable are recorded net of an allowance for doubtful accounts. We estimate the allowance for doubtful accounts based upon an analysis of the aging of accounts receivable at the date of the consolidated financial statements, assessments of collectability based on historic trends, customer-specific circumstances, and an evaluation of economic conditions. Actual write-off of receivables may differ from estimates due to changes in customer and economic circumstances.

Inventory valuation. We value inventories at the lower of cost or market value. Inventory cost is generally determined using the first-in first-out method. We include product costs, labor and related overhead, sourcing costs, inbound freight, internal transfers, and the cost of operating our remaining manufacturing facilities, including the related depreciation expense, in the cost of inventories. In determining inventory market values, substantial consideration is given to the expected product selling price. We estimate quantities of slow-moving and obsolete inventory by reviewing on-hand quantities, outstanding purchase obligations and forecasted sales.

We then estimate expected selling prices based on our historical recovery rates for sale of slow-moving and obsolete inventory and other factors, such as market conditions, expected channel of disposition, and current consumer preferences. Estimates may differ from actual results due to changes in resale or market value, avenues of disposition, consumer and retailer preferences and economic conditions.

Impairment. We review our goodwill and other non-amortized intangible assets for impairment annually in the fourth quarter of our fiscal year, or more frequently as warranted by events or changes in circumstances which indicate that the carrying amount may not be recoverable. Beginning in the fourth quarter of 2011, for certain reporting units, we elected to early adopt the option to qualitatively assess goodwill impairment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. For goodwill not qualitatively assessed and for other non-amortized intangible assets, a two-step quantitative approach is utilized. In the first step, we compare the carrying value of the reporting unit or applicable asset to its fair value, which we estimate using a discounted cash flow analysis or by comparison to the market values of similar assets. If the carrying amount of the reporting unit or asset exceeds its estimated fair value, we perform the second step, and determine the impairment loss, if any, as the excess of the carrying value of the goodwill or intangible asset over its fair value. The assumptions used in such valuations are subject to volatility and may differ from actual results; however, based on the carrying value of our goodwill and other non-amortized intangible assets as of November 27, 2011, relative to their estimated fair values, we do not anticipate any material impairment charges in the near-term.

We review our other long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If the carrying amount of an other long-lived asset exceeds the expected future undiscounted cash flows, we measure and record an impairment loss for the excess of the carrying value of the asset over its fair value.

To determine the fair value of impaired assets, we utilize the valuation technique or techniques deemed most appropriate based on the nature of the impaired asset and the data available, which may include the use of quoted market prices, prices for similar assets or other valuation techniques such as discounted future cash flows or earnings.

Income tax assets and liabilities. We are subject to income taxes in both the United States and numerous foreign jurisdictions. We compute our provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. Significant judgments are required in order to determine the realizability of these deferred tax assets. In assessing the need for a valuation allowance, we evaluate all significant available positive and negative evidence, including historical operating results, estimates of future taxable income and the existence of prudent and feasible tax planning strategies. Changes in the expectations regarding the realization of deferred tax assets could materially impact income tax expense in future periods.

We do not recognize deferred taxes with respect to temporary differences between the book and tax bases in our investments in foreign subsidiaries, unless it becomes apparent that these temporary differences will reverse in the foreseeable future.

We continuously review issues raised in connection with all ongoing examinations and open tax years to evaluate the adequacy of our liabilities. We evaluate uncertain tax positions under a two-step approach. The first step is to evaluate the uncertain tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon examination based on its technical merits. The second step is, for those positions that meet the recognition criteria, to measure the tax benefit as the largest amount that is more than fifty percent likely of being realized. We believe our recorded tax liabilities are adequate to cover all open tax years based on our assessment. This assessment relies on estimates and assumptions and involves significant judgments about future events. To the extent that our view as to the outcome of these matters changes, we will adjust income tax expense in the period in which such determination is made. We classify interest and penalties related to income taxes as income tax expense.

Employee benefits and incentive compensation

Pension and postretirement benefits. We have several non-contributory defined benefit retirement plans covering eligible employees. We also provide certain health care benefits for U.S. employees who meet age, participation and length of service requirements at retirement. In addition, we sponsor other retirement or post-employment plans for our foreign employees in accordance with local government programs and requirements. We retain the right to amend, curtail or discontinue any aspect of the plans, subject to local regulations. Any of these actions, either individually or in combination, could have a material impact on our consolidated financial statements and on our future financial performance.

We recognize either an asset or liability for any plan's funded status in our consolidated balance sheets. We measure changes in funded status using actuarial models which utilize an attribution approach that generally spreads individual events either over the estimated service lives of the remaining employees in the plan, or, for plans where participants will not earn additional benefits by rendering future service, over the plan participants' estimated remaining lives. The attribution approach assumes that employees render service over their service lives on a relatively smooth basis and as such, presumes that the income statement effects of pension or postretirement benefit plans should follow the same pattern. Our policy is to fund our pension plans based upon actuarial recommendations and in accordance with applicable laws, income tax regulations and credit agreements.

Net pension and postretirement benefit income or expense is generally determined using assumptions which include expected long-term rates of return on plan assets, discount rates, compensation rate increases and medical trend rates. We use a mix of actual historical rates, expected rates and external data to determine the assumptions used in the actuarial models. For example, we utilized a yield curve constructed from a portfolio of high-quality corporate bonds with various maturities to determine the appropriate discount rate to use for our U.S. benefit plans. Under this model, each year's expected future benefit payments are discounted to their present value at the appropriate yield curve rate, thereby generating the overall discount rate. We utilized country-specific third-party bond indices to determine appropriate discount rates to use for benefit plans of our foreign subsidiaries. Changes in actuarial assumptions and estimates, either individually or in combination, could have a material impact on our consolidated financial statements and on our future financial performance. For example, as of November 27, 2011, a twenty-five basis-point change in the discount rate would yield an approximately three-percent change in the projected benefit obligation and annual service cost of our pension and postretirement benefit plans.

Employee incentive compensation. We maintain short-term and long-term employee incentive compensation plans. These plans are intended to reward eligible employees for their contributions to our short-term and long-term success. For our short-term plans, the amount of the cash bonus earned depends upon business unit and corporate financial results as measured against pre-established targets, and also depends upon the performance and job level of the individual. Our long-term plans are intended to reward management for its long-term impact on our total earnings performance. Performance is measured at the end of a three-year period based on our performance over the period measured against certain pre-established targets such as the compound annual growth rates over the periods for net revenues and earnings adjusted for certain items such as interest and taxes. We accrue the related compensation expense over the period of the plan, and changes in our projected future financial performance could have a material impact on our accruals.

Recently Issued Accounting Standards

See Note 1 to our audited consolidated financial statements included in this report for recently issued accounting standards, including the expected dates of adoption and expected impact to our consolidated financial statements upon adoption.

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report, including (without limitation) statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" contain forward-looking statements. Although we believe that, in making any such statements, our expectations are based on reasonable assumptions,

any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected.

These forward-looking statements include statements relating to our anticipated financial performance and business prospects and/or statements preceded by, followed by or that include the words “believe”, “anticipate”, “intend”, “estimate”, “expect”, “project”, “could”, “plans”, “seeks” and similar expressions. These forward-looking statements speak only as of the date stated and we do not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, even if experience or future events make it clear that any expected results expressed or implied by these forward-looking statements will not be realized. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these expectations may not prove to be correct or we may not achieve the financial results, savings or other benefits anticipated in the forward-looking statements. These forward-looking statements are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties, some of which may be beyond our control, that could cause actual results to differ materially from those suggested by the forward-looking statements and include, without limitation:

- changes in the level of consumer spending for apparel in view of general economic and environmental conditions and pricing trends, and our ability to plan for and respond to the impact of those changes;
- consequences of impacts to the businesses of our wholesale customers caused by factors such as lower consumer spending, pricing changes, general economic conditions and changing consumer preferences;
- our ability to mitigate the variability of costs related to manufacturing, sourcing, and raw materials supply, such as cotton, and to manage consumer response to such mitigating actions;
- consequences of the actions we take to support our supply chain partners as a response to the fluctuating costs of manufacturing, sourcing, and raw materials supply;
- our ability to expand our Denizen® brand into new markets and channels;
- our and our wholesale customers’ decisions to modify strategies and adjust product mix, and our ability to manage any resulting product transition costs;
- our ability to gauge and adapt to changing U.S. and international retail environments and fashion trends and changing consumer preferences in product, price-points and shopping experiences;
- our ability to respond to price, innovation and other competitive pressures in the apparel industry and on our key customers;
- our ability to increase the number of dedicated stores for our products, including through opening and profitably operating company-operated stores;
- our effectiveness in increasing productivity and efficiency in our operations;
- our ability to implement, stabilize and optimize our enterprise resource planning system throughout our business without disruption or to mitigate such disruptions;
- consequences of foreign currency exchange rate fluctuations;
- the impact of the variables that affect the net periodic benefit cost and future funding requirements of our postretirement benefits and pension plans;
- our dependence on key distribution channels, customers and suppliers;
- our ability to utilize our tax credits and net operating loss carryforwards;
- ongoing or future litigation matters and disputes and regulatory developments;
- changes in or application of trade and tax laws; and
- political, social and economic instability in countries where we do business.

Our actual results might differ materially from historical performance or current expectations. We do not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Investment and Credit Availability Risk

We manage cash and cash equivalents in various institutions at levels beyond FDIC coverage limits, and we purchase investments not guaranteed by the FDIC. Accordingly, there may be a risk that we will not recover the full principal of our investments or that their liquidity may be diminished. To mitigate this risk, our investment policy emphasizes preservation of principal and liquidity.

Multiple financial institutions are committed to provide loans and other credit instruments under our secured revolving credit facility. There may be a risk that some of these institutions cannot deliver against these obligations in a timely manner, or at all.

Derivative Financial Instruments

We are exposed to market risk primarily related to foreign currencies. We manage foreign currency risks with the objective to minimize the effect of fluctuations in foreign exchange rates on nonfunctional currency cash flows of the Company and its subsidiaries and selected assets or liabilities of the Company and its subsidiaries without exposing the Company to additional risk associated with transactions that could be regarded as speculative.

We are exposed to credit loss in the event of nonperformance by the counterparties to the over-the-counter forward foreign exchange contracts. However, we believe that our exposures are appropriately diversified across counterparties and that these counterparties are creditworthy financial institutions. We monitor the creditworthiness of our counterparties in accordance with our foreign exchange and investment policies. In addition, we have International Swaps and Derivatives Association, Inc. (“ISDA”) master agreements in place with our counterparties to mitigate the credit risk related to the outstanding derivatives. These agreements provide the legal basis for over-the-counter transactions in many of the world’s commodity and financial markets.

Foreign Exchange Risk

The global scope of our business operations exposes us to the risk of fluctuations in foreign currency markets. This exposure is the result of certain product sourcing activities, some intercompany sales, foreign subsidiaries’ royalty payments, interest payments, earnings repatriations, net investment in foreign operations and funding activities. Our foreign currency management objective is to minimize the effect of fluctuations in foreign exchange rates on nonfunctional currency cash flows of the Company and its subsidiaries and selected assets or liabilities of the Company and its subsidiaries without exposing the Company to additional risk associated with transactions that could be regarded as speculative. We manage these forecasted foreign currency exposures.

We use a centralized currency management operation to take advantage of potential opportunities to naturally offset exposures against each other. For any residual exposures under management, we may enter into various financial instruments including forward exchange contracts to hedge certain forecasted transactions as well as certain firm commitments, including third-party and intercompany transactions.

Our foreign exchange risk management activities are governed by a foreign exchange risk management policy approved by our Treasury committee. Members of our Treasury committee, comprised of a group of our senior financial executives, review our foreign exchange activities to ensure compliance with our policies. The operating policies and guidelines outlined in the foreign exchange risk management policy provide a framework that allows for a managed approach to the management of currency exposures while ensuring the activities are conducted within established parameters. Our policy includes guidelines for the organizational structure of our risk management function and for internal controls over foreign exchange risk management activities, including various measurements for monitoring compliance. We monitor foreign exchange risk and related derivatives using different techniques including a review of market value, sensitivity analysis and a value-at-risk model. We use the market approach to estimate the fair value of our foreign exchange derivative contracts.

We use derivative instruments to manage certain but not all exposures to foreign currencies. Our approach to managing foreign currency exposures is consistent with that applied in previous years. As of November 27, 2011,

we had forward foreign exchange contracts to buy $875.6 million and to sell $415.8 million against various foreign currencies. These contracts are at various exchange rates and expire at various dates through November 2012.

As of November 28, 2010, we had forward foreign exchange contracts to buy $623.7 million and to sell $392.5 million against various foreign currencies. These contracts are at various exchange rates and expire at various dates through February 2012.

The following table presents the currency, average forward exchange rate, notional amount and fair values for our outstanding forward and swap contracts as of November 27, 2011, and November 28, 2010. The average forward rate is the forward rate weighted by the total of the transacted amounts. The notional amount represents the U.S. Dollar equivalent amount of the foreign currency at the inception of the contracts. A positive notional amount represents a long position in U.S. Dollar versus the exposure currency, while a negative notional amount represents a short position in U.S. Dollar versus the exposure currency. The net position is the sum of all buy transactions and the sum of all sell transactions. All amounts are stated in U.S. Dollar equivalents. All transactions will mature before the end of November 2012.

	As of November 27, 2011			As of November 28, 2010		
	Average Forward Exchange Rate	Notional Amount	Fair Value	Average Forward Exchange Rate	Notional Amount	Fair Value
		(Dollars in thousands)				
Currency						
Australian Dollar	1.00	$ 39,204	$ 1,433	0.96	$ 29,475	$ (203)
Brazilian Real	1.81	18,021	1,262	1.87	656	(3)
Canadian Dollar	1.00	42,106	2,082	1.02	30,126	(30)
Swiss Franc	1.09	(16,542)	(73)	1.02	(35,178)	(781)
Czech Koruna	18.84	2,323	60	17.96	2,799	156
Danish Krone	0.18	24,517	352	0.18	24,406	897
Euro	1.37	65,826	2,107	1.31	(72,842)	(3,273)
British Pound Sterling	0.64	38,738	700	0.63	37,447	626
Hong Kong Dollar	7.77	(6,806)	(19)	—	—	—
Hungarian Forint	227.83	(7,537)	(334)	201.26	(5,423)	(392)
Indian Rupee	49.64	28,234	1,994	—	—	—
Indonesian Rupiah	9,090.91	15,659	592	—	—	—
Japanese Yen	78.33	38,768	215	81.72	65,123	1,229
South Korean Won	1,127.96	35,125	1,259	1,133.51	21,244	576
Mexican Peso	13.30	70,807	5,412	12.72	57,854	(433)
Malaysian Ringgit	3.21	10,838	2	—	—	—
Norwegian Krone	0.17	17,899	458	0.17	10,709	630
New Zealand Dollar	1.30	442	389	1.31	(1,963)	(430)
Philippine Peso	43.71	2,542	(5)	—	—	—
Polish Zloty	3.28	(41,531)	(2,480)	2.87	(45,139)	(2,999)
Russian Ruble	32.69	13,548	(117)	31.24	13,804	388
Swedish Krona	6.79	72,462	2,030	6.84	73,945	1,869
Singapore Dollar	1.25	(34,659)	(1,741)	1.29	(30,140)	(428)
Turkish Lira	1.83	(16,432)	(379)	—	—	—
New Taiwan Dollar	29.45	23,198	725	30.28	27,209	(172)
South African Rand	7.76	23,049	2,744	7.13	27,102	500
Total		$ 459,799	$ 18,668		$ 231,214	$ (2,273)

Interest rate risk

We maintain a mix of short- and long-term fixed- and variable-rate debt.

The following table provides information about our financial instruments that are sensitive to changes in interest rates. The table presents principal (face amount) outstanding balances of our debt instruments and the related weighted-average interest rates for the years indicated based on expected maturity dates. The applicable floating rate index is included for variable-rate instruments. All amounts are stated in U.S. Dollar equivalents.

	As of November 27, 2011							As of November 28, 2010
	Expected Maturity Date							
	2012	2013	2014	2015	2016	Thereafter	Total	Total
	(Dollars in thousands)							
Debt Instruments								
Fixed Rate (US$)	$ —	$ —	$ —	$ —	$ 350,000	$ 525,000	$ 875,000	$ 875,000
Average Interest Rate	—	—	—	—	8.88%	7.63%	8.13%	
Fixed Rate (Yen 9.1 billion)	—	—	—	—	118,243	—	118,243	109,062
Average Interest Rate	—	—	—	—	4.25%	—	4.25%	
Fixed Rate (Euro 300 million)	—	—	—	—	—	400,350	400,350	400,740
Average Interest Rate	—	—	—	—	—	7.75%	7.75%	
Variable Rate (US$) [1]	100,000	—	325,000	—	100,000	—	525,000	433,250
Average Interest Rate [2]	2.03%	—	2.51%	—	2.03%	—	2.33%	
Total Principal (face amount) of our debt instruments [3]	$ 100,000	$ —	$ 325,000	$ —	$ 568,243	$ 925,350	$ 1,918,593	$ 1,818,052

(1) Expected maturities in 2012 and 2016 relate to the short- and long-term portions, respectively, of our senior secured revolving credit facility.

(2) Assumes no change in short-term interest rates.

(3) Amounts presented in this table exclude our other short-term borrowings of $54.7 million as of November 27, 2011, consisting of term loans and revolving credit facilities at various foreign subsidiaries which we expect to either pay over the next twelve months or refinance at the end of their applicable terms. Of the $54.7 million, $46.1 million was fixed-rate debt and $8.6 million was variable-rate debt.

Item 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Levi Strauss & Co.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, stockholders' deficit and comprehensive income, and of cash flows present fairly, in all material respects, the financial position of Levi Strauss & Co. and its subsidiaries at November 27, 2011 and November 28, 2010, and the results of their operations and their cash flows for each of the three years in the period ended November 27, 2011, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the related financial statement schedule listed in the index appearing under Item 15(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, CA
February 7, 2012

LEVI STRAUSS & CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 204,542	$ 269,726
Trade receivables, net of allowance for doubtful accounts of $22,684 and $24,617	654,903	553,385
Inventories:		
Raw materials	7,086	6,770
Work-in-process	9,833	9,405
Finished goods	594,483	563,728
Total inventories	611,402	579,903
Deferred tax assets, net	99,544	137,892
Other current assets	172,830	110,226
Total current assets	1,743,221	1,651,132
Property, plant and equipment, net of accumulated depreciation of $731,859 and $683,258	502,388	488,603
Goodwill	240,970	241,472
Other intangible assets, net	71,818	84,652
Non-current deferred tax assets, net	613,161	559,053
Other non-current assets	107,997	110,337
Total assets	$ 3,279,555	$ 3,135,249
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Short-term debt	$ 154,747	$ 46,418
Current maturities of capital leases	1,714	1,777
Accounts payable	204,897	212,935
Other accrued liabilities	256,316	275,443
Accrued salaries, wages and employee benefits	235,530	196,152
Accrued interest payable	9,679	9,685
Accrued income taxes	9,378	17,115
Total current liabilities	872,261	759,525
Long-term debt	1,817,625	1,816,728
Long-term capital leases	1,999	3,578
Postretirement medical benefits	140,108	147,065
Pension liability	427,422	400,584
Long-term employee related benefits	75,520	102,764
Long-term income tax liabilities	42,991	50,552
Other long-term liabilities	51,458	54,281
Total liabilities	3,429,384	3,335,077
Commitments and contingencies		
Temporary equity	7,002	8,973
Stockholders' Deficit:		
Levi Strauss & Co. stockholders' deficit		
Common stock — $.01 par value; 270,000,000 shares authorized; 37,354,021 shares and 37,322,358 shares issued and outstanding	374	373
Additional paid-in capital	29,266	18,840
Retained earnings	150,770	33,346
Accumulated other comprehensive loss	(346,002)	(272,168)
Total Levi Strauss & Co. stockholders' deficit	(165,592)	(219,609)
Noncontrolling interest	8,761	10,808
Total stockholders' deficit	(156,831)	(208,801)
Total liabilities, temporary equity and stockholders' deficit	$ 3,279,555	$ 3,135,249

The accompanying notes are an integral part of these consolidated financial statements.

LEVI STRAUSS & CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended November 27, 2011	Year Ended November 28, 2010	Year Ended November 29, 2009
		(Dollars in thousands)	
Net sales	$ 4,674,426	$ 4,325,908	$ 4,022,854
Licensing revenue	87,140	84,741	82,912
Net revenues	4,761,566	4,410,649	4,105,766
Cost of goods sold	2,469,327	2,187,726	2,132,361
Gross profit	2,292,239	2,222,923	1,973,405
Selling, general and administrative expenses	1,955,846	1,841,562	1,595,317
Operating income	336,393	381,361	378,088
Interest expense	(132,043)	(135,823)	(148,718)
Loss on early extinguishment of debt	(248)	(16,587)	—
Other income (expense), net	(1,275)	6,647	(39,445)
Income before income taxes	202,827	235,598	189,925
Income tax expense	67,715	86,152	39,213
Net income	135,112	149,446	150,712
Net loss attributable to noncontrolling interest	2,841	7,057	1,163
Net income attributable to Levi Strauss & Co.	$ 137,953	$ 156,503	$ 151,875

The accompanying notes are an integral part of these consolidated financial statements.

LEVI STRAUSS & CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT AND COMPREHENSIVE INCOME

	Levi Strauss & Co. Stockholders					
	Common Stock	Additional Paid-In Capital	Accumulated Earnings (Deficit)	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Stockholders' Deficit
			(Dollars in thousands)			
Balance at November 30, 2008	$ 373	$ 53,057	$ (275,032)	$ (127,915)	$ 17,982	$ (331,535)
Net income (loss)	—	—	151,875	—	(1,163)	150,712
Other comprehensive (loss) income (net of tax)	—	—	—	(121,952)	1,894	(120,058)
Total comprehensive income						30,654
Stock-based compensation and dividends, net	—	6,476	—	—	—	6,476
Cash dividend paid	—	(20,001)	—	—	(978)	(20,979)
Balance at November 29, 2009	373	39,532	(123,157)	(249,867)	17,735	(315,384)
Net income (loss)	—	—	156,503	—	(7,057)	149,446
Other comprehensive (loss) income (net of tax)	—	—	—	(22,301)	130	(22,171)
Total comprehensive income						127,275
Stock-based compensation and dividends, net	—	(601)	—	—	—	(601)
Repurchase of common stock	—	(78)	—	—	—	(78)
Cash dividend paid	—	(20,013)	—	—	—	(20,013)
Balance at November 28, 2010	373	18,840	33,346	(272,168)	10,808	(208,801)
Net income (loss)	—	—	137,953	—	(2,841)	135,112
Other comprehensive (loss) income (net of tax)	—	—	—	(73,834)	794	(73,040)
Total comprehensive income						62,072
Stock-based compensation and dividends, net	1	10,436	(27)	—	—	10,410
Repurchase of common stock	—	(10)	(479)	—	—	(489)
Cash dividend paid	—	—	(20,023)	—	—	(20,023)
Balance at November 27, 2011	$ 374	$ 29,266	$ 150,770	$ (346,002)	$ 8,761	$ (156,831)

The accompanying notes are an integral part of these consolidated financial statements.

LEVI STRAUSS & CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended November 27, 2011	Year Ended November 28, 2010	Year Ended November 29, 2009
		(Dollars in thousands)	
Cash Flows from Operating Activities:			
Net income	$ 135,112	$ 149,446	$ 150,712
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	117,793	104,896	84,603
Asset impairments	5,777	6,865	16,814
Gain on disposal of property, plant and equipment	(2)	(248)	(175)
Unrealized foreign exchange (gains) losses	(5,932)	(17,662)	14,657
Realized loss on settlement of forward foreign exchange contracts not designated for hedge accounting	9,548	16,342	50,760
Employee benefit plans' amortization from accumulated other comprehensive loss	(8,627)	3,580	(19,730)
Employee benefit plans' curtailment loss, net	129	106	1,643
Noncash loss (gain) on extinguishment of debt, net of write-off of unamortized debt issuance costs	226	(13,647)	—
Amortization of deferred debt issuance costs	4,345	4,332	4,344
Stock-based compensation	8,439	6,438	7,822
Allowance for doubtful accounts	4,634	7,536	7,246
Deferred income taxes	16,153	31,113	(5,128)
Change in operating assets and liabilities:			
Trade receivables	(116,003)	(30,259)	27,568
Inventories	(6,848)	(148,533)	113,014
Other current assets	(39,231)	(20,131)	5,626
Other non-current assets	4,780	(7,160)	(11,757)
Accounts payable and other accrued liabilities	(55,300)	39,886	(58,185)
Income tax liabilities	(15,242)	6,330	(3,377)
Accrued salaries, wages and employee benefits and long-term employee related benefits	(55,846)	(12,128)	6,789
Other long-term liabilities	(2,358)	19,120	(4,452)
Other, net	301	52	(11)
Net cash provided by operating activities	1,848	146,274	388,783
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	(130,580)	(154,632)	(82,938)
Proceeds from sale of property, plant and equipment	171	1,549	939
Payments on settlement of forward foreign exchange contracts not designated for hedge accounting	(9,548)	(16,342)	(50,760)
Acquisitions, net of cash acquired	—	(12,242)	(100,270)
Other	(1,000)	(114)	—
Net cash used for investing activities	(140,957)	(181,781)	(233,029)
Cash Flows from Financing Activities:			
Proceeds from issuance of long-term debt	—	909,390	—
Repayments of long-term debt and capital leases	(1,848)	(866,051)	(72,870)
Proceeds from senior revolving credit facility	305,000	—	—
Repayments of senior revolving credit facility	(213,250)	—	—
Short-term borrowings, net	19,427	27,311	(2,704)
Debt issuance costs	(7,307)	(17,546)	—
Restricted cash	(3,803)	(700)	(602)
Repurchase of common stock	(489)	(78)	—
Dividends to noncontrolling interest shareholders	—	—	(978)
Dividend to stockholders	(20,023)	(20,013)	(20,001)
Net cash provided by (used for) financing activities	77,707	32,313	(97,155)
Effect of exchange rate changes on cash and cash equivalents	(3,782)	2,116	1,393
Net (decrease) increase in cash and cash equivalents	(65,184)	(1,078)	59,992
Beginning cash and cash equivalents	269,726	270,804	210,812
Ending cash and cash equivalents	$ 204,542	$ 269,726	$ 270,804
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	$ 129,079	$ 147,237	$ 135,576
Income taxes	56,229	52,912	56,922

The accompanying notes are an integral part of these consolidated financial statements.

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Levi Strauss & Co. (the "Company") is one of the world's leading branded apparel companies. The Company designs and markets jeans, casual and dress pants, tops, shorts, skirts, jackets, footwear and related accessories, for men, women and children under the Levi's®, Dockers®, Signature by Levi Strauss & Co.™ and Denizen® brands. The Company markets its products in three geographic regions: Americas, Europe and Asia Pacific.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company and its wholly-owned and majority-owned foreign and domestic subsidiaries are prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"). All significant intercompany balances and transactions have been eliminated. The Company is privately held primarily by descendants of the family of its founder, Levi Strauss, and their relatives.

The Company's fiscal year ends on the last Sunday of November in each year, although the fiscal years of certain foreign subsidiaries end on November 30. Each quarter of fiscal years 2011, 2010 and 2009 consists of 13 weeks. All references to years relate to fiscal years rather than calendar years.

Subsequent events have been evaluated through the issuance date of these financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the related notes to consolidated financial statements. Estimates are based upon historical factors, current circumstances and the experience and judgment of the Company's management. Management evaluates its assumptions and estimates on an ongoing basis and may employ outside experts to assist in its evaluations. Changes in such estimates, based on more accurate future information, or different assumptions or conditions, may affect amounts reported in future periods.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents are stated at fair value.

Restricted Cash

Restricted cash primarily relates to required cash deposits for customs and rental guarantees to support the Company's international operations. Restricted cash is included in "Other current assets" and "Other non-current assets" on the consolidated balance sheets.

Accounts Receivable, Net

The Company extends credit to its wholesale customers that satisfy pre-defined credit criteria. Accounts receivable, which include receivables related to the Company's net sales and licensing revenues, are recorded net of an allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based upon an analysis of the aging of accounts receivable at the date of the consolidated financial statements, assessments of collectability based on historic trends, customer-specific circumstances, and an evaluation of economic conditions. Actual write-off of receivables may differ from estimates due to changes in customer and economic circumstances.

Inventory Valuation

The Company values inventories at the lower of cost or market value. Inventory cost is determined using the first-in first-out method. The Company includes product costs, labor and related overhead, sourcing costs, inbound freight, internal transfers, and the cost of operating its remaining manufacturing facilities, including the related depreciation expense, in the cost of inventories. The Company estimates quantities of slow-moving and obsolete inventory, by reviewing on-hand quantities, outstanding purchase obligations and forecasted sales. The Company determines inventory market values by estimating expected selling prices based on the Company's historical recovery rates for slow-moving and obsolete inventory and other factors, such as market conditions, expected channel of distribution and current consumer preferences.

Income Tax Assets and Liabilities

The Company is subject to income taxes in both the United States and numerous foreign jurisdictions. The Company computes its provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. Significant judgments are required in order to determine the realizability of these deferred tax assets. In assessing the need for a valuation allowance, the Company's management evaluates all significant available positive and negative evidence, including historical operating results, estimates of future taxable income and the existence of prudent and feasible tax planning strategies.

The Company does not recognize deferred taxes with respect to temporary differences between the book and tax bases in its investments in foreign subsidiaries, unless it becomes apparent that these temporary differences will reverse in the foreseeable future.

The Company continuously reviews issues raised in connection with all ongoing examinations and open tax years to evaluate the adequacy of its liabilities. The Company evaluates uncertain tax positions under a two-step approach. The first step is to evaluate the uncertain tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon examination based on its technical merits. The second step, for those positions that meet the recognition criteria, is to measure the tax benefit as the largest amount that is more than fifty percent likely to be realized. The Company believes that its recorded tax liabilities are adequate to cover all open tax years based on its assessment. This assessment relies on estimates and assumptions and involves significant judgments about future events. To the extent that the Company's view as to the outcome of these matters change, the Company will adjust income tax expense in the period in which such determination is made. The Company classifies interest and penalties related to income taxes as income tax expense.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation. The cost is depreciated on a straight-line basis over the estimated useful lives of the related assets. Certain costs relating to internal-use software development are capitalized when incurred during the application development phase. Buildings are depreciated over 20 to 40 years, and leasehold improvements are depreciated over the lesser of the life of the improvement or the initial lease term. Machinery and equipment includes furniture and fixtures, automobiles and trucks, and networking communication equipment, and is depreciated over a range from three to 20 years. Capitalized internal-use software is depreciated over periods ranging from three to seven years.

Goodwill and Other Intangible Assets

Goodwill resulted primarily from a 1985 acquisition of the Company by Levi Strauss Associates Inc., a former parent company that was subsequently merged into the Company in 1996, and the Company's 2009 acquisitions. Goodwill is not amortized; intangible assets are comprised of owned trademarks with indefinite useful lives which are not being amortized and acquired contractual rights and customers lists with finite lives which are being amortized over periods ranging from four to eight years.

Impairment

The Company reviews its goodwill and other non-amortized intangible assets for impairment annually in the fourth quarter of its fiscal year, or more frequently as warranted by events or changes in circumstances which indicate that the carrying amount may not be recoverable. Beginning in the fourth quarter of 2011, for certain reporting units, the Company elected to early adopt the option to qualitatively assess goodwill impairment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. For goodwill not qualitatively assessed and for other non-amortized intangible assets, a two-step quantitative approach is utilized. In the first step, the Company compares the carrying value of the reporting unit or applicable asset to its fair value, which the Company estimates using a discounted cash flow analysis or by comparison with the market values of similar assets. If the carrying amount of the reporting unit or asset exceeds its estimated fair value, the Company performs the second step, and determines the impairment loss, if any, as the excess of the carrying value of the goodwill or intangible asset over its fair value.

The Company reviews its other long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If the carrying amount of an asset exceeds the expected future undiscounted cash flows, the Company measures and records an impairment loss for the excess of the carrying value of the asset over its fair value.

To determine the fair value of impaired assets, the Company utilizes the valuation technique or techniques deemed most appropriate based on the nature of the impaired asset and the data available, which may include the use of quoted market prices, prices for similar assets or other valuation techniques such as discounted future cash flows or earnings.

Debt Issuance Costs

The Company capitalizes debt issuance costs, which are included in "Other non-current assets" in the Company's consolidated balance sheets. Bond issuance costs are generally amortized utilizing the effective interest method whereas revolving credit facility issuance costs are amortized utilizing the straight-line method. Amortization of debt issuance costs is included in "Interest expense" in the consolidated statements of income.

Deferred Rent

The Company is obligated under operating leases of property for manufacturing, finishing and distribution facilities, office space, retail stores and equipment. Rental expense relating to operating leases are recognized on a straight-line basis over the lease term after consideration of lease incentives and scheduled rent escalations beginning as of the date the Company takes physical possession or control of the property. Differences between rental expense and actual rental payments are recorded as deferred rent liabilities included in "Other accrued liabilities" and "Other long-term liabilities" on the consolidated balance sheets.

Fair Value of Financial Instruments

The fair values of the Company's financial instruments reflect the amounts that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

(exit price). The fair value estimates presented in this report are based on information available to the Company as of November 27, 2011, and November 28, 2010.

The carrying values of cash and cash equivalents, trade receivables and short-term borrowings approximate fair value. The Company has estimated the fair value of its other financial instruments using the market and income approaches. Rabbi trust assets and forward foreign exchange contracts are carried at their fair values. The Company's debt instruments are carried at historical cost and adjusted for amortization of premiums or discounts, foreign currency fluctuations and principal payments.

Pension and Postretirement Benefits

The Company has several non-contributory defined benefit retirement plans covering eligible employees. The Company also provides certain health care benefits for U.S. employees who meet age, participation and length of service requirements at retirement. In addition, the Company sponsors other retirement or post-employment plans for its foreign employees in accordance with local government programs and requirements. The Company retains the right to amend, curtail or discontinue any aspect of the plans, subject to local regulations.

The Company recognizes either an asset or a liability for any plan's funded status in its consolidated balance sheets. The Company measures changes in funded status using actuarial models which utilize an attribution approach that generally spreads individual events either over the estimated service lives of the remaining employees in the plan, or, for plans where participants will not earn additional benefits by rendering future service — which, beginning in the second quarter of 2011, includes the Company's U.S. plans — over the plan participants' estimated remaining lives. The Company's policy is to fund its retirement plans based upon actuarial recommendations and in accordance with applicable laws, income tax regulations and credit agreements. Net pension and postretirement benefit income or expense is generally determined using assumptions which include expected long-term rates of return on plan assets, discount rates, compensation rate increases and medical trend rates. The Company considers several factors including actual historical rates, expected rates and external data to determine the assumptions used in the actuarial models.

Pension benefits are primarily paid through trusts funded by the Company. The Company pays postretirement benefits to the healthcare service providers on behalf of the plan's participants.

Employee Incentive Compensation

The Company maintains short-term and long-term employee incentive compensation plans. These plans are intended to reward eligible employees for their contributions to the Company's short-term and long-term success. Provisions for employee incentive compensation are recorded in "Accrued salaries, wages and employee benefits" and "Long-term employee related benefits" in the Company's consolidated balance sheets. The Company accrues the related compensation expense over the period of the plan and changes in the liabilities for these incentive plans generally correlate with the Company's financial results and projected future financial performance.

Stock-Based Compensation

The Company has stock-based incentive plans which reward certain employees and directors with cash or equity. Compensation cost for these awards is estimated based on the number of awards that are expected to vest. Compensation cost for equity awards is measured based on the fair value at the grant date, while liability award expense is measured and adjusted based on the fair value at the end of each quarter. No compensation cost is ultimately recognized for awards which are unvested and forfeited at an employees' termination date or for liability awards which are out-of-the-money at the award expiration date. Compensation cost is recognized on a straight-line basis over the period that an employee provides service for that award, which generally is the vesting period.

The Company's common stock is not listed on any established stock exchange. Accordingly, the stock's fair market value is determined by the Board based upon a valuation performed by an independent third-party, Evercore Group LLC ("Evercore"). Determining the fair value of the Company's stock requires complex judgments. The valuation process includes comparison of the Company's historical and estimated future financial results with selected publicly-traded companies and application of an appropriate discount for the illiquidity of the stock to derive the fair value of the stock. The Company uses this valuation for, among other things, making determinations under its stock-based compensation plans, such as the grant date fair value of awards.

The fair value of equity awards granted to employees is estimated on the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions including volatility. Due to the fact that the Company's common stock is not publicly traded, the computation of expected volatility is based on the average of the historical and implied volatilities, over the expected life of the awards, of comparable companies from a representative peer group of publicly-traded entities, selected based on industry and financial attributes. Other assumptions include expected life, risk-free rate of interest and dividend yield. Expected life is computed using the simplified method. The risk-free interest rate is based on zero coupon U.S. Treasury bond rates corresponding to the expected life of the awards. Dividend assumptions are based on historical experience.

The fair value of equity awards granted to directors is based on the fair value of the common stock at the date of grant. The fair value of liability awards granted to employees is also based on the Black-Scholes option pricing model and is calculated based on the common stock value and assumptions at each quarter end.

Due to the job function of the award recipients, the Company has included stock-based compensation cost in "Selling, general and administrative expenses" in the consolidated statements of income.

Self-Insurance

The Company self-insures, up to certain limits, workers' compensation risk and employee and eligible retiree medical health benefits. The Company carries insurance policies covering claim exposures which exceed predefined amounts, per occurrence and/or in the aggregate, for workers' compensation claims and for the medical claims of active employees as well as those salaried retirees who retired after June 1, 2001. Accruals for losses are made based on the Company's claims experience and actuarial assumptions followed in the insurance industry, including provisions for incurred but not reported losses.

Derivative Financial Instruments and Hedging Activities

The Company recognizes all derivatives as assets and liabilities at their fair values. The Company uses derivatives to manage exposures that are sensitive to changes in market conditions, such as foreign currency risk. Additionally, some of the Company's contracts contain provisions that are accounted for as embedded derivative instruments. The Company does not designate its derivative instruments for hedge accounting; changes in the fair values of these instruments are recorded in "Other income (expense), net" in the Company's consolidated statements of income.

In the second quarter of 2011, the Company identified that certain of its leases contained embedded foreign currency derivatives that had not been accounted for in prior periods. The Company determined that the effect of not accounting for these embedded derivatives in its previously issued financial statements was not material and recorded a correcting entry in the second quarter of 2011. The correction had the effect of increasing the fair value of the Company's derivative net assets and of recognizing other income. The correction had no effect on operating income or cash flows, and increased income before income taxes and net income in the second quarter of 2011 by $6.5 million and $4.7 million, respectively.

The non-derivative instruments the Company designates and that qualify for hedge accounting treatment hedge the Company's net investment position in certain of its foreign subsidiaries. For these instruments, the Company documents the hedge designation by identifying the hedging instrument, the nature of the risk being hedged and the approach for measuring hedge effectiveness. The ineffective portions of these hedges are recorded in "Other income (expense), net" in the Company's consolidated statements of income. The effective portions of these hedges are recorded in "Accumulated other comprehensive loss" in the Company's consolidated balance sheets and are not reclassified to earnings until the related net investment position has been liquidated.

Foreign Currency

The functional currency for most of the Company's foreign operations is the applicable local currency. For those operations, assets and liabilities are translated into U.S. Dollars using period-end exchange rates, income and expenses are translated at average monthly exchange rates, and equity accounts are translated at historical rates. Net changes resulting from such translations are recorded as a component of translation adjustments in "Accumulated other comprehensive income (loss)" in the Company's consolidated balance sheets.

Foreign currency transactions are transactions denominated in a currency other than the entity's functional currency. At each balance sheet date, each entity remeasures the recorded balances related to foreign-currency transactions using the period-end exchange rate. Gains or losses arising from the remeasurement of these balances are recorded in "Other income (expense), net" in the Company's consolidated statements of income. In addition, at the settlement date of foreign currency transactions, foreign currency gains and losses are recorded in "Other income (expense), net" in the Company's consolidated statements of income to reflect the difference between the rate effective at the settlement date and the historical rate at which the transaction was originally recorded.

Noncontrolling Interest

Noncontrolling interest includes a 16.4% minority interest of third parties in Levi Strauss Japan K.K., the Company's Japanese subsidiary.

Stockholders' Deficit

The accumulated deficit component of stockholders' deficit at November 29, 2009, and prior, primarily resulted from a 1996 recapitalization transaction in which the Company's stockholders created new long-term governance arrangements, including a voting trust and stockholders' agreement. As a result, shares of stock of a former parent company, Levi Strauss Associates Inc., including shares held under several employee benefit and compensation plans, were converted into the right to receive cash. The funding for the cash payments in this transaction was provided in part by cash on hand and in part from proceeds of approximately $3.3 billion of borrowings under bank credit facilities.

Revenue Recognition

Net sales is primarily comprised of sales of products to wholesale customers, including franchised stores, and direct sales to consumers at the Company's company-operated and online stores and at the Company's company-operated shop-in-shops located within department stores. The Company recognizes revenue on sale of product when the goods are shipped or delivered and title to the goods passes to the customer provided that: there are no uncertainties regarding customer acceptance; persuasive evidence of an arrangement exists; the sales price is fixed or determinable; and collectability is reasonably assured. The revenue is recorded net of an allowance for estimated returns, discounts and retailer promotions and other similar incentives. Licensing revenues from the use of the Company's trademarks in connection with the manufacturing, advertising, and distribution of trademarked products by third-party licensees are earned and recognized as products are sold by licensees based on royalty rates set forth in the licensing agreements.

The Company recognizes allowances for estimated returns in the period in which the related sale is recorded. The Company recognizes allowances for estimated discounts, retailer promotions and other similar incentives at the later of the period in which the related sale is recorded or the period in which the sales incentive is offered to the customer. The Company estimates non-volume based allowances based on historical rates as well as customer and product-specific circumstances. Sales and value-added taxes collected from customers and remitted to governmental authorities are presented on a net basis in the consolidated statements of income.

Net sales to the Company's ten largest customers totaled approximately 30%, 33% and 36% of net revenues for 2011, 2010 and 2009, respectively. No customer represented 10% or more of net revenues in any of these years.

Cost of Goods Sold

Cost of goods sold includes the expenses incurred to acquire and produce inventory for sale, including product costs, labor and related overhead, sourcing costs, inbound freight, internal transfers, and the cost of operating the Company's remaining manufacturing facilities, including the related depreciation expense. Costs relating to the Company's licensing activities are included in "Selling, general and administrative expenses" in the consolidated statements of income.

Selling, General and Administrative Expenses

Selling, general and administrative expenses are primarily comprised of costs relating to advertising, marketing, selling, distribution, information technology and other corporate functions. Selling costs include all occupancy costs associated with company-operated stores and with the Company's company-operated shop-in-shops located within department stores. The Company expenses advertising costs as incurred. For 2011, 2010 and 2009, total advertising expense was $313.8 million, $327.8 million and $266.1 million, respectively. Distribution costs include costs related to receiving and inspection at distribution centers, warehousing, shipping to the Company's customers, handling and certain other activities associated with the Company's distribution network. These expenses totaled $183.9 million, $185.1 million and $185.7 million for 2011, 2010 and 2009, respectively.

Recently Issued Accounting Standards

The following recently issued accounting standards have been grouped by their required effective dates for the Company:

Second Quarter of 2012

- In May 2011, the FASB issued Accounting Standards Update No. 2011-04, *"Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs,"* ("ASU 2011-04"). ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and IFRS. ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively. The Company anticipates that the adoption of this standard will not materially change its consolidated financial statement footnote disclosures.

Fourth Quarter of 2012

- In September 2011, the FASB issued Accounting Standards Update No. 2011-09, *"Compensation — Retirement Benefits — Multiemployer Plans (Subtopic 715-80),"* ("ASU 2011-09"). ASU 2011-09 requires that employers provide additional separate disclosures for multiemployer pension plans and

multiemployer other postretirement benefit plans. The additional quantitative and qualitative disclosures will provide users with more detailed information about an employer's involvement in multiemployer pension plans. This new guidance is to be applied retrospectively. The Company anticipates that the adoption of this standard will expand its consolidated financial statement footnote disclosures.

First Quarter of 2013

- In June 2011, the FASB issued Accounting Standards Update No. 2011-05, *"Comprehensive Income (Topic 220): Presentation of Comprehensive Income,"* ("ASU 2011-05"). ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in equity. ASU 2011-05 requires that all nonowner changes in stockholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. In December 2011, the FASB issued Accounting Standards Update No. 2011-12 ("ASU 2011-12") which defers certain requirements within ASU 2011-05. These amendments are being made to allow the FASB time to redeliberate whether to present on the face of the financial statements the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income in all periods presented. This new guidance is to be applied retrospectively. The Company anticipates that the adoption of this standard may materially change the presentation of its consolidated financial statements.

First Quarter of 2014

- In December 2011, the FASB issued Accounting Standards Update No. 2011-11, *"Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities,"* ("ASU 2011-11"). ASU 2011-11 enhances disclosures regarding financial instruments and derivative instruments. Entities are required to provide both net information and gross information for these assets and liabilities in order to enhance comparability between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. This new guidance is to be applied retrospectively. The Company anticipates that the adoption of this standard will expand its consolidated financial statement footnote disclosures.

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment ("PP&E") were as follows:

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
Land	$ 30,236	$ 29,728
Buildings and leasehold improvements	422,020	406,644
Machinery and equipment	477,895	493,325
Capitalized internal-use software	286,662	186,905
Construction in progress	17,434	55,259
Subtotal	1,234,247	1,171,861
Accumulated depreciation	(731,859)	(683,258)
PP&E, net	$ 502,388	$ 488,603

Depreciation expense for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, was $104.8 million, $88.9 million and $76.8 million, respectively.

Capitalized internal-use software at November 27, 2011, and November 28, 2010, primarily related to the implementation of the Company's enterprise resource planning system and various information technology systems. Construction in progress at November 27, 2011, and November 28, 2010, primarily related to the installation of various information technology systems and leasehold improvements.

NOTE 3: GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill by business segment for the years ended November 27, 2011, and November 28, 2010, were as follows:

	Americas	Europe	Asia Pacific	Total
		(Dollars in thousands)		
Balance, November 29, 2009	$ 207,423	$ 32,080	$ 2,265	$ 241,768
Additions	—	2,115	—	2,115
Foreign currency fluctuation	4	(2,592)	177	(2,411)
Balance, November 28, 2010	$ 207,427	$ 31,603	$ 2,442	$ 241,472
Foreign currency fluctuation	(9)	(80)	(413)	(502)
Balance, November 27, 2011	$ 207,418	$ 31,523	$ 2,029	$ 240,970

Other intangible assets, net, were as follows:

	November 27, 2011			November 28, 2010		
	Gross Carrying Value	Accumulated Amortization	Total	Gross Carrying Value	Accumulated Amortization	Total
			(Dollars in thousands)			
Non-amortized intangible assets:						
Trademarks	$ 42,743	$ —	$ 42,743	$ 42,743	$ —	$ 42,743
Amortized intangible assets:						
Acquired contractual rights	41,667	(23,051)	18,616	45,712	(17,765)	27,947
Customer lists	20,018	(9,559)	10,459	20,037	(6,075)	13,962
Total	$ 104,428	$ (32,610)	$ 71,818	$ 108,492	$ (23,840)	$ 84,652

For the years ended November 27, 2011, and November 28, 2010, amortization of these intangible assets were $12.1 million and $14.8 million, respectively. The amortization of these intangible assets, which is included in "Selling, general and administrative expenses" in the Company's consolidated statements of income, in the succeeding fiscal years is approximately $12.2 million in 2012, $11.0 million in 2013, and immaterial thereafter.

As of November 27, 2011, there was no impairment to the carrying value of the Company's goodwill or non-amortized intangible assets.

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the Company's financial instruments that are carried at fair value.

	November 27, 2011			November 28, 2010		
		Fair Value Estimated Using			Fair Value Estimated Using	
	Fair Value	Level 1 Inputs[1]	Level 2 Inputs[2]	Fair Value	Level 1 Inputs[1]	Level 2 Inputs[2]
	(Dollars in thousands)					
Financial assets carried at fair value						
Rabbi trust assets	$ 18,064	$ 18,064	$ —	$ 18,316	$ 18,316	$ —
Forward foreign exchange contracts, net[3]	25,992	—	25,992	1,385	—	1,385
Total	$ 44,056	$ 18,064	$ 25,992	$ 19,701	$ 18,316	$ 1,385
Financial liabilities carried at fair value						
Forward foreign exchange contracts, net[3]	$ 5,256	$ —	$ 5,256	$ 5,003	$ —	$ 5,003
Total	$ 5,256	$ —	$ 5,256	$ 5,003	$ —	$ 5,003

(1) Fair values estimated using Level 1 inputs are inputs which consist of quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. Rabbi trust assets consist of a diversified portfolio of equity, fixed income and other securities. See Note 12 for more information on rabbi trust assets.

(2) Fair values estimated using Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly and include among other things, quoted prices for similar assets or liabilities in markets that are active or inactive as well as inputs other than quoted prices that are observable. For forward foreign exchange contracts, inputs include foreign currency exchange and interest rates and, where applicable, credit default swap prices.

(3) The Company's over-the-counter forward foreign exchange contracts are subject to International Swaps and Derivatives Association, Inc. master agreements. These agreements permit the net-settlement of these contracts on a per-institution basis.

The following table presents the carrying value — including accrued interest — and estimated fair value of the Company's financial instruments that are carried at adjusted historical cost.

	November 27, 2011		November 28, 2010	
	Carrying Value	Estimated Fair Value[1]	Carrying Value	Estimated Fair Value[1]
	(Dollars in thousands)			
Financial liabilities carried at adjusted historical cost				
Senior revolving credit facility	$ 200,267	$ 199,767	$ 108,482	$ 107,129
Senior term loan due 2014	324,663	316,562	324,423	311,476
8.875% senior notes due 2016	354,918	366,293	355,004	373,379
4.25% Yen-denominated Eurobonds due 2016	118,618	102,508	109,429	98,063
7.75% Euro senior notes due 2018	401,495	381,478	401,982	407,993
7.625% senior notes due 2020	526,446	519,883	526,557	542,307
Short-term borrowings	54,975	54,975	46,722	46,722
Total	$ 1,981,382	$ 1,941,466	$ 1,872,599	$ 1,887,069

(1) Fair value estimate incorporates mid-market price quotes.

NOTE 5: DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company's foreign currency management objective is to minimize the effect of fluctuations in foreign exchange rates on nonfunctional currency cash flows of the Company and its subsidiaries and selected assets or liabilities of the Company and its subsidiaries without exposing the Company to additional risk associated with transactions that could be regarded as speculative. Forward exchange contracts on various currencies are entered into to manage foreign currency exposures associated with certain product sourcing activities, some intercompany sales, foreign subsidiaries' royalty payments, interest payments, earnings repatriations, net investment in foreign operations and funding activities. The Company manages certain forecasted foreign currency exposures and uses a centralized currency management operation to take advantage of potential opportunities to naturally offset foreign currency exposures against each other. The Company designates its outstanding Euro senior notes and a portion of its outstanding Yen-denominated Eurobonds as net investment hedges to manage foreign currency exposures in its foreign operations. The Company does not apply hedge accounting to its derivative transactions. As of November 27, 2011, the Company had forward foreign exchange contracts to buy $875.6 million and to sell $415.8 million against various foreign currencies. These contracts are at various exchange rates and expire at various dates through November 2012.

The table below provides data about the carrying values of derivative and non-derivative instruments:

	November 27, 2011			November 28, 2010		
	Assets	(Liabilities)		Assets	(Liabilities)	
	Carrying Value	Carrying Value	Derivative Net Carrying Value	Carrying Value	Carrying Value	Derivative Net Carrying Value
	(Dollars in thousands)					
Derivatives not designated as hedging instruments						
Forward foreign exchange contracts[1]	$ 31,906	$ (5,914)	$ 25,992	$ 7,717	$ (6,332)	$ 1,385
Forward foreign exchange contracts[2]	4,547	(9,803)	(5,256)	4,266	(9,269)	(5,003)
Total	$ 36,453	$ (15,717)		$ 11,983	$ (15,601)	
Non-derivatives designated as hedging instruments						
4.25% Yen-denominated Eurobonds due 2016	$ —	$ (46,115)		$ —	$ (61,075)	
7.75% Euro senior notes due 2018	—	(400,350)		—	(400,740)	
Total	$ —	$ (446,465)		$ —	$ (461,815)	

(1) Included in "Other current assets" or "Other non-current assets" on the Company's consolidated balance sheets.

(2) Included in "Other accrued liabilities" on the Company's consolidated balance sheets.

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

The table below provides data about the amount of gains and losses related to derivative instruments and non-derivative instruments designated as net investment hedges included in "Accumulated other comprehensive loss" ("AOCI") on the Company's consolidated balance sheets, and in "Other income (expense), net" in the Company's consolidated statements of income:

	Gain or (Loss) Recognized in AOCI (Effective Portion)		Gain or (Loss) Recognized in Other Income (Expense), net (Ineffective Portion and Amount Excluded from Effectiveness Testing)		
	As of November 27, 2011	As of November 28, 2010	Year Ended November 27, 2011	November 28, 2010	November 29, 2009
			(Dollars in thousands)		
Forward foreign exchange contracts	$ 4,637	$ 4,637	$ —	$ —	$ —
Yen-denominated Eurobonds	(28,525)	(24,377)	(5,033)	2,254	(13,094)
Euro senior notes	(23,281)	(23,671)	—	—	—
Cumulative income taxes	18,476	17,022			
Total	$ (28,693)	$ (26,389)			

The table below provides data about the amount of gains and losses related to derivatives not designated as hedging instruments included in "Other income (expense), net" in the Company's consolidated statements of income:

	Gain or (Loss) Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Forward foreign exchange contracts:			
Realized	$ (9,548)	$ (16,342)	$ (50,760)
Unrealized	24,858	10,163	(18,794)
Total	$ 15,310	$ (6,179)	$ (69,554)

NOTE 6: DEBT

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
Long-term debt		
Secured:		
Senior revolving credit facility	$ 100,000	$ 108,250
Unsecured:		
Senior term loan due 2014	324,032	323,676
8.875% senior notes due 2016	350,000	350,000
4.25% Yen-denominated Eurobonds due 2016	118,243	109,062
7.75% Euro senior notes due 2018	400,350	400,740
7.625% senior notes due 2020	525,000	525,000
Total unsecured	1,717,625	1,708,478
Total long-term debt	$ 1,817,625	$ 1,816,728
Short-term debt		
Senior revolving credit facility	$ 100,000	$ —
Short-term borrowings	54,747	46,418
Total short-term debt	$ 154,747	$ 46,418
Total long-term and short-term debt	$ 1,972,372	$ 1,863,146

Senior Revolving Credit Facility

On September 30, 2011, the Company entered into a credit agreement for a new senior secured revolving credit facility. The credit agreement provides for an asset-based facility, in which the borrowing availability is primarily based on the value of the U.S. Levi's® trademarks and the levels of accounts receivable and inventory in the United States and Canada, as further described below.

Availability, interest and maturity. The maximum availability under the credit agreement is $850.0 million, of which $800.0 million is available to the Company for revolving loans in U.S. Dollars and $50.0 million is available to the Company for revolving loans either in U.S. Dollars or Canadian Dollars. Subject to the level of this borrowing base, the Company may make and repay borrowings from time to time until the maturity of the credit agreement. The Company may make voluntary prepayments of borrowings at any time and must make mandatory prepayments if certain events occur. Borrowings under the credit agreement will bear an interest rate of LIBOR plus 150 to 275 basis points, depending on borrowing base availability, and undrawn availability bears a rate of 37.5 to 50 basis points. The credit agreement has a maturity date of September 30, 2016, which may be accelerated to December 26, 2013, if the senior unsecured term loan due 2014 is still outstanding on that date and the Company has not met other conditions set forth in the credit agreement. Upon the maturity date, all of the obligations outstanding under the credit agreement become due.

The Company's unused availability under its senior secured revolving credit facility was $494.7 million at November 27, 2011, as the Company's total availability of $577.8 million, based on the collateral levels discussed above, was reduced by $83.1 million of letters of credit and other credit usage allocated under the facility. The $83.1 million was comprised of $17.6 million of other credit usage and $65.5 million of stand-by letters of credit with various international banks which serve as guarantees to cover U.S. workers' compensation claims and the working capital requirements for certain subsidiaries, primarily India.

Guarantees and security. The Company's obligations under the credit agreement are guaranteed by its domestic subsidiaries. The obligations under the agreement are secured by, among other domestic assets, certain U.S. trademarks associated with the Levi's® brand and accounts receivable, goods and inventory in the United States. Additionally, the obligations of Levi Strauss & Co. (Canada) Inc. under the credit agreement are secured by Canadian accounts receivable, goods, inventory and other Canadian assets. The lien on the U.S. Levi's® trademarks and related intellectual property may be released at the Company's discretion so long as it meets certain conditions; such release would reduce the borrowing base.

Covenants. The credit agreement contains customary covenants restricting the Company's activities as well as those of the Company's subsidiaries, including limitations on the ability to sell assets; engage in mergers; enter into transactions involving related parties or derivatives; incur or prepay indebtedness or grant liens or negative pledges on the Company's assets; make loans or other investments; pay dividends or repurchase stock or other securities; guaranty third-party obligations; and make changes in the Company's corporate structure. There are exceptions to these covenants, and some are only applicable when unused availability falls below specified thresholds. In addition, the credit agreement includes, as a financial covenant, a springing fixed charge coverage ratio of 1.0:1.0, which arises when availability falls below a specified threshold.

Events of default. The credit agreement contains customary events of default, including payment failures; failure to comply with covenants; failure to satisfy other obligations under the credit agreements or related documents; defaults in respect of other indebtedness; bankruptcy, insolvency and inability to pay debts when due; material judgments; pension plan terminations or specified underfunding; substantial stock ownership changes; and specified changes in the composition of the Company's board of directors. The cross-default provisions in the agreement apply if a default occurs on other indebtedness in excess of $50.0 million and the applicable grace period in respect of the indebtedness has expired, such that the lenders of or trustee for the defaulted indebtedness have the

right to accelerate. If an event of default occurs under the credit agreement, the lenders may terminate their commitments, declare immediately payable all borrowings under the agreement and foreclose on the collateral.

Use of proceeds. In connection with the new senior secured revolving credit facility, the Company terminated the previous amended and restated senior secured revolving credit facility. Borrowings outstanding under the previous facility were refinanced into the new senior secured revolving credit facility.

Euro Notes due 2013

On March 11, 2005, the Company issued €150.0 million in notes to qualified institutional buyers (the "Euro Notes due 2013"). The Euro Notes due 2013 were unsecured obligations that ranked equally with all of the Company's other existing and future unsecured and unsubordinated debt.

On March 17, 2006, the Company issued an additional €100.0 million in Euro Notes due 2013 to qualified institutional buyers. These notes had the same terms and are part of the same series as the €150.0 million aggregate principal amount of Euro Notes due 2013 the Company issued in March 2005, except that these notes were offered at a premium of 3.5%, or $4.2 million, which original issuance premium was amortized over the term of the notes while still outstanding.

The Company redeemed all of the outstanding Euro Notes due 2013 in May 2010, as described below.

Senior Term Loan due 2014

On March 27, 2007, the Company entered into a senior unsecured term loan agreement (the "Term Loan"). The Term Loan consists of a single borrowing of $325.0 million, net of a 0.75% discount to the lenders. The Term Loan matures on April 4, 2014, and bears interest at 2.25% over LIBOR or 1.25% over the base rate. The Term Loan could not have been prepaid during the first year but thereafter may be prepaid without premium or penalty.

Covenants. The agreement governing the Term Loan contains covenants that limit the Company and its subsidiaries' ability to incur additional debt; pay dividends or make other restricted payments; consummate specified asset sales; enter into transactions with affiliates; incur liens; impose restrictions on the ability of a subsidiary to pay dividends or make payments to the Company and its subsidiaries; merge or consolidate with any other person; and sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Company's assets or its subsidiaries' assets. The Company and its subsidiaries would not be required to comply with certain of these covenants if the Term Loan receives and maintains an investment grade rating by both Standard and Poor's and Moody's and the Company and its subsidiaries are and remain in compliance with the agreement.

Asset sales. The agreement governing the Term Loan provides that the Company's asset sales must be at fair market value and the consideration must consist of at least 75% cash or cash equivalents or the assumption of liabilities. The Company would be required to use the net proceeds from the asset sale within 360 days after receipt either to repay bank debt, with an equivalent permanent reduction in the available commitment in the case of a repayment under the Company's senior secured revolving credit facility, or to invest in additional assets in a business related to the Company's business. To the extent proceeds not so used within the time period exceed $10.0 million, the Company would be required to make an offer to prepay the Term Loan plus accrued but unpaid interest, if any, to the date of prepayment.

Change in control. If the Company experienced a change in control as defined in the agreement, then the Company is required under the agreement to make an offer to prepay the Term Loan at 101% of the principal amount plus accrued and unpaid interest, if any, to the date of prepayment.

Events of default. The agreement contains customary events of default, including failure to pay principal, failure to pay interest after a 30-day grace period, failure to comply with the merger, consolidation and sale of property covenant, failure to comply with other covenants in the agreement for a period of 30 days after notice

given to the Company, failure to satisfy certain judgments in excess of $25.0 million after a 30-day grace period, and certain events involving bankruptcy, insolvency or reorganization. The agreement also contains a cross-acceleration event of default that applies if debt of the Company or any restricted subsidiary in excess of $25.0 million is accelerated or is not paid when due at final maturity.

Use of proceeds — redemption of senior notes due 2012. On April 4, 2007, the Company borrowed the maximum available of $322.6 million under the Term Loan and used the borrowings plus cash on hand of $66.4 million to redeem all of its then-outstanding $380.0 million floating rate senior notes due 2012 and to pay related redemption premiums, transaction fees and expenses, and accrued interest of $9.0 million.

Senior Notes due 2015

Principal, interest and maturity. On December 22, 2004, the Company issued $450.0 million in notes to qualified institutional buyers (the "Senior Notes due 2015"). The Senior Notes due 2015 were unsecured obligations that ranked equally with all of the Company's other existing and future unsecured and unsubordinated debt. During the third quarter of 2008, the Company repurchased $3.8 million of the Senior Notes due 2015 on the open market for a net gain of $0.2 million. The Company redeemed all of the remaining outstanding Senior Notes due 2015 in May 2010, as described below.

Senior Notes due 2016

Principal, interest and maturity. On March 17, 2006, the Company issued $350.0 million in notes to qualified institutional buyers (the "Senior Notes due 2016"). The Senior Notes due 2016 are unsecured obligations that rank equally with all of the Company's other existing and future unsecured and unsubordinated debt. They are 10-year notes maturing on April 1, 2016, and bear interest at 8.875% per annum, payable semi-annually in arrears on April 1 and October 1. They were redeemable by the Company, in whole or in part, at any time prior to April 1, 2011, at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of redemption and a "make-whole" premium. Starting on April 1, 2011, the Company may redeem all or any portion of the Senior Notes due 2016, at once or over time, at redemption prices specified in the indenture, after giving the required notice under the indenture. The Senior Notes due 2016 were offered at par. Costs representing underwriting fees and other expenses of $8.0 million are amortized over the term of the notes to interest expense.

The covenants, events of default, asset sale, change of control, and other terms of the Senior Notes due 2016 are comparable to those contained in the indentures governing the Company's Term Loan described above, including the covenant suspension term that was in effect at November 27, 2011, and will remain in effect until such time as the Company obtains the required investment grade rating.

Exchange offer. In July 2006, after a required exchange offer, all of the Senior Notes due 2016 were exchanged for new notes on identical terms, except that the new notes are registered under the Securities Act of 1933.

Use of proceeds — Prepayment of term loan. In March 2006, the Company used the proceeds of the additional Euro Notes due 2013 and the Senior Notes due 2016 plus cash on hand to prepay the remaining balance of the existing Term Loan of $488.8 million.

Yen-denominated Eurobonds due 2016

In 1996, the Company issued ¥20 billion principal amount Eurobonds (equivalent to approximately $180.0 million at the time of issuance) due in November 2016, with interest payable at 4.25% per annum. The bond is redeemable at the option of the Company at a make-whole redemption price. The Company repurchased a portion of the Yen-denominated Eurobonds due 2016 in May 2010, as described below.

The agreement governing these bonds contains customary events of default and restricts the Company's ability and the ability of its subsidiaries and future subsidiaries to incur liens; engage in sale and leaseback transactions and engage in mergers and sales of assets. The agreement contains a cross-acceleration event of default that applies if any of the Company's debt in excess of $25.0 million is accelerated and the debt is not discharged or acceleration rescinded within 30 days after the Company's receipt of a notice of default from the fiscal agent or from the holders of at least 25% of the principal amount of the bond.

Euro Notes due 2018 and Senior Notes due 2020

Principal, interest and maturity. On May 6, 2010, the Company issued €300.0 million in aggregate principal amount of 7.75% Euro senior notes due 2018 (the "Euro Notes due 2018") and $525.0 million in aggregate principal amount of 7.625% senior notes due 2020 (the "Senior Notes due 2020") to qualified institutional buyers. The notes are unsecured obligations that rank equally with all of the Company's other existing and future unsecured and unsubordinated debt. The Euro Notes due 2018 mature on May 15, 2018, and the Senior Notes due 2020 mature on May 15, 2020. Interest on the notes is payable semi-annually in arrears on May 15 and November 15, commencing on November 15, 2010. The Company may redeem some or all of the Euro Notes due 2018 prior to May 15, 2014, and some or all of the Senior Notes due 2020 prior to May 15, 2015, each at a price equal to 100% of the principal amount plus accrued and unpaid interest and a "make-whole" premium; after these dates, the Company may redeem all or any portion of the notes, at once or over time, at redemption prices specified in the indenture governing the notes, after giving the required notice under the indenture. In addition, at any time prior to May 15, 2013, the Company may redeem up to a maximum of 35% of the original aggregate principal amount of each series of notes with the proceeds of one or more public equity offerings at a redemption price of 107.750% and 107.625% of the principal amount of the Euro Notes due 2018 and Senior Notes due 2020, respectively, plus accrued and unpaid interest, if any, to the date of redemption. Costs representing underwriting fees and other expenses of $17.5 million are amortized over the term of the notes to interest expense.

Covenants. The indenture governing both notes contains covenants that limit, among other things, the Company's and certain of the Company's subsidiaries' ability to incur additional debt; make certain restricted payments; consummate specified asset sales; enter into transactions with affiliates; incur liens; impose restrictions on the ability of its subsidiaries to pay dividends or make payments to the Company and its restricted subsidiaries; enter into sale and leaseback transactions; merge or consolidate with another person; and dispose of all or substantially all of the Company's assets. The indenture provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants in the indenture, payment defaults or acceleration of other indebtedness, a failure to pay certain judgments and certain events of bankruptcy and insolvency. Generally, if an event of default occurs, the trustee under the indenture or holders of at least 25% in principal amount of the then outstanding notes may declare all notes to be due and payable immediately. Upon the occurrence of a change in control (as defined in the indenture), each holder of notes may require the Company to repurchase all or a portion of the notes in cash at a price equal to 101% of the principal amount of notes to be repurchased, plus accrued and unpaid interest, if any, thereon to the date of purchase.

Exchange offer. In accordance with a registration rights agreement, the Company conducted an exchange offer to allow holders to exchange the notes for new notes in the same principal amount and with substantially identical terms, except that the new notes were registered under the Securities Act of 1933.

Use of Proceeds — Tender offer, redemption and partial repurchase. On April 22, 2010, the Company commenced a cash tender offer for the outstanding principal amount of its Euro Notes due 2013 and its Senior Notes due 2015. The tender offer expired May 19, 2010, and the Company redeemed all remaining notes that were not tendered in the offer on May 25, 2010. The Company purchased all of the outstanding Euro Notes due 2013 and its Senior Notes due 2015 pursuant to the tender offer and subsequent redemption.

On May 21, 2010, the Company also repurchased ¥10,883,500,000 in principal amount tendered of the Yen-denominated Eurobonds due 2016 for total consideration of $100.0 million including accrued interest.

The tender offer, redemption and partial repurchase described above, as well as underwriting fees associated with the new issuance, were funded with the proceeds from the issuance of the Euro Notes due 2018 and the Senior Notes due 2020.

Short-term Borrowings

Short-term borrowings consist of term loans and revolving credit facilities at various foreign subsidiaries which the Company expects to either pay over the next twelve months or refinance at the end of their applicable terms. Certain of these borrowings are guaranteed by stand-by letters of credit allocated under the Company's senior secured revolving credit facility.

Loss on Early Extinguishment of Debt

For the year ended November 27, 2011, the Company recorded a loss on early extinguishment of debt of $0.2 million as a result of the credit facility refinancing activities during the fourth quarter of 2011.

For the year ended November 28, 2010, the Company recorded a loss of $16.6 million on early extinguishment of debt, comprised of tender premiums of $30.2 million and the write-off of $7.6 million of unamortized debt issuance costs, net of applicable premium, offset by a gain of $21.2 million related to the partial repurchase of Yen-denominated Eurobonds at a discount to their par value.

Principal Payments on Short-term and Long-term Debt

The table below sets forth, as of November 27, 2011, the Company's required aggregate short-term and long-term debt principal payments (inclusive of premium and discount) for the next five fiscal years and thereafter.

	(Dollars in thousands)
2012	$ 154,747
2013	—
2014	324,032
2015	—
2016	568,243
Thereafter	925,350
Total future debt principal payments	$ 1,972,372

Interest Rates on Borrowings

The Company's weighted-average interest rate on average borrowings outstanding during 2011, 2010 and 2009 was 6.90%, 7.05% and 7.44%, respectively. The weighted-average interest rate on average borrowings outstanding includes the amortization of capitalized bank fees and underwriting fees, and excludes interest on obligations to participants under deferred compensation plans.

Dividends and Restrictions

The terms of certain of the indentures relating to the Company's unsecured notes and its senior secured revolving credit facility agreement contain covenants that restrict the Company's ability to pay dividends to its stockholders. The Company paid cash dividends of $20 million in each of 2011, 2010 and 2009. For further

information, see Note 14. As of November 27, 2011, and at the time the dividends were paid, the Company met the requirements of its debt instruments. Subsidiaries of the Company that are not wholly-owned subsidiaries are permitted under the indentures to pay dividends to all stockholders either on a pro rata basis or on a basis that results in the receipt by the Company of dividends or distributions of greater value than it would receive on a pro rata basis. There are no restrictions under the Company's senior secured revolving credit facility or its indentures on the transfer of the assets of the Company's subsidiaries to the Company in the form of loans, advances or cash dividends without the consent of a third party.

NOTE 7: GUARANTEES

Indemnification agreements. In the ordinary course of business, the Company enters into agreements containing indemnification provisions under which the Company agrees to indemnify the other party for specified claims and losses. For example, the Company's trademark license agreements, real estate leases, consulting agreements, logistics outsourcing agreements, securities purchase agreements and credit agreements typically contain such provisions. This type of indemnification provision obligates the Company to pay certain amounts associated with claims brought against the other party as the result of trademark infringement, negligence or willful misconduct of Company employees, breach of contract by the Company including inaccuracy of representations and warranties, specified lawsuits in which the Company and the other party are co-defendants, product claims and other matters. These amounts generally are not readily quantifiable; the maximum possible liability or amount of potential payments that could arise out of an indemnification claim depends entirely on the specific facts and circumstances associated with the claim. The Company has insurance coverage that minimizes the potential exposure to certain of such claims. The Company also believes that the likelihood of substantial payment obligations under these agreements to third parties is low.

Covenants. The Company's long-term debt agreements contain customary covenants restricting its activities as well as those of its subsidiaries, including limitations on its, and its subsidiaries', ability to sell assets; engage in mergers; enter into capital leases or certain leases not in the ordinary course of business; enter into transactions involving related parties or derivatives; incur or prepay indebtedness or grant liens or negative pledges on its assets; make loans or other investments; pay dividends or repurchase stock or other securities; guaranty third-party obligations; make capital expenditures; and make changes in its corporate structure. For additional information see Note 6.

NOTE 8: EMPLOYEE BENEFIT PLANS

Pension plans. The Company has several non-contributory defined benefit retirement plans covering eligible employees. Plan assets are invested in a diversified portfolio of securities including stocks, bonds, real estate investment funds, cash equivalents, and alternative investments. Benefits payable under the plans are based on years of service, final average compensation, or both. The Company retains the right to amend, curtail or discontinue any aspect of the plans, subject to local regulations.

Postretirement plans. The Company maintains plans that provide postretirement benefits to eligible employees, principally health care, to substantially all U.S. retirees and their qualified dependents. These plans were established with the intention that they would continue indefinitely. However, the Company retains the right to amend, curtail or discontinue any aspect of the plans at any time. The plans are contributory and contain certain cost-sharing features, such as deductibles and coinsurance. The Company's policy is to fund postretirement benefits as claims and premiums are paid.

The following tables summarize activity of the Company's defined benefit pension plans and postretirement benefit plans:

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
	(Dollars in thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 1,131,765	$ 1,061,265	$ 164,308	$ 176,765
Service cost	10,241	7,794	478	474
Interest cost	60,314	59,680	7,629	8,674
Plan participants' contribution	1,177	1,212	5,832	6,115
Plan amendments	—	3,138	—	—
Actuarial loss (gain)[(1)]	75,268	67,276	2,323	(2,005)
Net curtailment (gain) loss	(7,132)	93	—	—
Impact of foreign currency changes	(2,027)	(7,004)	—	—
Plan settlements	(4,051)	(3,115)	—	—
Special termination benefits	120	312	—	—
Benefits paid	(61,998)	(58,886)	(24,510)	(25,715)
Benefit obligation at end of year	$ 1,203,677	$ 1,131,765	$ 156,060	$ 164,308
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 731,676	$ 681,008	$ —	$ —
Actual return on plan assets	39,091	76,546	—	—
Employer contribution	67,584	37,945	18,678	19,600
Plan participants' contributions	1,177	1,212	5,832	6,115
Plan settlements	(4,051)	(3,115)	—	—
Impact of foreign currency changes	(1,565)	(3,034)	—	—
Benefits paid	(61,998)	(58,886)	(24,510)	(25,715)
Fair value of plan assets at end of year	771,914	731,676	—	—
Unfunded status at end of year	$ (431,763)	$ (400,089)	$ (156,060)	$ (164,308)

(1) Actuarial losses and (gains) in the Company's pension benefit plans resulted from changes in discount rate assumptions, primarily for the Company's U.S. plans. Changes in financial markets during 2011, including a decrease in corporate bond yield indices, caused a reduction in the discount rates used to measure the benefit obligations.

Amounts recognized in the consolidated balance sheets as of November 27, 2011, and November 28, 2010, consist of the following:

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
	(Dollars in thousands)			
Prepaid benefit cost	$ —	$ 264	$ —	$ —
Accrued benefit liability — current portion	(7,876)	(7,903)	(15,954)	(17,243)
Accrued benefit liability — long-term portion	(423,887)	(392,450)	(140,108)	(147,065)
	$ (431,763)	$ (400,089)	$ (156,062)	$ (164,308)
Accumulated other comprehensive loss:				
Net actuarial loss	$ (395,554)	$ (326,417)	$ (46,393)	$ (49,094)
Net prior service benefit (cost)	806	(2,096)	16,849	45,794
	$ (394,748)	$ (328,513)	$ (29,544)	$ (3,300)

The accumulated benefit obligation for all defined benefit plans was $1.2 billion and $1.1 billion at November 27, 2011, and November 28, 2010, respectively. Information for the Company's defined benefit plans with an accumulated or projected benefit obligation in excess of plan assets is as follows:

	Pension Benefits	
	2011	2010
	(Dollars in thousands)	
Accumulated benefit obligations in excess of plan assets:		
Aggregate accumulated benefit obligation	$ 1,133,801	$ 1,045,871
Aggregate fair value of plan assets	713,818	665,029
Projected benefit obligations in excess of plan assets:		
Aggregate projected benefit obligation	$ 1,203,677	$ 1,124,777
Aggregate fair value of plan assets	771,914	724,425

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

The components of the Company's net periodic benefit cost (income) were as follows:

	Pension Benefits			Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
	(Dollars in thousands)					
Net periodic benefit cost (income):						
Service cost	$ 10,241	$ 7,794	$ 5,254	$ 478	$ 474	$ 428
Interest cost	60,314	59,680	61,698	7,629	8,674	11,042
Expected return on plan assets	(52,959)	(46,085)	(42,191)	—	—	—
Amortization of prior service cost (benefit)[1]	47	453	792	(28,945)	(29,566)	(39,698)
Amortization of actuarial loss	14,908	26,660	17,082	5,025	5,608	1,734
Curtailment loss	129	106	1,176	—	—	467
Special termination benefit	120	312	78	—	—	—
Net settlement loss	714	425	1,655	—	—	—
Net periodic benefit cost (income)	33,514	49,345	45,544	(15,813)	(14,810)	(26,027)
Changes in accumulated other comprehensive loss:						
Actuarial loss (gain)[2]	84,593	40,223		2,324	(2,005)	
Amortization of prior service (cost) benefit[1]	(47)	(453)		28,945	29,566	
Amortization of actuarial loss	(14,908)	(26,660)		(5,025)	(5,608)	
Curtailment loss	(3,064)	(13)		—	—	
Net settlement loss	(338)	(425)		—	—	
Total recognized in accumulated other comprehensive loss	66,236	12,672		26,244	21,953	
Total recognized in net periodic benefit cost (income) and accumulated other comprehensive loss	$ 99,750	$ 62,017		$ 10,431	$ 7,143	

(1) Postretirement benefits amortization of prior service benefit recognized during each of years 2011, 2010, and 2009 relates primarily to the favorable impact of the February 2004 and August 2003 plan amendments.

(2) Reflects the impact of the changes in the discount rate assumptions at year-end remeasurement for the pension and postretirement benefit plans for 2011 and 2010.

The amounts that will be amortized from "Accumulated other comprehensive loss" into net periodic benefit cost (income) in 2012 for the Company's defined benefit pension and postretirement benefit plans are expected to be a cost of $12.5 million and a benefit of $11.2 million, respectively.

Assumptions used in accounting for the Company's benefit plans were as follows:

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
Weighted-average assumptions used to determine net periodic benefit cost:				
Discount rate	5.5%	5.8%	4.9%	5.2%
Expected long-term rate of return on plan assets	6.9%	6.9%		
Rate of compensation increase	4.0%	4.0%		
Weighted-average assumptions used to determine benefit obligations:				
Discount rate	4.9%	5.4%	4.5%	4.9%
Rate of compensation increase	3.5%	3.9%		
Assumed health care cost trend rates were as follows:				
Health care trend rate assumed for next year			7.6%	7.8%
Rate trend to which the cost trend is assumed to decline			4.5%	4.5%
Year that rate reaches the ultimate trend rate			2028	2028

For the Company's U.S. benefit plans, the discount rate used to determine the present value of the future pension and postretirement plan obligations was based on a yield curve constructed from a portfolio of high quality corporate bonds with various maturities. Each year's expected future benefit payments are discounted to their present value at the appropriate yield curve rate, thereby generating the overall discount rate. The Company utilized a variety of country-specific third-party bond indices to determine the appropriate discount rates to use for the benefit plans of its foreign subsidiaries.

The Company bases the overall expected long-term rate of return on assets on anticipated long-term returns of individual asset classes and each pension plans' target asset allocation strategy based on current economic conditions. For the U.S. pension plan, the expected long-term returns for each asset class are determined through a mean-variance model to estimate 20 year returns for the plan.

Health care cost trend rate assumptions are a significant input in the calculation of the amounts reported for the Company's postretirement benefits plans. A one percentage-point change in assumed health care cost trend rates would have no significant effect on the total service and interest cost components or on the postretirement benefit obligation.

Consolidated pension plan assets relate primarily to the U.S. pension plan. The Company utilizes the services of independent third-party investment managers to oversee the management of U.S. pension plan assets. The Company's investment strategy is to invest plan assets in a diversified portfolio of domestic and international equity securities, fixed income securities and real estate and other alternative investments with the objective of generating long-term growth in plan assets at a reasonable level of risk. Prohibited investments for the U.S. pension plan include certain privately placed or other non-marketable debt instruments, letter stock, commodities or commodity contracts and derivatives of mortgage-backed securities, such as interest-only, principal-only or inverse floaters. The current target allocation percentages for the Company's U.S. pension plan assets are 43-47% for equity securities, 43-47% for fixed income securities and 8-12% for other alternative investments, including real estate.

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

The fair value of the Company's pension plan assets by asset class are as follows:

	Year Ended November 27, 2011			
Asset Class	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(Dollars in thousands)			
Cash and cash equivalents	$ 6,050	$ 6,050	$ —	$ —
Equity securities[1]				
U.S. large cap	168,347	—	168,347	—
U.S. small cap	32,513	—	32,513	—
International	139,931	—	139,931	—
Fixed income securities[2]	353,887	—	353,887	—
Other alternative investments				
Real estate[3]	53,766	—	53,766	—
Private equity[4]	4,611	—	—	4,611
Hedge fund[5]	4,677	—	4,677	—
Other[6]	8,132	—	8,132	—
Total investments at fair value	$ 771,914	$ 6,050	$ 761,253	$ 4,611

(1) Primarily comprised of equity index funds that track various market indices.

(2) Predominantly includes bond index funds that invest in U.S. government and investment grade corporate bonds.

(3) Primarily comprised of investments in U.S. Real Estate Investment Trusts.

(4) Represents holdings in a diversified portfolio of private equity funds and direct investments in companies located primarily in North America. Fair values are determined by investment fund managers using primarily unobservable market data.

(5) Primarily invested in a diversified portfolio of equities, bonds, alternatives and cash with a low tolerance for capital loss.

(6) Primarily relates to accounts held and managed by a third-party insurance company for employee-participants in Belgium. Fair values are based on accumulated plan contributions plus a contractually-guaranteed return plus a share of any incremental investment fund profits.

The fair value of plan assets are composed of U.S. plan assets of approximately $649 million and non-U.S. plan assets of approximately $123 million. The fair values of the substantial majority of the equity, fixed income and real estate investments are based on the net asset value of comingled trust funds that passively track various market indices.

The Company's estimated future benefit payments to participants, which reflect expected future service, as appropriate, are anticipated to be paid as follows:

Fiscal year	Pension Benefits	Postretirement Benefits	Total
		(Dollars in thousands)	
2012	$ 57,354	$ 18,632	$ 75,986
2013	58,375	18,137	76,512
2014	57,910	17,657	75,567
2015	59,538	17,249	76,787
2016	60,267	16,776	77,043
2017-2021	339,084	75,636	414,720

At November 27, 2011, the Company's contributions to its pension plans in 2012 were estimated to be approximately $64.5 million.

NOTE 9: EMPLOYEE INVESTMENT PLANS

The Company's Employee Savings and Investment Plan ("ESIP") is a qualified plan that covers eligible home office employees. The Company matches 125% of ESIP participant's contributions to all funds maintained under the qualified plan up to the first 6.0% of eligible compensation. Total amounts charged to expense for the Company's employee investment plans for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, were $10.3 million, $9.7 million and $10.0 million, respectively.

NOTE 10: EMPLOYEE INCENTIVE COMPENSATION PLANS

Annual Incentive Plan

The Annual Incentive Plan ("AIP") provides a cash bonus that is earned based upon business unit and consolidated financial results as measured against pre-established internal targets and upon the performance and job level of the individual. The Company's home office employees are eligible for this plan. Total amounts charged to expense for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, were $54.0 million, $46.1 million and $51.9 million, respectively. As of November 27, 2011, and November 28, 2010, the Company had accrued $52.6 million and $49.8 million, respectively, for the AIP.

Long-Term Incentive Plans

2006 Equity Incentive Plan ("EIP"). In July 2006, the Company's board of directors adopted, and the stockholders approved, the EIP. For more information on this plan, see Note 11.

2005 Long-Term Incentive Plan ("LTIP"). The Company established a long-term cash incentive plan effective at the beginning of 2005. Executive officers are not participants in this plan. The plan is intended to reward management for its long-term impact on total Company earnings performance. Performance will be measured at the end of a three-year period based on the Company's performance over the period measured against the following pre-established targets: (i) the target compound annual growth rate of the Company's earnings adjusted for certain items such as interest and taxes for the three-year period; and (ii) the target compound annual growth rate in the Company's net revenues over the three-year period. Individual target amounts are set for each participant based on job level. Awards will be paid out in the quarter following the end of the three-year period based on Company performance against objectives.

The Company recorded a net reversal of expense for the LTIP of $2.5 million for the year ended November 27, 2011, and expense for the LTIP of $10.6 million and $10.2 million for the years ended November 28, 2010, and November 29, 2009, respectively. As of November 27, 2011, and November 28, 2010, the Company had accrued a total of $14.9 million and $26.5 million, respectively, for the LTIP, of which $11.3 million was recorded in "Accrued salaries, wages and employee benefits" as of November 27, 2011, and $3.6 million and $17.4 million were recorded in "Long-term employee related benefits" as of November 27, 2011, and November 28, 2010, respectively, on the Company's consolidated balance sheets.

NOTE 11: STOCK-BASED INCENTIVE COMPENSATION PLANS

The Company recognized stock-based compensation expense of $6.6 million, $11.7 million and $9.1 million, and related income tax benefits of $2.7 million, $4.5 million and $3.3 million, respectively, for the years ended November 27, 2011, November 28, 2010, and November 29, 2009. As of November 27, 2011, there was $11.1 million of total unrecognized compensation cost related to nonvested awards, which cost is expected to be

recognized on a straight-line basis over a weighted-average period of 2.9 years. Total unrecognized compensation cost related to nonvested awards includes the net estimated expense for awards to be granted in February 2012 under the employment agreement with the Company's chief executive officer, for which the first cliff vesting period will be on September 1, 2012. No stock-based compensation cost has been capitalized in the accompanying consolidated financial statements.

2006 Equity Incentive Plan

Under the Company's 2006 Equity Incentive Plan ("EIP"), a variety of stock awards, including stock options, restricted stock, restricted stock units ("RSUs"), and stock appreciation rights ("SARs") may be granted. The EIP also provides for the grant of performance awards in the form of cash or equity. The aggregate number of shares of common stock authorized for issuance under the EIP is 700,000 shares. At November 27, 2011, 624,217 shares remained available for issuance.

Under the EIP, stock awards have a maximum contractual term of ten years and generally must have an exercise price at least equal to the fair market value of the Company's common stock on the date the award is granted. The Company's common stock is not listed on any stock exchange. Accordingly, as provided by the EIP, the stock's fair market value is determined by the Board based upon a valuation performed by Evercore. Awards vest according to terms determined at the time of grant. Unvested stock awards are subject to forfeiture upon termination of employment prior to vesting, but are subject in some cases to early vesting upon specified events, including certain corporate transactions as defined in the EIP or as otherwise determined by the Board in its discretion. Some stock awards are payable in either shares of the Company's common stock or cash at the discretion of the Board as determined at the time of grant.

Upon the exercise of a SAR, the participant will receive a share of common stock in an amount equal to the product of (i) the excess of the per share fair market value of the Company's common stock on the date of exercise over the exercise price, multiplied by (ii) the number of shares of common stock with respect to which the SAR is exercised.

Only non-employee members of the Company's board of directors have received RSUs. Each recipient's initial grant of RSUs is converted to a share of common stock six months after discontinuation of service with the Company for each fully vested RSU held at that date. Subsequent grants of RSUs provide recipients with the opportunity to make deferral elections regarding when the Company's common stock are to be delivered in settlement of vested RSUs. If the recipient does not elect to defer the receipt of common stock, then the RSUs are immediately converted to common stock upon vesting. The RSUs additionally have "dividend equivalent rights," of which dividends paid by the Company on its common stock are credited by the equivalent addition of RSUs.

Shares of common stock will be issued from the Company's authorized but unissued shares and are subject to the Stockholders Agreement that govern all shares.

Put rights. Prior to an initial public offering ("IPO") of the Company's common stock, a participant (or estate or other beneficiary of a deceased participant) may require the Company to repurchase shares of the common stock held by the participant at then-current fair market value (a "put right"). Put rights may be exercised only with respect to shares of the Company's common stock that have been held by a participant for at least six months following their issuance date, thus exposing the holder to the risk and rewards of ownership for a reasonable period of time. Accordingly, the SARs and RSUs are classified as equity awards, and are reported in "Stockholders' deficit" in the accompanying consolidated balance sheets.

Call rights. Prior to an IPO, the Company also has the right to repurchase shares of its common stock held by a participant (or estate or other beneficiary of a deceased participant, or other permitted transferee) at then-current fair market value (a "call right"). Call rights apply to an award as well as any shares of common stock acquired pursuant to the award. If the award or common stock is transferred to another person, that person is

subject to the call right. As with the put rights, call rights may be exercised only with respect to shares of common stock that have been held by a participant for at least six months following their issuance date.

Temporary equity. Equity-classified awards that may be settled in cash at the option of the holder are presented on the balance sheet outside permanent equity. Accordingly, "Temporary equity" on the face of the accompanying consolidated balance sheets includes the portion of the intrinsic value of these awards relating to the elapsed service period since the grant date as well as the fair value of common stock issued pursuant to the EIP.

SARs. The Company grants SARs to a small group of the Company's senior executives. SAR activity during the years ended November 27, 2011, and November 28, 2010, was as follows:

	Units	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)
Outstanding at November 29, 2009	1,712,556	$ 41.73	4.7
Granted	589,092	36.50	
Exercised	(6,889)	24.75	
Forfeited	(133,914)	36.89	
Expired	(245,825)	43.35	
Outstanding at November 28, 2010	1,915,020	$ 40.32	4.5
Granted	599,370	43.06	
Exercised	(26,381)	27.26	
Forfeited	(380,332)	41.08	
Expired	(86,666)	55.15	
Outstanding at November 27, 2011	2,021,011	$ 40.52	3.9
Vested and expected to vest at November 27, 2011	1,979,703	$ 40.54	3.9
Exercisable at November 27, 2011	1,555,052	$ 41.17	3.4

The vesting terms of SARs range from two-and-a-half to four years, and have maximum contractual lives ranging from six-and-a-half to ten years.

The weighted-average grant date fair value of SARs was estimated using the Black-Scholes option valuation model. The weighted-average grant date fair values and corresponding weighted-average assumptions used in the model were as follows:

	SARs Granted		
	2011	2010	2009
Weighted-average grant date fair value	$ 16.08	$ 13.10	$ 11.98
Weighted-average assumptions:			
Expected life (in years)	4.6	4.5	4.5
Expected volatility	46.9%	48.0%	59.2%
Risk-free interest rate	2.0%	2.1%	1.9%
Expected dividend	1.2%	2.0%	0.4%

RSUs. The Company grants RSUs to certain members of its Board of Directors. RSU activity during the years ended November 27, 2011, and November 28, 2010, was as follows:

	Units	Weighted-Average Fair Value
Outstanding at November 29, 2009	75,840	$ 34.63
Granted	28,032	35.34
Converted	(37,617)	31.65
Forfeited	—	—
Outstanding at November 28, 2010	66,255	$ 36.63
Granted	30,584	39.57
Converted	(37,331)	35.88
Forfeited	—	—
Outstanding, vested and expected to vest at November 27, 2011	59,508	$ 38.61

The weighted-average grant date fair value of RSUs was estimated using the Evercore stock valuation.

RSUs vest in a series of three equal installments at thirteen months, twenty-four months and thirty-six months following the date of grant. However, if the recipient's continuous service terminates for reason other than cause after the first vesting installment, but prior to full vesting, then the remaining unvested portion of the award becomes fully vested as of the date of such termination.

Total Shareholder Return Plan

In 2008, the Company established the Total Shareholder Return Plan ("TSRP") as a cash-settled plan under the EIP to provide long-term incentive compensation for the Company's senior management. The TSRP provides for grants of units that vest over a three-year performance period. Upon vesting of a TSRP unit, the participant will receive a cash payout in an amount equal to the excess of the per share value of the Company's common stock at the end of the three-year performance period over the per share value at the date of grant. The common stock values used in the determination of the TSRP grants and payouts are approved by the Board based on the Evercore stock valuation. Unvested units are subject to forfeiture upon termination of employment, but are subject in some cases to early vesting upon specified events, as defined in the agreement. The TSRP units are classified as liability instruments due to their cash settlement feature and are required to be remeasured to fair value at the end of each reporting period until settlement.

TSRP activity during the years ended November 27, 2011, and November 28, 2010, was as follows:

	Units	Weighted-Average Exercise Price	Weighted-Average Fair Value At Period End
Outstanding at November 29, 2009	908,075	$ 32.52	$ 8.56
Granted	473,275	36.40	
Exercised	—	—	
Forfeited	(139,925)	33.39	
Outstanding at November 28, 2010	1,241,425	$ 33.91	$ 13.20
Granted	431,925	42.65	
Exercised	—	—	
Forfeited	(255,750)	32.37	
Expired	(248,850)	49.80	
Outstanding at November 27, 2011	1,168,750	$ 34.09	$ 6.59
Vested and expected to vest at November 27, 2011	1,029,758	$ 33.22	$ 6.73
Exercisable at November 27, 2011	436,875	$ 24.84	$ 8.40

The weighted-average fair value of TSRPs at November 27, 2011, and November 28, 2010, was estimated using the Black-Scholes option valuation model. The weighted-average assumptions used in the model were as follows:

	TSRPs Outstanding at	
	November 27, 2011	November 28, 2010
Weighted-average assumptions:		
Expected life (in years)	1.1	1.2
Expected volatility	46.9%	46.2%
Risk-free interest rate	0.1%	0.3%
Expected dividend	1.2%	2.0%

NOTE 12: LONG-TERM EMPLOYEE RELATED BENEFITS

The liability for long-term employee related benefits was comprised of the following:

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
Workers' compensation	$ 17,394	$ 18,073
Deferred compensation	53,064	60,418
Non-current portion of liabilities for long-term and stock-based incentive plans	5,062	24,273
Total	$ 75,520	$ 102,764

Workers' Compensation

The Company maintains a workers' compensation program in the U.S. that provides for statutory benefits arising from work-related employee injuries. As of November 27, 2011, and November 28, 2010, the current portions of workers' compensation liabilities were $2.3 million and $2.7 million, respectively, and were included in "Accrued salaries, wages and employee benefits" on the Company's consolidated balance sheets.

Deferred Compensation

Deferred compensation plan for executives and outside directors, established January 1, 2003. The Company has a non-qualified deferred compensation plan for executives and outside directors that was established on January 1, 2003 and amended thereafter. The deferred compensation plan obligations are payable in cash upon retirement, termination of employment and/or certain other times in a lump-sum distribution or in installments, as elected by the participant in accordance with the plan. As of November 27, 2011, and November 28, 2010, these plan liabilities totaled $21.1 million and $18.8 million, respectively, of which $6.3 million and $1.1 million was included in "Accrued salaries, wages and employee benefits" as of November 27, 2011, and November 28, 2010, respectively. The Company held funds of approximately $18.1 million and $18.3 million in an irrevocable grantor's rabbi trust as of November 27, 2011, and November 28, 2010, respectively, related to this plan. Rabbi trust assets are included in "Other current assets" or "Other non-current assets" on the Company's consolidated balance sheets.

Deferred compensation plan for executives, prior to January 1, 2003. The Company also maintains a non-qualified deferred compensation plan for certain management employees relating to compensation deferrals for the period prior to January 1, 2003. The rabbi trust is not a feature of this plan. As of November 27, 2011, and November 28, 2010, liabilities for this plan totaled $43.1 million and $48.9 million, respectively, of which $4.9 million and $6.2 million, respectively, was included in "Accrued salaries, wages and employee benefits" on the Company's consolidated balance sheets.

Interest earned by the participants in deferred compensation plans was $0.7 million, $5.6 million and $10.1 million for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, respectively. The charges were included in "Interest expense" in the Company's consolidated statements of income.

NOTE 13: COMMITMENTS AND CONTINGENCIES

Operating Lease Commitments

The Company is obligated under operating leases for manufacturing, finishing and distribution facilities, office space, retail stores and equipment. At November 27, 2011, obligations for future minimum payments under operating leases were as follows:

	(Dollars in thousands)
2012	$ 148,864
2013	117,007
2014	90,555
2015	75,208
2016	64,229
Thereafter	194,383
Total future minimum lease payments	$ 690,246

In general, leases relating to real estate include renewal options of up to approximately 27 years, except for the San Francisco headquarters office lease, which contains multiple renewal options of up to 57 years. Some leases contain escalation clauses relating to increases in operating costs. Rental expense for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, was $174.6 million, $161.2 million and $151.8 million, respectively.

Foreign Exchange Contracts

The Company uses over-the-counter derivative instruments to manage its exposure to foreign currencies. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the forward foreign exchange contracts. However, the Company believes that its exposures are appropriately diversified across counterparties and that these counterparties are creditworthy financial institutions. Please see Note 5 for additional information.

Other Contingencies

Other litigation. In the ordinary course of business, the Company has various pending cases involving contractual matters, facility- and employee-related matters, distribution questions, product liability claims, trademark infringement and other matters. The Company does not believe there are any of these pending legal proceedings that will have a material impact on its financial condition, results of operations or cash flows.

NOTE 14: DIVIDEND PAYMENT

The Company paid cash dividends of $20 million in the first quarter of 2011 and in the second quarters of 2010 and 2009. The Company does not have an established annual dividend policy. The Company will continue to review its ability to pay cash dividends at least annually, and dividends may be declared at the discretion of the Company's Board of Directors depending upon, among other factors, the income tax impact to the dividend recipients, the Company's financial condition and compliance with the terms of the Company's debt agreements. In 2010 and 2009, the payments resulted in a decrease to "Additional paid-in capital" as the Company was in an accumulated deficit position when the dividend was paid.

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

NOTE 15: ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive income (loss) is summarized below:

	Levi Strauss & Co.						
		Translation Adjustments					
	Pension and Postretirement Benefits[1]	Net Investment Hedges	Foreign Currency Translation	Unrealized Gain (Loss) on Marketable Securities	Total	Noncontrolling Interest	Totals
	(Dollars in thousands)						
Accumulated other comprehensive income (loss) at November 30, 2008	**$ (68,161)**	**$ (12,297)**	**$ (43,476)**	**$ (3,981)**	**$ (127,915)**	**$ 8,051**	**$ (119,864)**
Gross changes	(178,577)	(59,429)	21,550	3,178	(213,278)	1,894	(211,384)
Tax	69,858	22,409	331	(1,272)	91,326	—	91,326
Other comprehensive income (loss), net of tax	(108,719)	(37,020)	21,881	1,906	(121,952)	1,894	(120,058)
Accumulated other comprehensive income (loss) at November 29, 2009	**(176,880)**	**(49,317)**	**(21,595)**	**(2,075)**	**(249,867)**	**9,945**	**(239,922)**
Gross changes	(34,625)	37,143	(20,833)	3,615	(14,700)	130	(14,570)
Tax	12,698	(14,215)	(4,701)	(1,383)	(7,601)	—	(7,601)
Other comprehensive income (loss), net of tax	(21,927)	22,928	(25,534)	2,232	(22,301)	130	(22,171)
Accumulated other comprehensive income (loss) at November 28, 2010	**(198,807)**	**(26,389)**	**(47,129)**	**157**	**(272,168)**	**10,075**	**(262,093)**
Gross changes	(92,480)	(3,758)	(10,881)	(1,149)	(108,268)	794	(107,474)
Tax	35,603	1,454	(3,068)	445	34,434	—	34,434
Other comprehensive income (loss), net of tax	(56,877)	(2,304)	(13,949)	(704)	(73,834)	794	(73,040)
Accumulated other comprehensive income (loss) at November 27, 2011	**$ (255,684)**	**$ (28,693)**	**$ (61,078)**	**$ (547)**	**$ (346,002)**	**$ 10,869**	**$ (335,133)**

(1) Pension and postretirement benefit amounts primarily resulted from the actuarial losses recorded in conjunction with the year-end remeasurements of pension obligations, and were principally due to a decline in discount rates caused by changes in the financial markets, including a decrease in corporate bond yield indices.

NOTE 16: OTHER INCOME (EXPENSE), NET

The following table summarizes significant components of "Other income (expense), net":

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in Thousands)		
Foreign exchange management gains (losses)[1]	$ 15,310	$ (6,179)	$ (69,554)
Foreign currency transaction (losses) gains[2]	(20,251)	9,940	25,651
Interest income	1,618	2,232	2,537
Other	2,048	654	1,921
Total other income (expense), net	$ (1,275)	$ 6,647	$ (39,445)

(1) Foreign exchange management gains and losses reflect the impact of foreign currency fluctuation on the Company's forward foreign exchange contracts. Gains in 2011 primarily resulted from favorable currency fluctuations in the fourth quarter, relative to negotiated contract rates, including the appreciation of the U.S. Dollar against various foreign currencies. Losses in 2010 were primarily due to the weakening of the U.S. Dollar against the Australian Dollar and the Swedish Krona relative to the contracted rates.

(2) Foreign currency transaction gains and losses reflect the impact of foreign currency fluctuation on the Company's foreign currency denominated balances. Losses in 2011 were primarily due to the depreciation of the U.S. Dollar, the Turkish Lira and the Polish Zloty against various foreign currencies. Gains in 2010 were primarily due to the appreciation of British Pound Sterling against the Euro during the year, and the appreciation of the U.S. Dollar against the Japanese Yen in the first half of the year.

NOTE 17: INCOME TAXES

The Company's income tax expense was $67.7 million, $86.2 million and $39.2 million for the years 2011, 2010 and 2009, respectively. The decrease in income tax expense for 2011 as compared to 2010 was primarily caused by the decrease in income before income taxes, an increase in the proportion of the Company's 2011 earnings in foreign jurisdictions where the Company is subject to lower tax rates, as well as an unfavorable net impact of income tax charges recognized in 2010. In 2010, the Company recognized a $27.5 million tax charge for the valuation allowance to fully offset the amount of deferred tax assets in Japan and a $14.5 million tax charge for a reduction in deferred tax assets as a result of the enactment of the Patient Protection and Affordable Care Act (Health Care Act). These charges in 2010 were partially offset by a $34.2 million tax benefit arising from plans to repatriate the prior undistributed earnings of foreign subsidiaries.

The 2010 increase in income tax expense as compared to 2009 was primarily driven by the $42.0 million income tax charges recognized in 2010 relating to a valuation allowance in Japan and the enactment of the Health Care Act, as described above, as well as the increase in income before income taxes.

The U.S. and foreign components of income before income taxes were as follows:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Domestic	$ 114,236	$ 165,489	$ 45,992
Foreign	88,591	70,109	143,933
Total income before income taxes	$ 202,827	$ 235,598	$ 189,925

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

Income tax expense (benefit) consisted of the following:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
U.S. Federal			
Current	$ 19,992	$ 12,259	$ 17,949
Deferred	40,435	24,507	(11,866)
	60,427	36,766	6,083
U.S. State			
Current	(10)	2,854	5,361
Deferred	(617)	2,454	5,077
	(627)	5,308	10,438
Foreign			
Current	31,580	39,926	21,031
Deferred	(23,665)	4,152	1,661
	7,915	44,078	22,692
Consolidated			
Current	51,562	55,039	44,341
Deferred	16,153	31,113	(5,128)
Total income tax expense	$ 67,715	$ 86,152	$ 39,213

The Company's effective tax rate was 33.4%, 36.6% and 20.6% for 2011, 2010 and 2009, respectively. The Company's income tax expense differed from the amount computed by applying the U.S. federal statutory income tax rate of 35% to income before income taxes as follows:

	Year Ended					
	November 27, 2011		November 28, 2010		November 29, 2009	
	(Dollars in thousands)					
Income tax expense at U.S. federal statutory rate	$ 70,990	35.0%	$ 82,459	35.0%	$ 66,474	35.0%
State income taxes, net of U.S. federal impact	1,535	0.8%	1,894	0.8%	6,976	3.7%
Change in Health Care Act legislation	—	—	14,481	6.2%	—	—
Change in valuation allowance	(2,421)	(1.2)%	28,278	12.0%	4,090	2.2%
Impact of foreign operations	(2,148)	(1.1)%	(40,668)	(17.3)%	(38,703)	(20.4)%
Reassessment of tax liabilities due to change in estimate	(51)	—	162	0.1%	(917)	(0.5)%
Other, including non-deductible expenses	(190)	(0.1)%	(454)	(0.2)%	1,293	0.6%
Total	$ 67,715	33.4%	$ 86,152	36.6%	$ 39,213	20.6%

Change in Health Care Act legislation. In 2010, the $14.5 million tax charge was caused by the reduction in the related deferred tax assets resulting from the enactment of the Health Care Act. The tax treatment of Medicare Part D subsidies changed during the second quarter of 2010 as a result of the Health Care Act. The Health Care Act includes a provision eliminating, beginning in the Company's tax year 2014, the tax deductibility of the costs of providing Medicare Part D-equivalent prescription drug benefits to retirees to the extent of the Federal subsidy received. Accordingly, the Company recorded a non-recurring, non-cash tax charge to recognize the reduction in the related deferred tax assets in the period the legislation was enacted.

Change in valuation allowance. This item relates to changes in the Company's expectations regarding its ability to realize certain deferred tax assets. In 2011, the $2.4 million net release was primarily driven by a valuation allowance reversal relating to state net operating loss carryforwards and foreign deferred tax assets in certain foreign jurisdictions.

The following table details the changes in valuation allowance during the year ended November 27, 2011:

	Valuation Allowance at November 28, 2010	Changes in Related Gross Deferred Tax Asset	Release	Valuation Allowance at November 27, 2011
	(Dollars in thousands)			
U.S. state net operating loss carryforwards	$ 2,079	$ (835)	$ (1,244)	$ —
Foreign net operating loss carryforwards and other foreign deferred tax assets	94,947	4,966	(1,177)	98,736
	$ 97,026	$ 4,131	$ (2,421)	$ 98,736

In 2010, the $28.3 million charge primarily relates to the recognition of a valuation allowance to fully offset the net deferred tax assets in certain foreign jurisdictions, mostly pertaining to the Company's subsidiary in Japan. Due primarily to the recent negative financial performance of its subsidiary in Japan, the Company recorded a non-recurring, non-cash tax expense of $14.2 million during the second quarter of 2010 to recognize a valuation allowance to fully offset the amount of the subsidiary's deferred tax assets existing as of the beginning of the year, as the Company determined it is more likely than not these assets will not be realized. Additionally, the Company was not able to benefit current year losses in Japan during 2010, which further increased the valuation allowance by $13.3 million.

Impact of foreign operations. The $2.1 million benefit in 2011 is primarily due to the taxation of foreign profits in jurisdictions with tax rates lower than the U.S. statutory rate of 35%, net of the additional U.S. income tax imposed upon distributions of foreign earnings in 2011.

The $40.7 million benefit in 2010 was primarily driven by a $34.2 million tax benefit arising from the Company's implementation of specific plans during the fourth quarter of 2010 to repatriate the prior undistributed earnings of certain foreign subsidiaries during 2011. As a result of the planned distribution, as of November 28, 2010, the Company recognized a deferred tax asset and a corresponding tax benefit of $34.2 million, for the foreign tax credits in excess of the associated U.S. federal income tax liability that are expected to become available upon the planned distribution. This distribution was completed during 2011.

The $38.7 million benefit in 2009 was primarily driven by a $33.2 million tax benefit arising from the Company's implementation of specific plans during the fourth quarter of 2009 to repatriate the prior undistributed earnings of certain foreign subsidiaries during 2010. As a result of the planned distribution, as of November 29, 2009, the Company recognized a deferred tax asset and a corresponding tax benefit of $33.2 million, for the foreign tax credits in excess of the associated U.S. federal income tax liability that were expected to become available upon the planned distribution. This distribution was completed during 2010.

Deferred Tax Assets and Liabilities

The Company's deferred tax assets and deferred tax liabilities were as follows:

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
Basis differences in foreign subsidiaries	$ —	$ 34,203
Foreign tax credit carryforwards	247,003	195,032
State net operating loss carryforwards	14,861	13,555
Foreign net operating loss carryforwards	126,365	100,796
Employee compensation and benefit plans	274,534	264,828
Prepaid royalties	—	44,050
Restructuring and special charges	18,703	12,755
Sales returns and allowances	35,429	34,656
Inventory	10,240	8,249
Property, plant and equipment	16,037	16,189
Unrealized gains/losses on investments	19,385	18,125
Other	48,884	51,533
Total gross deferred tax assets	811,441	793,971
Less: Valuation allowance	(98,736)	(97,026)
Total net deferred tax assets	$ 712,705	$ 696,945
Current		
Deferred tax assets	$ 108,726	$ 148,698
Valuation allowance	(9,182)	(10,806)
Total current deferred tax assets	$ 99,544	$ 137,892
Long-term		
Deferred tax assets	$ 702,715	$ 645,273
Valuation allowance	(89,554)	(86,220)
Total long-term deferred tax assets	$ 613,161	$ 559,053

Basis differences in foreign subsidiaries. The Company recognizes deferred taxes with respect to basis differences in its investments in foreign subsidiaries that are expected to reverse in the foreseeable future and which exist primarily due to undistributed foreign earnings. In 2011, no deferred tax asset is recognized for this item. In 2010, as further described above, the Company recognized a $34.2 million deferred tax asset relating to the planned repatriation of prior undistributed earnings of certain foreign subsidiaries which occurred during 2011.

Foreign tax credit carryforwards. As of November 27, 2011, the Company had a gross deferred tax asset for foreign tax credit carryforwards of $247.0 million. This asset increased from $195.0 million in the prior year period primarily due to foreign tax credits in excess of the associated U.S. federal income tax liability arising from the repatriation of foreign earnings, net of the amount of the anticipated utilization in the 2011 federal income tax return. The foreign tax credit carryforward of $247.0 million existing at November 27, 2011, is subject to expiration from 2012 to 2021, if not utilized.

State net operating loss carryforwards. As of November 27, 2011, the Company had a gross deferred tax asset of $14.9 million for state net operating loss carryforwards of approximately $299.4 million. These loss carryforwards are subject to expiration from 2012 to 2031, if not utilized.

Foreign net operating loss carryforwards. As of November 27, 2011, cumulative foreign operating losses of $422.9 million generated by the Company are available to reduce future taxable income. Approximately $239.8 million of these operating losses expire between the years 2012 and 2027. The remaining $183.1 million are available as indefinite carryforwards under applicable tax law. The gross deferred tax asset for the cumulative foreign operating losses of $126.4 million is partially offset by a valuation allowance of $89.6 million to reduce this gross asset to the amount that will more likely than not be realized.

Uncertain Income Tax Positions

As of November 27, 2011, the Company's total amount of unrecognized tax benefits was $143.4 million, of which $87.9 million would impact the Company's effective tax rate, if recognized. As of November 28, 2010, the Company's total gross amount of unrecognized tax benefits was $150.7 million, of which $87.2 million would impact the Company's effective tax rate, if recognized. The reduction in gross unrecognized tax benefits was primarily due to the change in recognition of the benefit associated with certain tax positions, primarily in foreign jurisdictions, as a result of the expiration of applicable statute of limitations.

The following table reflects the changes to the Company's unrecognized tax benefits for the year ended November 27, 2011, and November 28, 2010:

	(Dollars in thousands)
Gross unrecognized tax benefits as of November 29, 2009	$ 160,538
Increases related to current year tax positions	5,305
Increases related to tax positions from prior years	1,115
Decreases related to tax positions from prior years	(3,465)
Settlement with tax authorities	(566)
Lapses of statutes of limitation	(11,093)
Other, including foreign currency translation	(1,132)
Gross unrecognized tax benefits as of November 28, 2010	150,702
Increases related to current year tax positions	4,309
Increases related to tax positions from prior years	307
Decreases related to tax positions from prior years	(2,357)
Settlement with tax authorities	(1,676)
Lapses of statutes of limitation	(6,226)
Other, including foreign currency translation	(1,662)
Gross unrecognized tax benefits as of November 27, 2011	$ 143,397

The Company believes that it is reasonably possible that unrecognized tax benefits could decrease within the next twelve months by as much as $97.9 million, of which as much as $69.1 million would impact the Company's effective tax rate, due primarily to the potential resolution of a refund claim with the State of California. However, at this point it is not possible to estimate whether the Company will realize any significant income tax benefit upon the resolution of this claim.

As of November 27, 2011, and November 28, 2010, accrued interest and penalties primarily relating to non-U.S. jurisdictions were $16.5 million and $16.6 million, respectively.

The Company's income tax returns are subject to examination in the U.S. federal and state jurisdictions and numerous foreign jurisdictions. The IRS examination of the Company's 2003-2008 U.S. federal income tax returns was still in progress as of November 27, 2011. The following table summarizes the tax years that are either currently under audit or remain open and subject to examination by the tax authorities in the major jurisdictions in which the Company operates:

Jurisdiction	Open Tax Years
U.S. federal	2003-2011
California	1986-2011
Belgium	2008-2011
United Kingdom	2010-2011
Spain	2007-2011
Mexico	2005-2011
Canada	2004-2011
Hong Kong	2005-2011
Italy	2005-2011
France	2008-2011
Turkey	2007-2011

NOTE 18: RELATED PARTIES

Directors

Robert D. Haas, a director and Chairman Emeritus of the Company, is the President of the Levi Strauss Foundation, which is not a consolidated entity of the Company. During 2011, 2010 and 2009, the Company donated $1.6 million, $3.1 million and $5.5 million, respectively, to the Levi Strauss Foundation.

Stephen C. Neal, a director and, effective September 1, 2011, Chairman of the Board of Directors, is Chairman of the law firm Cooley LLP. In 2010 and 2009, the Company paid fees to Cooley LLP of approximately $0.2 million and $0.6 million, respectively.

NOTE 19: BUSINESS SEGMENT INFORMATION

The Company manages its business according to three regional segments, the Americas, Europe and Asia Pacific. The Company considers its chief executive officer to be the Company's chief operating decision maker. The Company's management, including the chief operating decision maker, manages business operations, evaluates performance and allocates resources based on the regional segments' net revenues and operating income. The Company reports net trade receivables and inventories by segment as that information is used by the chief operating decision maker in assessing segment performance. The Company does not report its other assets by segment as that information is not used by the chief operating decision maker in assessing segment performance.

In each of 2010 and 2011, accountability for information technology, human resources, advertising and promotion, and marketing staff costs of a global nature, that in prior years had been captured in the Company's geographic regions, was centralized under corporate management. Subsequent to these changes, these costs were classified as corporate expenses. These costs were not significant to any of the Company's regional segments individually in any of the periods presented herein, and accordingly business segment information for prior years has not been revised.

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

Business segment information for the Company was as follows:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Net revenues:			
Americas	$ 2,715,925	$ 2,549,086	$ 2,357,662
Europe	1,174,138	1,105,264	1,042,131
Asia Pacific	871,503	756,299	705,973
Total net revenues	$ 4,761,566	$ 4,410,649	$ 4,105,766
Operating income:			
Americas	$ 393,906	$ 402,530	$ 346,329
Europe	182,306	163,475	154,839
Asia Pacific	108,065	86,274	90,967
Regional operating income	684,277	652,279	592,135
Corporate expenses	347,884	270,918	214,047
Total operating income	336,393	381,361	378,088
Interest expense	(132,043)	(135,823)	(148,718)
Loss on early extinguishment of debt	(248)	(16,587)	—
Other income (expense), net	(1,275)	6,647	(39,445)
Income before income taxes	$ 202,827	$ 235,598	$ 189,925

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Depreciation and amortization expense:			
Americas	$ 53,804	$ 51,050	$ 44,492
Europe	23,803	25,485	21,599
Asia Pacific	12,878	11,798	11,238
Corporate	27,308	16,563	7,274
Total depreciation and amortization expense	$ 117,793	$ 104,896	$ 84,603

	November 27, 2011				
	Americas	Europe	Asia Pacific	Unallocated	Consolidated Total
	(Dollars in thousands)				
Assets:					
Trade receivables, net	$ 404,401	$ 164,077	$ 66,779	$ 19,646	$ 654,903
Inventories	332,955	141,764	130,953	5,730	611,402
All other assets	—	—	—	2,013,250	2,013,250
Total assets					$ 3,279,555

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

	November 28, 2010				
	Americas	Europe	Asia Pacific	Unallocated	Consolidated Total
	(Dollars in thousands)				
Assets:					
Trade receivables, net	$ 360,027	$ 105,189	$ 69,762	$ 18,407	$ 553,385
Inventories	313,920	158,139	104,630	3,214	579,903
All other assets	—	—	—	2,001,961	2,001,961
Total assets					$ 3,135,249

Geographic information for the Company was as follows:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Net revenues:			
United States	$ 2,380,096	$ 2,248,340	$ 2,107,055
Foreign countries	2,381,470	2,162,309	1,998,711
Total net revenues	$ 4,761,566	$ 4,410,649	$ 4,105,766

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Deferred tax assets:			
United States	$ 643,767	$ 646,050	$ 677,245
Foreign countries	68,938	50,895	59,789
Total deferred tax assets	$ 712,705	$ 696,945	$ 737,034

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Long-lived assets:			
United States	$ 365,907	$ 337,592	$ 270,344
Foreign countries	152,874	169,557	181,023
Total long-lived assets	$ 518,781	$ 507,149	$ 451,367

LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE YEARS ENDED NOVEMBER 27, 2011, NOVEMBER 28, 2010, AND NOVEMBER 29, 2009

NOTE 20: QUARTERLY FINANCIAL DATA (UNAUDITED)

Set forth below are the consolidated statements of operations for the first, second, third and fourth quarters of 2011 and 2010.

Year Ended November 27, 2011	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Dollars in thousands)			
Net sales	$ 1,099,885	$ 1,074,400	$ 1,183,890	$ 1,316,251
Licensing revenue	20,808	18,522	20,127	27,683
Net revenues	1,120,693	1,092,922	1,204,017	1,343,934
Cost of goods sold	562,726	552,226	634,573	719,802
Gross profit	557,967	540,696	569,444	624,132
Selling, general and administrative expenses	459,093	475,720	488,545	532,488
Operating income	98,874	64,976	80,899	91,644
Interest expense	(34,866)	(33,515)	(30,208)	(33,454)
Loss on early extinguishment of debt	—	—	—	(248)
Other income (expense), net	(5,959)	(1,006)	(5,779)	11,469
Income before taxes	58,049	30,455	44,912	69,411
Income tax expense	18,881	9,944	13,612	25,278
Net income	39,168	20,511	31,300	44,133
Net loss (income) attributable to noncontrolling interest	1,507	460	893	(19)
Net income attributable to Levi Strauss & Co.	$ 40,675	$ 20,971	$ 32,193	$ 44,114

Year Ended November 28, 2010	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Dollars in thousands)			
Net sales	$ 1,016,007	$ 957,959	$ 1,090,448	$ 1,261,494
Licensing revenue	19,199	18,570	18,557	28,415
Net revenues	1,035,206	976,529	1,109,005	1,289,909
Cost of goods sold	502,278	477,108	565,393	642,947
Gross profit	532,928	499,421	543,612	646,962
Selling, general and administrative expenses	425,677	430,199	457,309	528,377
Operating income	107,251	69,222	86,303	118,585
Interest expense	(34,173)	(34,440)	(31,734)	(35,476)
Loss on early extinguishment of debt	—	(16,587)	—	—
Other income (expense), net	12,463	6,694	(7,695)	(4,815)
Income before taxes	85,541	24,889	46,874	78,294
Income tax expense (benefit)	29,672	43,279	20,252	(7,051)
Net income (loss)	55,869	(18,390)	26,622	85,345
Net loss attributable to noncontrolling interest	485	4,009	1,556	1,007
Net income (loss) attributable to Levi Strauss & Co.	$ 56,354	$ (14,381)	$ 28,178	$ 86,352

Item 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE***

None.

Item 9A. ***CONTROLS AND PROCEDURES***

Evaluation of disclosure controls and procedure

As of November 27, 2011, we updated our evaluation of the effectiveness of the design and operation of our disclosure controls and procedures for purposes of filing reports under the Securities and Exchange Act of 1934 (the "Exchange Act"). This controls evaluation was done under the supervision and with the participation of management, including our chief executive officer and our chief financial officer. Our chief executive officer and our chief financial officer concluded that at November 27, 2011, our disclosure controls and procedures (as defined in Rule 13(a)-15(e) and 15(d)-15(e) under the Exchange Act) are effective to provide reasonable assurance that information that we are required to disclose in the reports that we file or submit to the SEC is recorded, processed, summarized and reported with the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures are designed to ensure that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's annual report on internal control over financial reporting

We maintain a system of internal control over financial reporting that is designed to provide reasonable assurance that our books and records accurately reflect our transactions and that our established policies and procedures are followed. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management assessed the effectiveness of our internal control over financial reporting and concluded that our internal control over financial reporting was effective as of November 27, 2011. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control—Integrated Framework*.

Changes in Internal Controls

We maintain a system of internal control over financial reporting that is designed to provide reasonable assurance that our books and records accurately reflect our transactions and that our established policies and procedures are followed. There were no changes to our internal control over financial reporting during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***OTHER INFORMATION***

On February 2, 2012, the Board of Directors of the Company granted Stock Appreciation Rights ("SARs") to the following Named Executive Officers: Charles Bergh received two grants, one in the amount of 436,720 SARs and one in the amount of 498,864 SARs, each in accordance with the terms of his employment agreement; Blake Jorgensen received 85,224 SARs; Anne Rohosy received 75,000 SARs; and Aaron Boey received 65,557 SARs.

PART III

Item 10. *DIRECTORS AND EXECUTIVE OFFICERS*

The following provides information about our directors and executive officers as of February 2, 2012.

Name	Age	Position
Stephen C. Neal[2][4]	62	Chairman of the Board of Directors
Robert D. Haas[1][2][4]	69	Director, Chairman Emeritus
Charles V. Bergh	54	Director, President and Chief Executive Officer
Fernando Aguirre[2][3]	54	Director
Vanessa J. Castagna[1][3]	62	Director
Robert A. Eckert[1][4]	57	Director
Peter E. Haas Jr.[1][4]	64	Director
Leon J. Level[2][3]	71	Director
Patricia Salas Pineda[1][4]	60	Director
Blake Jorgensen	52	Executive Vice President and Chief Financial Officer
Anne Rohosy	53	Executive Vice President and President, Global Dockers® Brand
Aaron Beng-Keong Boey	50	Executive Vice President and President, Global Denizen® Brand

(1) Member, Human Resources Committee.

(2) Member, Finance Committee.

(3) Member, Audit Committee.

(4) Member, Nominating, Governance and Corporate Citizenship Committee.

Members of the Haas family are descendants of the family of our founder, Levi Strauss. Peter E. Haas Jr. is a cousin of Robert D. Haas.

Stephen C. Neal, a director since 2007, became our Chairman of the Board on September 1, 2011. He is also the chairman of the law firm Cooley LLP, where he was also chief executive officer from 2001 until January 1, 2008. In addition to his extensive experience as a trial lawyer on a broad range of corporate issues, Mr. Neal has represented and advised numerous boards of directors, special committees of boards and individual directors on corporate governance and other legal matters. Prior to joining Cooley in 1995, Mr. Neal was a partner of the law firm Kirkland & Ellis. Mr. Neal brings to the board deep knowledge and broad experience in corporate governance as well as his perspectives drawn from advising many companies throughout his career.

Robert D. Haas, a director since 1980, is our longest-serving director. He served as Chairman from 1989 to February 2008 when he was named Chairman Emeritus. Mr. Haas joined the Company in 1973 and served in a variety of marketing, planning and operating positions including Chief Executive Officer from 1984 to 1999. In 1985, Mr. Haas led the effort to take the Company private through a leveraged buyout. As Chief Executive Officer he oversaw a business turnaround that resulted in more than a decade of substantial growth, paced by international expansion and the launch of the Dockers® brand. Under Mr. Haas' leadership, the Company pioneered a number of practices and policies that have been adopted by corporations and institutions worldwide. These include HIV/AIDS awareness, education and prevention programs, a comprehensive code of supplier conduct to promote safe and healthy working conditions and full medical benefits for the domestic partners of our employees. Mr. Haas' deep experience in all aspects of the business as well as his familial connection to the Company's founder, prior leaders and shareholders, provide him with a unique perspective on matters discussed by the directors.

Charles V. Bergh, a director since he joined the Company on September 1, 2011, is our President and Chief Executive Officer. Prior to joining Levi Strauss & Co., Mr. Bergh was Group President, Global Male Grooming, for The Procter & Gamble Company ("P&G"), a manufacturer and distributor of consumer products. He held a progression of leadership roles during his 28-year career at P&G. Mr. Bergh previously served on the Board of

Directors for VF Corporation and on the Economic Development Board, Singapore, and was a member of the US-AESAN Business Council, Singapore. Mr. Bergh's position as our Chief Executive Officer and his past experience as a leader of large, global consumer brands makes him uniquely suited to be a member of our board of directors.

Fernando Aguirre, a director since October 2010, is currently Chairman of the Board, President and Chief Executive Officer of Chiquita Brands International, Inc., a position he has held since 2004. From 1980 to 2004, Mr. Aguirre served The Procter & Gamble Company ("P&G") in various capacities, including as President of P&G's Global Snacks and U.S. Food Products business, President of Global Feminine Care and President of Special Projects. Mr. Aguirre brings to the board his experiences as a leader of large, global consumer brands, and his skills in translating consumer insights into strategies that drive growth across cultures. Mr. Aguirre is also currently a director of Aetna, Inc.

Vanessa J. Castagna, a director since 2007, led Mervyns LLC department stores as its executive chairwoman of the board from 2005 until early 2007. Prior to Mervyns LLC, Ms. Castagna served as chairman and chief executive officer of JC Penney Stores, Catalog and Internet from 2002 through 2004. She joined JC Penney in 1999 as chief operating officer, and was both president and Chief Operating Officer of JC Penney Stores, Catalog and Internet in 2001. Ms. Castagna was selected to serve on the board due to her extensive retail leadership experience. She brings to the board a valuable perspective on the retail and wholesale business. Ms. Castagna is currently a director of SpeedFC and Carter's Inc.

Robert A. Eckert, a director since May 2010, is currently Chairman of the Board of Mattel, Inc. He was also chief executive officer of Mattel, Inc. from May 2000 until December 2011. He previously worked for Kraft Foods, Inc. for 23 years, most recently as President and Chief Executive Officer from October 1997 until May 2000. From 1995 to 1997, Mr. Eckert was Group Vice President of Kraft Foods, Inc., and from 1993 to 1995, Mr. Eckert was President of the Oscar Mayer foods division of Kraft Foods, Inc. Mr. Eckert was selected to join the board due to his experience as a senior executive engaged with the dynamics of building global consumer brands through high performance expectations, integrity, and decisiveness in driving businesses to successful results. Mr. Eckert has also been a director of McDonald's Corporation since 2003.

Peter E. Haas Jr., a director since 1985, is a director or trustee of each of the Levi Strauss Foundation, Red Tab Foundation, Joanne and Peter Haas Jr. Fund, Walter and Elise Haas Fund and the Novato Youth Center Honorary Board, a Trustee Emeritus of the San Francisco Foundation, and he is Vice President of the Peter E. Haas Jr. Fund. Mr. Haas was one of our managers from 1972 to 1989. He was Director of Product Integrity of The Jeans Company, one of our former operating units, from 1984 to 1989. He served as Director of Materials Management for Levi Strauss USA in 1982 and Vice President and General Manager in the Menswear Division in 1980. Mr. Haas' background in numerous operational roles specific to the Company and his familial connection to the Company's founder enable him to engage in board deliberations with valuable insight and experience.

Leon J. Level, a director since 2005, is a former Chief Financial Officer and director of Computer Sciences Corporation, a leading global information technology services company. Mr. Level held ascending and varied financial management and executive positions at Computer Sciences Corporation from 1989 to 2006 and previously at Unisys Corporation (Corporate Vice President, Treasurer and Chairman of Unisys Finance Corporation), Burroughs Corporation (Vice President, Treasurer), The Bendix Corporation (Executive Director and Assistant Corporate Controller) and Deloitte, Haskins & Sells (now Deloitte & Touche). Mr. Level brings to the board his broad financial and business perspective as well as his deep insight into accounting and reporting requirements. He serves as our Audit Committee financial expert. Mr. Level was previously a director of Allied Waste Management from 2007 until its acquisition by Republic Services in 2009. He is also currently a director of UTi Worldwide Inc.

Patricia Salas Pineda, a director since 1991, is currently Group Vice President, National Philanthropy and the Toyota USA Foundation for Toyota Motor North America, Inc., an affiliate of one of the world's largest automotive firms. Ms. Pineda joined Toyota Motor North America, Inc. in September 2004 as Group Vice President of Corporate Communications and General Counsel. Prior to that, Ms. Pineda was Vice President of Legal, Human Resources and Government Relations and Corporate Secretary of New United Motor

Manufacturing, Inc. with which she was associated since 1984. Ms. Pineda was selected as a member of the board to bring her expertise in government relations and regulatory oversight, corporate governance and human resources matters. Her long tenure on the board also provides valuable historical perspective. She is currently a director of the Congressional Hispanic Caucus Institute, a member of the corporate advisory board of the National Council of La Raza, and a member of the board of advisors of Catalyst.

Blake Jorgensen joined us as Executive Vice President and Chief Financial Officer in July 2009. Prior to joining us, Mr. Jorgensen was Chief Financial Officer of Yahoo! Inc., an internet services company from June 2007 to June 2009. Prior to joining Yahoo! Inc., Mr. Jorgensen was the Chief Operating Officer and Co-Director of Investment Banking at Thomas Weisel Partners, which he co-founded in 1998. From December 1998 to January 2002, Mr. Jorgensen served as a Partner and Director of Private Placement at Thomas Weisel Partners. From December 1996 to September 1998, Mr. Jorgensen was a Managing Director and Chief of Staff for the CEO and Executive Committee of Montgomery Securities and a Principal in the Corporate Finance Department of Montgomery Securities. Previously, Mr. Jorgensen worked as a management consultant at MAC Group/Gemini Consulting and Marakon Associates.

Anne Rohosy is our Executive Vice President and President of Global Dockers® brand. Ms. Rohosy joined us in October 2009 as Senior Vice President, Levi's® North America Commercial Operations, and then served as Senior Vice President, Levi's ® Wholesale, Americas, before being named President of the Global Dockers® Brand in May 2011. Ms. Rohosy's professional experience in the apparel industry spans more than 20 years with such global brands as Swatch, Liz Claiborne and 15 years with Nike, where she led the company's commercial strategy development and apparel sales in the United States and Europe.

Aaron Beng-Keong Boey is our Executive Vice President and President of the Global Denizen® brand. Previously, Mr. Boey was Senior Vice President and President, Levi Strauss Asia Pacific, in February 2009 after serving as interim president since October 2008, and Regional Managing Director in our Asia Pacific business from 2005. Mr. Boey was Regional Managing Director for Jacuzzi, Inc. from 2003 until he joined us.

Our Board of Directors

Our board of directors currently has nine members. Our board is divided into three classes with directors elected for overlapping three-year terms. The term for directors in Class I (Mr. Aguirre, Mr. R.D. Haas and Mr. Level) will end at our annual stockholders' meeting in 2014. The term for directors in Class II (Ms. Castagna, Mr. P. E. Haas Jr. and Mr. Neal) will end at our annual stockholders' meeting in 2012. The term for directors in Class III (Mr. Bergh, Mr. Eckert and Ms. Pineda) will end at our annual stockholders' meeting in 2013.

Committees. Our board of directors has four committees.

- *Audit.* Our audit committee provides assistance to the board in the board's oversight of the integrity of our financial statements, financial reporting processes, internal controls systems and compliance with legal requirements. The committee meets with our management regularly to discuss our critical accounting policies, internal controls and financial reporting process and our financial reports to the public. The committee also meets with our independent registered public accounting firm and with our financial personnel and internal auditors regarding these matters. The committee also examines the independence and performance of our internal auditors and our independent registered public accounting firm. The committee has sole and direct authority to engage, appoint, evaluate and replace our independent auditor. Both our independent registered public accounting firm and our internal auditors regularly meet privately with this committee and have unrestricted access to the committee. The audit committee held seven meetings during 2011.

  — Members: Mr. Level (Chair), Mr. Aguirre and Ms. Castagna.

  Mr. Level is our audit committee financial expert as currently defined under SEC rules. We believe that the composition of our audit committee meets the criteria for independence under, and the functioning of our audit committee complies with the applicable requirements of, the Sarbanes-Oxley Act and SEC rules and regulations.

- *Finance.* Our finance committee provides assistance to the board in the board's oversight of our financial condition and management, financing strategies and execution and relationships with stockholders, creditors and other members of the financial community. The finance committee held two meetings in 2011 and otherwise acted by unanimous written consent.

  — Members: Mr. Aguirre (Chair), Mr. R.D. Haas, Mr. Level and Mr. Neal.

- *Human Resources.* Our human resources committee provides assistance to the board in the board's oversight of our compensation, benefits and human resources programs and of senior management performance, composition and compensation. The committee reviews our compensation objectives and performance against those objectives, reviews market conditions and practices and our strategy and processes for making compensation decisions and approves (or, in the case of our chief executive officer, recommends to the Board) the annual and long term compensation for our executive officers, including our long term incentive compensation plans. The committee also reviews our succession planning, diversity and benefit plans. The human resources committee held five meetings in 2011.

  — Members: Ms. Pineda (Chair), Ms. Castagna, Mr. Eckert, Mr. P.E. Haas Jr. and Mr. R.D. Haas.

- *Nominating, Governance and Corporate Citizenship.* Our nominating, governance and corporate citizenship committee is responsible for identifying qualified candidates for our board of directors and making recommendations regarding the size and composition of the board. In addition, the committee is responsible for overseeing our corporate governance matters, reporting and making recommendations to the board concerning corporate governance matters, reviewing the performance of our chairman and chief executive officer and determining director compensation. The committee also assists the board with oversight and review of corporate citizenship and sustainability matters which may have a significant impact on the Company. The nominating, governance and corporate citizenship committee held six meetings in 2011.

  — Members: Mr. Eckert (Chair), Mr. R.D. Haas, Mr. Neal, Mr. P.E. Haas Jr. and Ms. Pineda.

Board Composition and Risk Management Practices

Board Leadership

While our by-laws do not require separation of the offices of chairman and chief executive officer, these positions are held by different individuals. The Board believes that the separation of the roles of chairman and chief executive officer is a matter to be addressed as part of the succession planning process for those roles and that it is in the best interests of the Company for the board, upon the review and advice of the Nominating, Governance and Corporate Citizenship Committee, to make such a determination when it elects a new chairman or chief executive officer or otherwise as the circumstances may require.

Board Selection Criteria

According to the board's written membership policy, the board seeks directors who are committed to the values of the Company and are, by reason of their character, judgment, knowledge and experience, capable of contributing to the effective governance of the Company. Additionally, the board is committed to maintaining a diverse and engaged board of directors composed of both stockholders and non-stockholders. Upon any vacancy on the board, it seeks to fill that vacancy with any specific skills, experiences or attributes that will enhance the overall perspective or functioning of the board.

Board's Role in Risk Management

Management is responsible for the day-to-day management of the risks facing the Company, while the board, as a whole and through its committees, has responsibility for the oversight of risk management. Management engages the board in discussions concerning risk periodically and as needed, and addresses the topic as part of the annual planning discussions where the board and management review key risks to the Company's plans and strategies and the mitigation plans for those risks. In addition, the Audit Committee of the

board has the responsibility to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, with management, the senior internal auditing executive and the independent registered public accounting firm.

Worldwide Code of Business Conduct

We have a Worldwide Code of Business Conduct which applies to all of our directors and employees, including the chief executive officer, the chief financial officer, the controller and our other senior financial officers. The Worldwide Code of Business Conduct covers a number of topics including:

- accounting practices and financial communications;
- conflicts of interest;
- confidentiality;
- corporate opportunities;
- insider trading; and
- compliance with laws.

A copy of the Worldwide Code of Business Conduct is an exhibit to this Annual Report on Form 10-K.

Item 11. *EXECUTIVE COMPENSATION*

COMPENSATION DISCUSSION AND ANALYSIS

Our compensation policies and programs are designed to support the achievement of our strategic business plans by attracting, retaining and motivating exceptional talent. Our ability to compete effectively in the marketplace depends on the knowledge, capabilities and integrity of our leaders. Our compensation programs help create a high-performance, outcome-driven and principled culture by holding leaders accountable for delivering results, developing our employees and exemplifying our core values of empathy, originality, integrity and courage. In addition, we believe that our compensation policies and programs for leaders and employees do not promote risk-taking to any degree that would have a material adverse effect on the company.

The Human Resources Committee of the Board of Directors (the "HR Committee") is responsible for fulfilling the Board's obligation to oversee our executive compensation practices. Each year, the HR Committee conducts a review of our compensation and benefits programs to ensure that the programs are aligned with our business strategies, the competitive practices of our peer companies and our stockholders' interests.

Compensation Philosophy and Objectives

Our executive compensation philosophy focuses on the following key goals:

- Attract, motivate and retain high performing talent in an extremely competitive marketplace
  - Our ability to achieve our strategic business plans and compete effectively in the marketplace is based on our ability to attract, motivate and retain exceptional leadership talent in a highly competitive talent market.
- Deliver competitive compensation for competitive results
  - We provide competitive total compensation opportunities that are intended to attract, motivate and retain a highly capable and results-driven executive team, with the majority of compensation based on the achievements of performance results.
- Align the interests of our executives with those of our stockholders
  - Our programs offer compensation incentives designed to motivate executives to enhance total stockholder return. These programs align certain elements of compensation with our achievement of corporate growth objectives (including defined financial targets and increases in stockholder value) as well as individual performance.

Policies and Practices for Establishing Compensation Packages

Establishing the elements of compensation

The HR Committee establishes the elements of compensation for our named executive officers after an extensive review of market data on the executives from the peer group described below. The HR Committee reviews each element of compensation independently and in the aggregate to determine the right mix of elements, and associated amounts, for each named executive officer.

A consistent approach is used for all named executive officers when setting each compensation element. However, the HR Committee, and the Board for the CEO, maintains flexibility to exercise its independent judgment in how it applies the standard approach to each executive, taking into account unique considerations existing at an executive's time of hire, promotion or annual performance review, and the current and future estimated value of previously granted long-term incentives relative to individual performance.

Competitive peer group

In determining the design and the amount of each element of compensation, the HR Committee conducts a thorough annual review of competitive market information. The HR Committee references data provided by Hewitt Associates concerning peer companies in the consumer products, apparel and retail industry segments. The HR Committee also references data from the Apparel Industry & Footwear Compensation Survey published by Kenexa for commercial positions. The peer group is representative of the types of companies we compete with for executive talent, which is the primary consideration for inclusion in the peer group. Revenue size and other financial measures, such as cash flow and profit margin, are secondary considerations in selecting the peer companies.

The peer group used in establishing our named executive officers' 2011 compensation packages was:

Company Name	
Abercrombie & Fitch Co.	Kimberly-Clark Corporation
Alberto-Culver Company	Kohl's Corporation
AnnTaylor Stores Corporation	Limited Brands, Inc.
Avon Products, Inc.	Mattel, Inc.
The Bon-Ton Stores, Inc.	NIKE, Inc.
Charming Shoppes, Inc.	Nordstrom, Inc.
The Clorox Company	Phillips-Van Heusen Corporation
Colgate-Palmolive Company	Retail Ventures, Inc.
Eddie Bauer Holdings, Inc.	Revlon Inc.
The Gap, Inc.	Sara Lee Corporation
General Mills, Inc.	The Timberland Company
Hasbro, Inc.	Whirlpool Corporation
J. C. Penney Company, Inc.	Williams-Sonoma, Inc.
Kellogg Company	Yum! Brands Inc.

Establishing compensation for named executive officers other than the CEO

The HR Committee does not have established targets for any element of compensation or for total direct compensation. Instead, the HR Committee uses a number of factors in determining compensation for our named executive offices. The factors considered in establishing compensation for our named executives officers include, among others, the individual's performance in the prior year, the scope of each individual's responsibilities, internal and external pay equity, succession planning strategies, and data regarding pay practices and trends.

The HR Committee approves all compensation decisions affecting the named executive officers (other than the CEO) based on recommendations provided by the CEO. The CEO conducts an annual performance review of each member of the executive leadership team against his or her annual objectives and reviews the relevant peer group data provided by the Human Resources staff. The CEO then develops a recommended compensation

package for each executive. The HR Committee reviews the recommendations with the CEO, seeks advice from its consultant Exequity, an independent board advisor firm, and approves or adjusts the recommendations as it deems appropriate. The HR Committee then reports on its decisions to the full Board.

Establishing the CEO compensation package

At the completion of each year, the Nominating, Governance and Corporate Citizenship Committee (the "NG&CC Committee") assesses the CEO's performance against annual objectives that were established jointly by the CEO and the NG&CC Committee at the beginning of that year. The NG&CC Committee takes into consideration feedback gathered from Board members and the direct reports to the CEO, in addition to the financial and operating results of the Company for the year, and submits its performance assessment to the HR Committee. The HR Committee then reviews the performance assessment and peer group data in its deliberations. During this decision-making process, the HR Committee consults with Exequity, which informs the HR Committee of market trends and conditions, comments on market data relative to the CEO's current compensation, and provides perspective on other company CEO compensation practices. Based on all of these inputs, in addition to the same guidelines used for setting annual cash, long-term and total compensation for the other named executives, described above, the HR Committee prepares a recommendation to the full Board on all elements of the CEO compensation. The full Board then considers the HR Committee's recommendation and approves the final compensation package for the CEO. Because our current CEO, Charles Bergh, only joined the Company for the last quarter of the fiscal year, he will not undergo the extensive review process just described and will instead participate in the full year review for the 2012 fiscal year. For the fiscal year 2011, under the terms of his employment arrangement, Mr. Bergh is entitled to an AIP bonus payment of not less than 100%, prorated for the period of his employment during the fiscal year. He also received a one-time employment bonus of $1,850,000 which is subject to repayment if his employment with the Company does not exceed twelve months under certain conditions. Mr. Bergh also will receive a grant of Stock Appreciation Rights in 2012 having a grant date value of not less than $4,900,000, in addition to any other standard grant he may receive as CEO.

Role of executives and third parties in compensation decisions

Exequity, an independent board and management advisor firm, acts as the HR Committee's independent consultant and as such, advises the HR Committee on industry standards and competitive compensation practices, as well as on the Company's specific executive compensation practices.

Executive officers may influence the compensation package developed by the Board for the CEO by providing input on the CEO's performance in the past year. The CEO influences the compensation packages for each of the other named executive officers through his recommendations made to the HR Committee.

Elements of Compensation

The primary elements of compensation for our named executive officers are:

- Base Salary
- Annual Incentive Awards
- Long-Term Incentive Awards
- Retirement Savings and Insurance Benefits
- Perquisites

Base Salary

The objective of base salary is to provide fixed compensation that reflects what the market pays to individuals in similar roles with comparable experience. The peer group data serves as a general guideline only. The HR Committee, and for the CEO, the Board, retains the authority to exercise its independent judgment in establishing the base salary levels for each individual. Merit increases for the named executive officers are considered by the HR Committee on an annual basis and are based on the executive's individual performance against planned objectives and other factors including the scope of each individual's responsibilities, internal and external pay equity, succession planning strategies, and data regarding pay practices and trends.

Annual Incentive Plan

Our Annual Incentive Plan ("AIP") provides the named executive officers, and other eligible employees, an opportunity to share in the success that they help create. The AIP encourages the achievement of our internal annual business goals and rewards Company, business unit and individual performance against those annual objectives. The alignment of AIP with our internal annual business goals is intended to motivate all participants to achieve and exceed our annual performance objectives.

Performance measures

Our priorities for 2011 were to continue strengthening our business in a challenging global economy and position the Company to return to long-term profitable growth. Our 2011 AIP goals were aligned with these key priorities through three performance measures:

- *Earnings before interest and taxes ("EBIT"),* a non-GAAP measure that is determined by deducting from operating income, as determined under generally accepted accounting principles in the United States ("GAAP"), the following: restructuring expense, net curtailment gains and losses from our post retirement medical plan in the United States and pension plans worldwide, and certain management-defined unusual, non-recurring selling, general and administrative expense/income items,

- *Days in working capital*, a non-GAAP measure defined as the average days in net trade receivables, plus the average days in inventories, minus the average days in accounts payable, where averages are calculated based on ending balances over the past thirteen months, and

- *Net revenues* as determined under GAAP.

We use these measures because we believe they are key drivers in increasing stockholder value and because every AIP participant can impact them in some way. EBIT and days in working capital are used as indicators of our earnings and operating cash flow performance, and net revenue is used as an indicator of our growth. These measures may change from time to time based on business priorities. The HR Committee approves the goals for each measure and the respective funding scale at the beginning of each year to incent the executive team and all employee participants to strive and perform at a high level to meet the goals. The reward for meeting the AIP goals is set by the HR Committee and, in recent years, it has ranged from 100% to 80% of the employee target. If goal levels are not met, but performance reaches minimum thresholds, participants may receive partial payouts to recognize their efforts that contributed to Company performance.

Funding the AIP pool

The AIP funding, or the amount of money made available in the AIP pool at the end of the year, is dependent on how actual performance compares to the goals. Actual performance is measured after eliminating any variance introduced by foreign currency movements and other adjustments determined to be appropriate by management based on business circumstances. In 2011, the three measures of EBIT, days in working capital and net revenue worked together as follows to determine AIP funding:

(EBIT Funding			X	Working Capital Funding Modifier)		+	Net Revenue Funding		=	2011 AIP Funding
% of EBIT Goals	Initial EBIT AIP Funding %		% of Working Capital Goals	Working Capital Funding Modifier		% of Net Revenue Goals*	Net Revenue AIP Funding %**		Performance	Total AIP Funding %
≥ 125%	175%		≥ 110%	1.20		≥ 110%	175%		Max	175%
100%	100%	X	100%	1.00	+	100%	100%	=	Plan	100%
< 85%	40%		≤ 95%	0.80		< 95%	30%		Min	0%

Note: EBIT-Working Capital Funding is capped at 175%

* Total Company Goal
** 100% achievement of EBIT goals required for Net Rev funding above 100%

Incentive Pool Funding Weight:	50%	+	50%	=	100%

- Actual EBIT performance compared to our EBIT goals determines initial EBIT AIP funding.

- Actual days in working capital performance compared to our days in working capital goals results in a working capital modifier, which increases or decreases the initial EBIT AIP funding.

- Actual net revenue performance compared to our net revenue goals determines Net Revenue AIP funding. To ensure that any incremental net revenue meets profitability goals, actual EBIT must meet or exceed our EBIT goals in order for net revenue funding to be in excess of 100%.

- EBIT funding and Net Revenue funding are multiplied by the respective incentive pool funding weight and are totaled to determine the AIP funding.

There are multiple AIP pools reflecting the multiplicity of our businesses and geographic segments. For most employees, the AIP funding is based on a mix of their respective business unit's performance and the performance of the next higher organizational level. Therefore, the final AIP funding for employees in a business unit is the resulting weighted sum of this mix. The intention is to tie individual rewards to the local business unit that the employee most directly impacts and to reinforce the message that the same efforts and results have an impact on the larger organization. For example, the funding for employees in our European region headquarters is based on the mixture of total regional performance and total Company performance. For corporate staff, employees in such departments as Finance, Human Resources and Legal who provide support to the entire Company, the funding is based entirely on total Company performance. For our executive leadership team, which includes our named executive officers, their funding is also fully based on total Company performance as they provide leadership to and hold accountability for the total Company.

The table below shows the goals for each of our three performance measures and the actual 2011 funding levels reflecting the total Company performance:

	EBIT Goal	Days in Working Capital Goal	Net Revenue Goal	Actual AIP Funding Level*
		(Dollars in millions)		
Total Company	$ 440	89	$ 4,750	68.0%

* The funding results exclude the impacts of foreign currency exchange rate fluctuations on our business results.

At the close of the fiscal year, the HR Committee reviews and approves the final AIP funding levels based on the level of attainment of the designated financial measures at the local, regional and total Company levels. AIP funding can range from 0% to a maximum of 175% of the target AIP pool.

Determining named executives' AIP targets and actual award amounts

The AIP targets for the named executive officers are a specific dollar amount based on a defined percentage of the executive's base salary, called the AIP participation rate. The AIP participation rate is typically based on the executive's position and peer group practices.

In determining each executive's actual AIP award in any given year, the HR Committee or, with respect to the CEO, the Board, considers the AIP target, the individual's performance and the AIP funding for the respective executive. Because the sum of all actual payments for any given region or business unit do not typically exceed the amount of the AIP funding pool for that unit, the individual awards reflect both performance against individual objectives and relative performance against the balance of employees being paid out of that pool. Executives, like all employees, must be employed on the date of payment to receive payment, except in the cases of layoff, retirement, disability or death. The AIP awards for all employee participants are made in the same manner, except that the employees' managers determine the individual awards.

As previously stated, the HR Committee does not have established targets for any element of compensation and instead uses a number of factors in determining compensation for our named executive offices. Nor is an executive's actual AIP award formulaic. Like all employees, the actual AIP award is based on the assessment of the executive's performance against his or her annual objectives and performance relative to his or her peers, in addition to the AIP funding. Both business and individual annual objectives are taken into account in determining the actual award payments to our named executive officers. Individual annual objectives include non-financial

goals which are not stated in quantitative terms, and a particular weighting is not assigned to any one of these individual goals. The non-financial objectives are not established in terms of how difficult or easy they are to attain; rather, they are taken into account in assessing the overall quality of the individual's performance. The target AIP participation rates, target amounts, actual award payments and actual award payment as a percentage of each named executive officer's target payment were as follows:

Name	2011 AIP Participation Rate	2011 Target Amount	2011 AIP Actual Award Payment	Payment as % of Target
Charles Bergh[1]	135%	$ 289,315	$ 289,315	100%
Blake Jorgensen	80%	560,000	476,000	85%
Robert Hanson	85%	701,250	—	0%
Aaron Boey[2]	70%	444,254	311,867	70%
Anne Rohosy	70%	332,500	300,000	90%
John Anderson	135%	1,721,250	1,721,250	100%
James Calhoun	65%	373,750	—	0%

(1) Mr. Bergh's 2011 AIP target amount has been prorated based on his hire date and the terms of his employment agreement.

(2) Mr. Boey is paid in Singapore Dollars (SGD). For purposes of the table, this amount was converted into U.S. Dollars using an exchange rate of 0.7797, which is the average exchange rate for the last month of the fiscal year.

Long-Term Incentives

The HR Committee believes a large part of an executive's compensation should be linked to long-term stockholder value creation as an incentive for sustained, profitable growth. Therefore, our long-term incentives for our named executive officers are in the form of equity awards and provide reward opportunities competitive with those offered by companies in the peer group for similar jobs. Consistent with the other elements of compensation, the HR Committee does not have established targets for long-term incentive awards for our named executive officers and uses a number of factors in establishing the long-term incentive award levels for each individual. Should we deliver against our long-term goals, the long-term equity incentive awards become a significant portion of the total compensation of each named executive officer. For more information on the 2011 long-term equity grants, see the 2011 Grants of Plan-Based Awards table.

The Company's common stock is not listed on any stock exchange. Accordingly, the price of a share of our common stock for all purposes, including determining the value of equity awards, is established by the Board based on an independent third-party valuation conducted by Evercore Group LLC ("Evercore"). The valuation process is typically conducted two times a year, with interim valuations occurring from time to time based on stockholder and Company needs. Please see "Stock-Based Compensation" under Note 1 to our audited consolidated financial statements included in this report for more information about the valuation process.

Equity Incentive Plan

Our omnibus 2006 Equity Incentive Plan ("EIP") enables our HR Committee to select from a variety of stock awards in defining long-term incentives for our management, including stock options, restricted stock and restricted stock units, and stock appreciation rights ("SARs"). The EIP permits the grant of performance awards in the form of equity or cash. Stock awards and performance awards may be granted to employees, including named executive officers, non-employee directors and consultants.

To date, SARs have been the only form of equity granted to our named executive officers under the EIP. SARs are typically granted annually with four-year vesting periods and exercise periods of up to ten years. (See the table entitled "Outstanding Equity Awards at 2011 Fiscal Year-End" for details concerning the SARs' vesting schedule.) The HR Committee chose to grant SARs rather than other available forms of equity compensation to allow the Company the flexibility to grant SARs that may be settled in either stock or cash. The terms of the SAR grants made to our named executive officers to-date provide for stock settlement only. When a SAR is exercised and settled in stock, the shares issued are subject to the terms of the Stockholders' Agreement, including restrictions on transfer. After the participant has held the shares issued under the EIP for six months, he or she

may require the Company to repurchase, or the Company may require the participant to sell to the Company, those shares of common stock. The Company's obligations under the EIP are subject to certain restrictive covenants in our various debt agreements (See Note 6 to our audited consolidated financial statements included in this report for more details).

Long-term incentive grant practices

The Company does not have any program, plan, or practice to time equity grants to take advantage of the release of material, non-public information. Equity grants are made in connection with compensation decisions made by the HR Committee and the timing of the Evercore valuation process, and are made under the terms of the governing plan.

Retirement Savings and Insurance Benefits

In order to provide a competitive total compensation package, we offer a qualified 401(k) defined contribution retirement plan to our U.S. salaried employees through the Employee Savings and Investment Plan. We also offer a similar defined contribution retirement savings plan, called the Singapore Central Provident Fund, to our employees in Singapore. Executive officers participate in these plans on the same terms as other salaried employees. The ability of executive officers to participate fully in these plans is limited by local/national tax and other related legal requirements. Like many of the companies in the peer group, the Company offers a nonqualified supplement to the 401(k) plan, which is not subject to the IRS and ERISA limitations, through the Deferred Compensation Plan for Executives and Outside Directors. The Company also offers its executive officers the health and welfare insurance plans offered to all employees such as medical, dental, supplemental life, long-term disability and business travel insurance, consistent with the practices of the majority of the companies in the peer group.

In 2004, we froze our U.S. defined benefit pension plan and increased the Company match under the 401(k) plan. This change was made in recognition of an employment market that is characterized by career mobility, and traditional pension plan benefits that are not portable. Of our named executive officers, only Robert Hanson had adequate years of service to be eligible for future benefits under the frozen U.S. defined benefit pension plan.

Defined contribution retirement plan

The Employee Savings and Investment Plan is a qualified 401(k) defined contribution savings plan that allows U.S. employees, including executive officers, to save for retirement on a pre-tax basis. The Company matches up to a certain level of employee contributions.

Deferred compensation plan

The Deferred Compensation Plan for Executives and Outside Directors is a U.S. nonqualified, unfunded tax effective savings plan provided to the named executive officers and other executives, and the outside directors.

Perquisites

The Company believes perquisites are an element of competitive total rewards. The Company is highly selective in its use of perquisites, the total value of which is modest. The primary perquisite provided to the named executive officers is a flexible allowance to cover expenses such as auto-related expenses, financial and tax planning, legal assistance and excess medical costs.

Tax and Accounting Considerations

We have structured our compensation program to comply with Internal Revenue Code Section 409A. Because our common stock is not registered on any exchange, we are not subject to Section 162(m) of the Internal Revenue Code.

Severance and Change in Control Benefits

The Executive Severance Plan is meant to provide a reasonable and competitive level of financial transitional support to executives who are involuntarily terminated. If employment is involuntarily terminated by the Company due to reduction in force, layoff or position elimination, the executive is eligible for severance payments and benefits. Severance benefits are not payable upon a change in control if the executive is still employed by or offered a comparable position with the surviving entity.

Under the 2006 EIP, in the event of a change in control in which the surviving corporation does not assume or continue the outstanding SARs program or substitute similar awards for such outstanding SARs, the vesting schedule of all SARs held by executives that are still employed upon the change in control will be accelerated in full as of a date prior to the effective date of the transaction as the Board determines. This accelerated vesting structure is designed to encourage the executives to remain employed with the Company through the date of the change in control and to ensure that the equity incentives awarded to the executives are not eliminated by the surviving company.

Compensation Committee Report

The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on the review and discussion, the Committee recommends to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's annual report on Form 10-K for the fiscal year ended November 27, 2011.

The Human Resources Committee

Patricia Salas Pineda (Chair)
Vanessa J. Castagna
Robert Eckert
Peter E. Haas Jr.
Robert D. Haas

SUMMARY COMPENSATION DATA

The following table provides compensation information for (i) our chief executive officer, (ii) our chief financial officer, and (iii) three executive officers who were our most highly compensated officers and who were serving as executive officers as of the last day of the fiscal year, and (iv) two additional individuals for whom disclosure would have been provided, but for the fact that the individuals were not serving as executive officers at the end of the last completed fiscal year.

Name and Principal Position	Year	Salary	Bonus[3]	Option Awards[4]	Non-Equity Incentive Plan Compensation[5]	Change in Pension Value and Nonqualified Deferred Compensation Earnings[6]	All Other Compensation[7]	Total
Charles Bergh								
President and Chief Executive Officer	2011	$ 263,077	$ 1,850,000	$ —	$ 289,315	$ —	$ 197,592	$ 2,594,984
Blake Jorgensen								
Chief Financial Officer	2011	690,192	—	982,927	476,000	—	54,670	2,203,789
	2010	650,000	—	1,118,976	500,000	—	37,323	2,306,299
	2009	257,500	250,000	863,772	472,875	—	1,974	1,846,121
Robert Hanson[1]								
Executive Vice President and	2011	840,865	—	1,474,391	—	—	178,499	2,493,755
President, Global Levi's® Brand	2010	743,885	—	745,980	925,000	78,943	135,355	2,629,163
	2009	714,000	—	455,814	674,730	—	113,580	1,958,124
Aaron Boey[2]								
Executive Vice President and	2011	634,648	—	884,638	311,867	—	46,905	1,878,058
President, Global Denizen® Brand	2010	575,528	—	516,441	223,786	—	46,435	1,362,190
	2009	483,460	—	182,323	183,459	—	88,534	937,776
Anne Rohosy								
Executive Vice President and President, Global Dockers® Brand	2011	431,731	—	424,800	300,000	—	148,729	1,305,260
John Anderson[1]								
Former President and Chief	2011	1,299,519	—	3,276,402	1,721,250	—	298,095	6,595,266
Executive Officer	2010	1,275,000	—	2,292,500	1,370,000	75,141	354,852	5,367,493
	2009	1,275,000	—	1,852,500	1,600,000	121,279	1,295,424	6,144,203
James Calhoun								
Former Executive Vice President	2011	243,269	—	688,042	—	—	89,267	1,020,578
and President, Global Dockers® Brand	2010	557,817	—	235,800	180,000	—	36,166	1,009,783

(1) Each of John Anderson's and Robert Hanson's last day with the Company was November 27, 2011, and James Calhoun's last day was April 22, 2011. Each of Mr. Anderson and Mr. Hanson received certain amounts after the 2011 fiscal year end in connection with their departures. Mr. Anderson received, or is in the process of receiving, amounts reported in the Current Report on Form 8-K filed on June 16, 2011, specifically: $1,155,648 from the Levi Strauss Australia Staff Superannuation Plan, $4,558,840 from the Supplemental Executive Incentive Plan, a separation payment of $7,068,408, a payment of $236,709 for unused vacation, and $30,000 for attorney's fees. He also received a charitable contribution match of $100,000. Mr. Hanson received, or is in the process of receiving, amounts reported in the Current Report on Form 8-K filed on November 3, 2011, specifically: $2,889,000 and a payment of $166,587 for unused vacation.

(2) Mr. Boey is paid in Singapore Dollars. For purposes of the table, his 2011 payments were converted into U.S. Dollars using an exchange rate of 0.7797, for 2010, an exchange rate of 0.7722 and for 2009, an exchange rate of 0.7198.

These rates were the average exchange rates for the last month of the 2011, 2010 and 2009 fiscal years, respectively.

(3) For Mr. Bergh, the 2011 amount reflects a sign-on bonus of $1,850,000 per his employment contract.

(4) These amounts reflect the aggregate grant date fair value of SARS granted to the recipient under the Company's 2006 Equity Incentive Plan, computed in accordance with the Company's accounting policy for stock-based compensation. For a description of the assumptions used in the calculation of these amounts, see Notes 1 and 11 of the audited consolidated financial statements included elsewhere in this report.

Mr. Bergh was entitled to a grant in connection with his hire in 2011 per his employment agreement, but the grant was not yet made as of November 27, 2011, and therefore is not reflected in this table.

In connection with his departure from the Company on November 27, 2011, Mr. Hanson forfeited $132,946 of his 2009 SAR grant, $404,072 of his 2010 SAR grant and $1,474,391 which is his entire 2011 SAR grant.

In connection with his departure from the Company on November 27, 2011, Mr. Anderson received full vesting on all of his outstanding unvested SARs granted to him by the Company prior to calendar year 2011 and vesting as to 25% of the SARs granted to him in calendar year 2011, resulting in a forfeiture of $2,457,302 of his 2011 SAR grant.

Mr. Calhoun forfeited $134,387 of his 2009 SAR grant, $162,113 of his 2010 SAR grant and $688,043 which is his entire 2011 SAR grant based on his departure date of April 22, 2011.

(5) These amounts reflect the AIP awards made to the named executive officers.

For Mr. Bergh, the 2011 amount reflects a prorated AIP amount of $289,315 per his employment contract.

(6) For Mr. Hanson, the 2011 change in U.S. pension value is due solely to changes in actuarial assumptions used in determining the present value of the benefits. These assumptions, such as discount rates, age-rating and mortality, may vary from year-to-year. Effective November 28, 2004, we froze our U.S. pension plan for all salaried employees. Only positive changes in pension value are reported.

(7) For Mr. Bergh, the 2011 amount reflects $160,391 for relocation assistance, a Company 401(k) match of $18,375, a 401(k) excess plan match, an executive allowance and payment for home security services.

For Mr. Jorgensen, the 2011 amount reflects a Company 401(k) match of $18,375 and an executive allowance of $20,136, $15,000 of which was for legal, financial or other similar expenses.

For Mr. Hanson, the 2011 amount reflects a Company 401(k) match of $15,866, a 401(k) excess plan match of $129,545 and an executive allowance of $21,600, $15,375 of which was for legal, financial or other similar expenses.

For Mr. Boey, the 2011 amount reflects an executive allowance of $36,937, $35,085 of which was toward the provision of a car, and employer retirement plan contributions. These amounts are based on the foreign exchange rate noted above.

For Ms. Rohosy, the 2011 amount reflects a payment of $103,617 to assist with her relocation, a Company 401(k) match of $12,981, a 401(k) excess plan match of $14,071 and an executive allowance of $15,972, $11,000 of which was for legal, financial or other similar expenses.

For Mr. Anderson, the 2011 amount reflects a Company 401(k) match of $13,268, a 401(k) excess plan match of $199,592, and an executive allowance of $25,472, $19,375 of which was for legal, financial or other similar expenses. The amount also reflects a payment of $23,915 for home leave benefits and $17,288 tax gross-up of those benefits, per his employment contract.

For Mr. Calhoun, the 2011 amount reflects a Company 401(k) match of $15,312, a relocation payment of $16,912, an executive allowance of $10,729 which was for legal, financial or other similar expenses and a payment of $40,761 for unused vacation.

Other Matters

Employment Contracts

Mr. Bergh. We have an employment agreement with Mr. Bergh effective September 1, 2011. The agreement provides for an annual base salary of $1,200,000 which is subject to annual review and adjustment. Mr. Bergh is also eligible to participate in our AIP at a target participation rate of 135% of base salary.

Under the terms of his employment agreement, for the fiscal year 2011, Mr. Bergh is entitled to an AIP bonus payment of not less than 100% of base salary, prorated for the period of his employment during the fiscal year. He also received a one-time employment bonus of $1,850,000 which is subject to repayment if his employment with the Company does not exceed twelve months under certain conditions.

He also participates in the Company's 2006 Equity Incentive Plan and will receive an initial SAR grant having a grant date value of not less than $4,900,000 (the "Initial SAR"). In fiscal 2012 and 2013, he will be eligible to receive SAR awards with an aggregate grant date value of not less than the median aggregate grant date value of annual long-term incentive awards made to the Chief Executive Officers of the Company's peer group of companies.

Subject to the accelerated vesting provisions set forth in Mr. Bergh's employment agreement, the Initial SAR award and any annual long-term incentive award granted in 2012 shall vest as to 25% of the shares subject to the award on September 1, 2012, and as to 1/48th of the shares subject to the award, monthly thereafter, subject to Mr. Bergh continuing to provide services to the Company through the relevant vesting dates.

His employment agreement also provides that if Mr. Bergh is terminated from employment either by the Company or constructively within four years of his effective date of employment or in connection with a change in control of the Company under certain circumstances, he will be entitled to receive, among other standard benefits, (1) an aggregate amount equal to two times the sum of his then-effective base salary plus his then-effective target AIP amount, (2) a pro-rated AIP award in respect of the performance period at the time, and (3) company-paid continuation coverage for certain benefits for 18 months. In addition, upon his termination

from the Company at any time under certain circumstances, the unvested portion of his SAR awards that would have vested during the twenty-four (24) months following the date of such termination will immediately vest, and all vested SAR awards shall be exercisable for eighteen (18) months following such termination. Upon his termination in connection with a change in control of the Company under certain circumstances, 100% of his SAR awards will immediately vest, and all vested SAR awards shall be exercisable for eighteen (18) months following such event. If he resigns from the Company after the fifth anniversary of his effective date of employment, 100% of his SAR awards that have remained outstanding for at least 12 months will immediately vest, and all vested SAR awards shall be exercisable for eighteen (18) months following such resignation.

Mr. Bergh's rights to any severance or vesting acceleration is subject to his execution of an effective release of claims in favor of the Company and compliance with certain restrictive covenants.

Mr. Bergh will receive standard healthcare, life insurance and long-term savings program benefits, as well as relocation program benefits. He will also receive benefits under the Company's various executive perquisite programs consistent with that provided to his predecessor.

Mr. Bergh's employment is at-will and may be terminated by the Company or by him at any time. Mr. Bergh does not receive any separate compensation for his services as a member of our board of directors.

Mr. Jorgensen. We entered into an employment arrangement with Mr. Jorgensen, effective July 1, 2009. The employment arrangement with Mr. Jorgensen initially provided for an annual base salary of $650,000 which has since been adjusted, and may be further adjusted, pursuant to annual review. Mr. Jorgensen is also eligible to participate in our AIP at a target participation rate of 75% of his base salary. His 2009 award was guaranteed at a minimum of 50% of the target value, assuming a full-year of employment. He also received a one-time signing bonus upon his hire in 2009 of $250,000 which was subject to prorated repayment if his employment with the Company did not exceed twenty-four months under certain conditions.

Mr. Jorgenson also participates in our 2006 Equity Incentive Plan and received 82,264 SAR units, which included a standard grant of 41,132 units and a one-time special grant of 41,132 units upon his hire in 2009. In addition, Mr. Jorgenson received 1.5 times the standard grant level in 2010.

Mr. Jorgensen also receives standard employee healthcare, life insurance and long-term savings program benefits, as well as benefits under our various executive perquisite programs, including a cash allowance of $15,000 per year.

Mr. Jorgensen's employment is at-will and may be terminated by us or by Mr. Jorgensen at any time.

Mr. Hanson. We entered into an employment arrangement with Mr. Hanson effective August 16, 2010. Mr. Hanson resigned from the Company effective November 27, 2011.

The arrangement provided for a minimum base salary of $825,000, which was subject to annual review and adjustment. The arrangement also provided for a grant of 1.5 times the standard SAR grant awarded to eligible executives in 2011 under our 2006 Equity Incentive Plan. Mr. Hanson was eligible to participate in our AIP at a target participation rate of 85% of his base salary.

Mr. Hanson also received standard employee healthcare, life insurance and long-term savings program benefits, as well as benefits under our various executive perquisite programs, including a cash allowance of $15,000 per year.

In connection with his departure on November 27, 2011, the Company and Mr. Hanson entered into a Separation Agreement and Release of All Claims which provided that, in exchange for certain releases of claims and compliance with certain post-termination covenants, Mr. Hanson was eligible to receive an amount equal to $2,289,000, payable in installments over eighteen (18) months, and a lump sum payment of $600,000 to be paid thirty (30) days after his effective date of resignation. In addition, the Company would pay the portion of the premiums of his medical continuation coverage that the Company would pay for an active employee for a period of up to eighteen (18) months; this amount totaled approximately $450 as the payments ceased when Mr. Hanson took other employment. Mr. Hanson was not eligible to receive any amounts under the 2011 AIP. Mr. Hanson's post-termination obligations include covenants relating to non-solicitation for a period of twelve months, non-disparagement, confidentiality and cooperation with litigation matters and administrative inquiries. The agreement superseded any other potential separation benefits from the Company, including, but not limited to, any rights under the Company's Executive Severance Plan.

Mr. Boey. We have an employment arrangement with Mr. Boey effective September 20, 2010. Mr. Boey is a resident of Singapore where his employment is also based. The arrangement initially provided for a minimum base salary of SGD 814,000 (US $600,960 using an exchange rate of 1.3545 as of August 31, 2010) which has since been adjusted, and may be further adjusted, pursuant to annual review. The arrangement also provided for a grant of 1.5 times the standard SAR grant awarded to eligible executives in 2011 under our 2006 Equity Incentive Plan. Mr. Boey is eligible to participate in our AIP at a target participation rate of 70% of his annual base salary.

Mr. Boey also receives standard employee healthcare, life insurance and long-term savings program benefits, as well as benefits under our various executive perquisite programs.

Mr. Boey's employment is at-will and may be terminated by us or by Mr. Boey at any time.

Ms. Rohosy. We have an employment arrangement with Ms. Rohosy effective May 9, 2011. The arrangement provides for a minimum base salary of $475,000 which is subject to annual review and adjustment. The arrangement also provided for a grant of 1.5 times the standard SAR grant awarded to eligible executives in 2011 under our 2006 Equity Incentive Plan. Ms. Rohosy is eligible to participate in our AIP at a target participation rate of 70% of her base salary.

Ms. Rohosy also receives standard healthcare, life insurance and long-term savings program benefits, as well as benefits under our various executive perquisite programs, including a cash allowance of $15,000 per year.

Ms. Rohosy's employment is at-will and may be terminated by us or by Ms. Rohosy at any time.

Mr. Anderson. We entered into an employment arrangement with Mr. Anderson effective November 27, 2006. Mr. Anderson separated from the Company effective November 27, 2011.

Mr. Anderson's arrangement provided for a minimum base salary of $1,250,000, which was adjusted pursuant to annual review. Mr. Anderson was also eligible to participate in our AIP at a minimum target participation rate of 110% of base salary.

Under the terms of his employment arrangement, Mr. Anderson also received benefits to assist with the relocation of Mr. Anderson and his family from Singapore to San Francisco, California as follows: a one-time irrevocable gross payment of $5,800,000, of which $3,800,000 was paid in November 2006 and $1,000,000 was paid in each of January 2008 and January 2009, availability of a company-paid apartment and automobile while his family remained in Singapore; prior to their relocation, temporary housing in San Francisco upon his arrival and application of his Australian hypothetical tax rate on his 2006 Annual Incentive Plan and final 2006 Management Incentive Plan payments.

In addition to the foregoing arrangements, Mr. Anderson was considered a global assignee during the period that he was employed with us in Singapore in 2006. Our approach for global assignee employees is to ensure that individuals working abroad are compensated as they would be if they were based in their home country, in this case Australia, by offsetting expenses related to a global assignment. This approach covers all areas that are affected by the assignment, including salary, cost of living, taxes, housing, benefits, savings, schooling and other miscellaneous expenses. Although Mr. Anderson was no longer formally considered a global assignee upon his assuming the President and Chief Executive Officer role at the beginning of 2007, his family's relocation from Singapore to the United States occurred throughout the middle of 2007. Therefore, certain global assignee benefits were provided to Mr. Anderson during 2007 as he completed the transition.

Mr. Anderson also received standard employee healthcare, life insurance, long-term savings program, as well as relocation program benefits. He also received benefits under our various executive perquisite programs with an annual value of less than $30,000. Mr. Anderson continued to be eligible for ongoing home leave benefits. The portions of these benefits that were paid in 2011, 2010 and 2009 are reflected in the Summary Compensation Table.

In connection with his departure on November 27, 2011, the Company and Mr. Anderson entered into a Transition Services, Separation Agreement and Release of All Claims which served two purposes. First, the agreement established the terms and conditions of Mr. Anderson's remaining service to the Company. Under the

agreement, Mr. Anderson agreed to remain as the Company's President and Chief Executive Officer and a member of the Company's Board of Directors until September 1, 2011. Thereafter, Mr. Anderson agreed to continue as a non-executive employee of the Company through the end of fiscal year 2011, during which period he would provide transition services to the Company and continue to receive his base salary until the end of fiscal year 2011. Second, the agreement established the terms and conditions of the separation benefits being provided to Mr. Anderson in consideration for his transition services to the Company, his continued cooperation in the process of transitioning his position to Mr. Bergh as the new Chief Executive Officer of the Company, his post-termination covenants, and his execution of general releases of claims in favor of the Company. This agreement provided the sole source of Mr. Anderson's separation benefits and superseded any other potential separation benefits from the Company, including, but not limited to, any rights under the Company's Executive Severance Plan. Mr. Anderson's post-termination obligations include covenants relating to non-solicitation for a period of twelve months, confidentiality and cooperation with litigation matters and administrative inquiries.

In connection with his termination of employment and in exchange for certain releases of claims and compliance with certain restrictive covenants, Mr. Anderson was eligible to receive the following separation benefits: (1) aggregate cash severance in an amount equal to $7,068,408, of which $2,524,995 was payable as a single cash lump sum in January 2012 and the remaining $4,543,413 which will generally be payable in installments over seventy-eight (78) weeks provided that he complies with his post-termination covenants; (2) payment by the Company, for a period of up to eighteen (18) months, of the premiums for both (i) his basic life insurance and (ii) the portion of his medical continuation coverage that the Company would pay for an active employee (which will total approximately $5,400 if paid for the full 18 months); (3) full vesting on all of his outstanding unvested SARs granted to him by the Company prior to calendar year 2011; (4) vesting as to 25% of the SARs granted to him in calendar year 2011; (5) reimbursement of the cost of his reasonable attorneys' fees, up to a maximum of $30,000, incurred in connection with the negotiation of the agreement; and (6) payment, at the time annual bonuses are generally paid to active participants, of a single cash lump sum equal to $1,721,250, which represents payment of his full bonus at target under the 2011 AIP. In addition, the Company paid to Mr. Anderson the vested amounts under his qualified and nonqualified retirement plans in accordance with the terms and conditions of the applicable plans and his elections thereunder, totaling approximately $5,900,000.

Mr. Calhoun. We entered into an employment arrangement with Mr. Calhoun effective September 20, 2010. Mr. Calhoun departed from the Company effective April 22, 2011.

The arrangement provided for a minimum base salary of $575,000. The arrangement also provided for an initial grant of 1.5 times the standard SAR grant awarded to eligible executives in 2011 under our 2006 Equity Incentive Plan. Mr. Calhoun was eligible to participate in our AIP at a target participation rate of 65% of his base salary.

Mr. Calhoun received standard employee healthcare, life insurance and long-term savings program benefits, as well as benefits under our various executive perquisite programs, including a cash allowance of $15,000 per year.

2011 Grants of Plan-Based Awards

The following table provides information on awards under our 2011 Annual Incentive Plan and stock appreciation rights granted under the Equity Incentive Plan in 2011 to each of our named executive officers. The 2011 actual AIP awards for our named executive officers are included in the Summary Compensation Table under the "Non-Equity Incentive Plan Compensation" column.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Option Awards		
Name	Grant Date	Threshold	Target	Maximum	Number of Securities Underlying Options[1]	Exercise or Base Price of Option Awards[2]	Full Grant Date Fair Value[3]
Charles Bergh[4]	2011[5]	$ —	$ 289,315	$ 578,630	$ —	$ —	$ —
Blake Jorgensen	2011	—	560,000	1,120,000	60,712	43.25	982,927
Robert Hanson	2011	—	701,250	1,402,500	91,068	43.25	1,474,391
Aaron Boey	2011	—	444,254	888,508	54,641	43.25	884,638
Anne Rohosy	2011		332,500	665,000	30,000	39.50	424,800
John Anderson	2011	—	1,721,250	3,442,500	202,372	43.25	3,276,403
James Calhoun	2011	—	373,750	747,500	42,498	43.25	688,043

(1) Reflects SARs granted in 2011 under the Equity Incentive Plan.

In connection with his departure from the Company on November 27, 2011, Mr. Hanson forfeited $132,946 of his 2009 SAR grant, $404,072 of his 2010 SAR grant and $1,474,391 which is his entire 2011 SAR grant.

Mr. Calhoun forfeited $134,387 of his 2009 SAR grant, $162,113 of his 2010 SAR grant and $688,043 which is his entire 2011 SAR grant based on his departure date of April 22, 2011.

(2) The exercise price is based on the fair market value of the Company's common stock as of the grant date established by the Evercore valuation process.

(3) These amounts reflect the aggregate grant date fair value computed in accordance with the Company's accounting policy for stock-based compensation for awards granted under the Equity Incentive Plan.

(4) AIP target was prorated based on Mr. Bergh's employment contract.

(5) Mr. Bergh is entitled to a grant in connection with his hire in 2011 per his employment agreement, but the grant was not yet made as of November 27, 2011, and therefore is not reflected in this table.

Outstanding Equity Awards at 2011 Fiscal Year-End

The following table provides information on the unexercised and unvested SAR holdings by the Company's named executive officers as of November 27, 2011. The vesting schedule for each grant is shown following this table. Mr. Bergh is entitled to a grant in connection with his hire in 2011 per his employment agreement, but the grant was not yet made as of November 27, 2011, and therefore is not reflected in this table.

	SAR Awards			
Name	Number of Securities Underlying Unexercised SARs Exercisable	Number of Securities Underlying Unexercised SARs Unexercisable(1)	SAR Exercise Price(2)	SAR Expiration Date
Blake Jorgensen	49,701	32,563	$ 25.50	7/8/2016
	39,149	46,269	36.50	2/4/2017
	—	60,712	43.25	2/3/2018
Robert Hanson(3)	127,242	—	42.00	12/31/2012
	31,114	—	68.00	8/1/2017
	26,143	—	24.75	2/5/2016
	26,099	—	36.50	2/4/2017
	—	—	43.25	2/3/2018
Aaron Boey	10,457	4,306	24.75	2/5/2016
	18,068	21,355	36.50	2/4/2017
	—	54,641	43.25	2/3/2018
Anne Rohosy (3)	—	30,000	39.50	7/14/2018
John Anderson	462,696	—	42.00	12/31/2012
	124,455	—	68.00	8/1/2017
	150,000	—	24.75	2/5/2016
	175,000	—	36.50	2/4/2017
	50,593	—	43.25	2/3/2018

(1) SAR Vesting Schedule

Grant Date	Exercise Price	Vesting Schedule
7/13/2006	$ 42.00	1/24th monthly vesting beginning 1/1/08
8/1/2007	$ 68.00	25% vested on 7/31/08; monthly vesting over remaining 36 months
2/5/2009	$ 24.75	25% vested on 2/4/10; monthly vesting over remaining 36 months
7/8/2009	$ 25.50	25% vested on 7/7/10; monthly vesting over remaining 36 months
2/4/2010	$ 36.50	25% vested on 2/3/11; monthly vesting over remaining 36 months
2/3/2011	$ 43.25	25% vested on 2/2/12; monthly vesting over remaining 36 months
7/14/2011	$ 39.50	25% vested on 7/13/12; monthly vesting over remaining 36 months

The named executive officers may only exercise vested SARs during certain times of the year under the terms of the Equity Incentive Plan.

(2) The SAR exercise prices reflect the fair market value of the Company's common stock as of the grant date as established by the Evercore valuation process. Upon the vesting and exercise of a SAR, the recipient will receive shares of common stock in an amount equal to the product of (i) the excess of the per share fair market value of the Company's common stock on the date of exercise over the exercise price, multiplied by (ii) the number of shares of common stock with respect to which the SAR is exercised.

(3) Under the terms of the Equity Incentive Plan, Mr. Hanson forfeited his entire 2011 SAR grant based on his departure date. Mr. Anderson forfeited 75% of his 2011 SAR grant based on his separation agreement.

Executive Retirement Plans

Robert Hanson

Effective November 28, 2004, we froze our U.S. pension plan for all salaried employees. Of our named executive officers, only Mr. Hanson has adequate years of service to be eligible for benefits under the frozen defined benefit pension plan. The normal retirement age is 65 with five years of service; early retirement age is 55 with 15 years of service. Mr. Hanson is ineligible for early retirement at this time. If he elects to receive his benefits before normal retirement age, the accrued benefit is reduced by an applicable factor based on the number of years before normal retirement. Benefits are 100% vested after five years of service, measured from the date of hire.

There are two components to this pension plan, the Home Office Pension Plan ("HOPP"), an IRS qualified defined benefit plan, which has specific compensation limits and rules under which it operates, and the Supplemental Benefits Restoration Plan ("SBRP"), a non-qualified defined benefit plan, that provides benefits in excess of the IRS limit.

The benefit formula under the HOPP is the following:

a) 2% of final average compensation (as defined below) multiplied by the participant's years of benefit service (not in excess of 25 years), less

b) 2% of Social Security benefit multiplied by the participant's years of benefit service (not in excess of 25 years), plus

c) 0.25% of final average compensation multiplied by the participant's years of benefit service earned after completing 25 years of service.

Final average compensation is defined as the average compensation (comprised of base salary, commissions, bonuses, incentive compensation and overtime earned for the fiscal year) over the five consecutive plan years producing the highest average out of the ten consecutive plan years immediately preceding the earlier of the participant's retirement date or termination date.

The benefit formula under the SBRP is the excess of (a) over (b):

a) Accrued benefit as described above for the qualified pension plan determined using non-qualified compensation and removing the application of maximum annuity amounts payable from qualified plans under Internal Revenue Code Section 415(b);

b) Actual accrued benefit from the qualified pension plan.

The valuation method and assumptions are as follows:

a) The values presented in the Pension Benefits table are based on certain actuarial assumptions as of November 27, 2011; see Notes 1 and 8 of the audited consolidated financial statements included elsewhere in this report for more information.

b) The discount rate and post-retirement mortality utilized are based on information presented in the pension footnotes. No assumptions are included for early retirement, termination, death or disability prior to normal retirement at age 65.

c) Present values incorporate the normal form of payment of life annuity for single participants and 50% joint and survivor for married participants.

Pension Benefits

The following table provides information regarding executive retirement arrangements applicable to Mr. Hanson as of November 27, 2011.

Name	Plan Name	Number of Years Credited Service as of 11/27/11	Present Value of Accumulated Benefits as of 11/27/11	Payments During Last Fiscal Year
Robert Hanson	U.S. Home Office Pension Plan (qualified plan)	16.8	$ 245,457	$ —
	U.S. Supplemental Benefit Restoration Plan (non-qualified plan)	16.8	623,838	—
	Total		$ 869,295	$ —

Non-Qualified Deferred Compensation

The Deferred Compensation Plan for Executives and Outside Directors ("Deferred Compensation Plan") is a U.S. nonqualified, unfunded tax effective savings plan provided to the named executive officers, among other executives and the directors, as part of competitive compensation.

Participants may elect to defer all or a portion of their base salary and AIP payment and may elect an in-service and/or retirement distribution. Executive officers who defer salary or bonus under this plan are credited with market-based returns depending upon the investment choices made by the executive applicable to each deferral. The investment options under the plan, which closely mirror the options provided under our qualified 401(k) plan, include a number of mutual funds with varying risk and return profiles. Participants may change their investment choices as frequently as they desire, consistent with our 401(k) plan.

In addition, under the Deferred Compensation Plan, the Company provides a match on all deferrals, up to 10% of eligible compensation that cannot be provided under the qualified 401(k) plan due to IRS qualified plan compensation limits. The amounts in the table reflect non-qualified contributions over the 401(k) limit by the executive officers and the resulting Company match.

The table below reflects the 2011 contributions to the non-qualified Deferred Compensation Plans for the named executive officers that participate in the plans, as well as the earnings and balances under the plans.

Name	Registrant Contributions (1)	Executive Contributions	Aggregate Earnings	Aggregate Withdrawals / Distributions	Aggregate Balance at November 27, 2011
Charles Bergh	$ 3,462	$ 2,769	$ (181)	$ —	$ 6,050
Blake Jorgensen	—		—		—
Robert Hanson	129,545	107,063	(44,632)	(194,948)	729,123
Aaron Boey (2)	8,458	11,718	—	—	—
Anne Rohosy	15,802	329,074	(1,017)	—	367,038
John Anderson	199,592	266,123	25,417	—	3,619,436
					4,048,719(3)
					1,155,648(4)

(1) For Mssrs. Bergh, Jorgensen, Hanson, Anderson and Calhoun, and Ms. Rohosy, these amounts reflect the 401(k) excess plan match contributions made by the Company and are reflected in the Summary Compensation Table under All Other Compensation.

(2) The Singapore Central Provident Fund is a government-managed program. As a result, we do not have access information regarding Mr. Boey's account activity.

(3) While Mr. Anderson was the President of our Asia Pacific region, he participated in a Supplemental Executive Incentive Plan, an unfunded plan to which the Company contributed 20% of his base salary and annual bonus each year. The plan was frozen as of November 26, 2006, when he assumed the role of CEO and no further contributions were made. Mr. Anderson's benefits under this plan are in Australian Dollars. For purposes of the table, these amounts were converted into U.S. Dollars using an exchange rate of 1.0179, which was the average exchange rate for the last month of the 2011 fiscal year. Effective with Mr. Anderson's departure on November 27, 2011, he was paid the balance of his accrued benefits in a lump sum.

(4) Mr. Anderson previously participated in the Levi Strauss Australia Staff Superannuation Plan that applied to all employees in Australia. Plan benefits are similar to a U.S. defined contribution plan benefit, which are based on both company and participant contributions. Employee accounts are tied to the investment market and therefore, may vary from year-to-year. Mr. Anderson ceased to be an active participant in that plan in 1998, and is accruing no further company contributions under the plan. Part of his benefit continues to vest over time. Full vesting of his benefit is achieved at age 60. For purposes of the table, these amounts were converted into U.S. Dollars using an exchange rate of 1.0179, which was the average exchange rate for the last month of the 2011 fiscal year. Effective with Mr. Anderson's departure on November 27, 2011, he was paid the balance of his accrued benefits in a lump sum.

Aaron Boey

Mr. Boey participates in the Singapore Central Provident Fund (CPF). The CPF, a type of deferred compensation/defined contribution plan, is a government-run social security program. Funds are contributed both by the employee and the employer and can be used for retirement, home ownership, healthcare expenses, a child's tertiary education, investments and insurance.

The plan is funded by mandatory contributions by both the employer and employee. Rates of employee and employer contributions vary based on the employee's age and a pre-set wage limit, currently SGD 5,000 per month. The rates vary from 5-20% of monthly salary for employee's contributions and 6.5-16% for employer's contributions. For employees aged 50-55 years old, the yearly employer's contribution limit is 12% or SGD 10,200. This limit now applies to Mr. Boey based on his age. Additional wages (such as amounts paid under the AIP and LTIP) are also eligible for matching employer contributions.

Individuals may begin drawing down from this account starting from age 55 after setting aside the CPF Minimum Sum. The CPF Minimum Sum can be used to buy CPF LIFE, a lifelong annuity administered by the CPF Board. If the individual chooses to remain in the CPF Minimum Sum Scheme, the sum of money can also be used to purchase a private annuity from a participating insurance company, be placed with a participating bank, or left it in their own Retirement Accounts. If the individual chooses either CPF LIFE or to keep the money in their Retirement Accounts, they will receive monthly payments from the scheme they chose starting from their draw-down age (currently at age 65).

Potential Payments Upon Termination Or Change In Control

The named executive officers are eligible to receive certain benefits and payments upon their separation from the Company under certain circumstances under the terms of the Executive Severance Plan for U.S. executives and the Equity Incentive Plan.

In 2011, our U.S. severance arrangements under our Executive Severance Plan, which covers named executive officers, offered basic severance of two weeks of base salary and enhanced severance of 78 weeks of base salary plus the beneficiaries' AIP target amount, if their employment ceases due to a reduction in force, layoff or position elimination. We also cover the cost of the COBRA health coverage premium for the duration of the executive's severance payment period, up to a maximum of 18 months. The COBRA premium coverage is shared between the individual and the Company at the same shared percentage that was effective during the executive's employment. We would also provide life insurance, career counseling and transition services. These severance benefits would not be payable upon a change in control if the executive is still employed or offered a comparable position with the surviving entity.

Under the Equity Incentive Plan, in the event of a change in control in which the surviving corporation does not assume or continue the outstanding SARs or substitute similar awards for the outstanding SARs, the vesting schedule of all SARs held by executives that are still employed will be accelerated in full to a date prior to the effective time of the transaction as determined by the Board. If the SARs are not exercised at or prior to the effective time of the transaction, all rights to exercise them will terminate, and any reacquisition or repurchase rights held by the Company with respect to such SARs shall lapse.

The information in the tables below reflects the estimated value of the compensation to be paid by us to each of the named executive officers in the event of termination or a change in control under the Executive Severance Plan and the Equity Incentive Plan. The amounts shown below assume that each named individual was employed and that a termination or change in control was effective as of November 27, 2011. The actual amounts that would be paid can only be determined at the time of an actual termination event. The amounts also assume a share price of $32.00 for the SAR grants, which is based on the Evercore share valuation dated as of December 31, 2011.

Mssrs. Anderson, Hanson and Calhoun left the employ of the Company on/or before November 27, 2011. The actual payments associated with their departures are reported in Footnote 1 to the Summary Compensation Table, in the "Employment Contracts" section above, and in Current Reports on Form 8-K issued in connection with their departures.

Charles Bergh

Executive Benefits and Payments Upon Termination	Voluntary Termination	Retirement	Involuntary Not for Cause Termination	For Cause Termination	Change of Control
Compensation:					
Severance[1]	$ —	$ —	$ 5,929,315	$ —	$ 5,929,315
Stock Appreciation Rights[2]	—	—	—	—	—
Benefits:					
COBRA & Life Insurance[3]	—	—	5,408	—	5,408

(1) Based on Mr. Bergh's annual salary of $1,200,000, his AIP target of 135% of his base salary and the termination provisions in his employment contract.

(2) Mr. Bergh is entitled to a grant in connection with his hire in 2011 per his employment agreement, but the grant was not yet made as of November 27, 2011, and therefore is not reflected in this table.

(3) Reflects 18 months of COBRA and life insurance premiums at the same Company/employee percentage sharing as during employment. Mr. Bergh is also eligible for COBRA should termination occur due to a change in control, based on his employment contract.

Blake Jorgensen

Executive Benefits and Payments Upon Termination	Voluntary Termination	Retirement	Involuntary Not for Cause Termination	For Cause Termination	Change of Control
Compensation:					
Severance[1]	$ —	$ —	$ 1,916,923	$ —	$ —
Stock Appreciation Rights	—	—	—	—	534,716
Benefits:					
COBRA & Life Insurance[2]	—	—	4,102	—	—

(1) Based on Mr. Jorgensen's annual base salary of $700,000 and his AIP target of 80% of his base salary.

(2) Reflects 18 months of COBRA and life insurance premiums at the same Company/employee percentage sharing as during employment.

Aaron Boey

Executive Benefits and Payments Upon Termination	Voluntary Termination	Retirement	Involuntary Not for Cause Termination	For Cause Termination	Change of Control
Compensation:					
Severance[1]	$ —	$ —	$ 423,099	$ —	$ —
Stock Appreciation Rights	—	—	—	—	107,032

(1) Based on two months of Mr. Boey's annual base salary of $814,000 as notice pay and six months' salary based on years of service, per the local Singapore provisions.

Executive Benefits and Payments Upon Termination	Voluntary Termination	Retirement	Involuntary Not for Cause Termination	For Cause Termination	Change of Control
Compensation:					
Severance[1]	$ —	$ —	$ 1,229,519	$ —	$ —
Benefits:					
COBRA & Life Insurance[2]	—	—	4,102	—	—

(1) Based on Ms. Rohosy's annual base salary of $475,000 and her AIP target of 70% of her base salary.

(2) Reflects 18 months of COBRA and life insurance premiums at the same Company/employee percentage sharing as during employment.

DIRECTOR COMPENSATION

The following table provides compensation information for our directors who were not employees in fiscal 2011:

Name	Fees Earned or Paid in Cash	Stock Awards[1]	All Other Compensation[2]	Total
Richard L. Kauffman[3]	$ 105,000	$ 300,042	$ 43,812	$ 448,854
Stephen C. Neal[4]	150,000	100,014	11,695	261,709
Robert D. Haas[5]	102,500	100,014	185,698	388,212
Fernando Aguirre[6]	102,500	175,010	—	277,510
Vanessa J. Castagna	100,000	100,014	4,195	204,209
Robert A. Eckert[7]	110,000	100,014	1,763	211,777
Peter E. Haas, Jr.	100,000	100,014	4,160	204,174
Leon J. Level[8]	120,000	100,014	11,660	231,674
Patricia Salas Pineda[9]	120,000	100,014	12,506	232,520

(1) These amounts, from RSUs granted under the Equity Incentive Plan in 2011, reflect the aggregate grant date fair value computed in accordance with the Company's accounting policy for stock-based compensation. The following table shows the aggregate number of RSUs outstanding but unexercised at fiscal year-end for those who were directors at fiscal year-end, including RSUs that were vested but deferred and RSUs that were not vested:

Name	Aggregate Outstanding RSUs
Richard L. Kauffman	3,188
Robert D. Haas	8,215
Fernando Aguirre	4,266
Vanessa J. Castagna	7,416
Robert A. Eckert	5,891
Peter E. Haas, Jr.	7,385
Leon J. Level	7,385
Stephen C. Neal	7,416
Patricia Salas Pineda	8,346

(2) This column includes $37,114 for Mr. Kauffman based on a modification of previous grants in connection with his departure from the Board on September 1, 2011. This column also includes the aggregate grant date fair value of dividend equivalents provided to each director in fiscal 2011 in the following amounts:

Name	Dividend Equivalent RSUs Granted
Richard L. Kauffman	190
Stephen C. Neal	119
Robert D. Haas	119
Fernando Aguirre	—
Vanessa J. Castagna	119
Robert A. Eckert	50
Peter E. Haas, Jr.	118
Leon J. Level	118
Patricia Salas Pineda	142

(3) Mr. Kauffman departed from the Board on September 1, 2011.

(4) Mr. Neal became Chairman of the Board on September 1, 2011. His 2011 Chairman's retainer was prorated based on his appointment date as Chairman. Mr. Neal elected to defer 100% of his director's fees under the Deferred Compensation Plan. His 2011 amount includes charitable matches of $7,500.

(5) Includes administrative support services valued at $153,788, use of an office valued at $18,997, provision of a car at a value of $8,718 and home security services for his services as Chairman Emeritus.

(6) Mr. Aguirre elected to defer 100% of his director's fees under the Deferred Compensation Plan.

(7) Mr. Eckert elected to defer 100% of his director's fees under the Deferred Compensation Plan.

(8) Mr. Level's 2011 amount includes charitable matches of $7,500.

(9) Ms. Pineda's 2011 amount includes charitable matches of $7,500.

Each non-employee director received compensation in 2011 consisting of an annual cash retainer fee of $100,000 and is eligible to participate in the provisions of the Deferred Compensation Plan for Executives and Outside Directors that apply to directors. In 2011, Mr. Aguirre, Mr. Eckert and Mr. Neal participated in this Deferred Compensation Plan. Each non-employee director also received an annual equity award in the form of RSUs which are granted under the Equity Incentive Plan. RSU recipients have target stock ownership guidelines of $300,000 worth of equity ownership within five years of participation in the program. The value of the RSUs is tracked against the Company's share prices, established by the Evercore valuation process.

RSUs are units, representing beneficial ownership interests, corresponding in number and value to a specified number of underlying shares of stock. The RSUs vest in three equal installments after thirteen, twenty-four and thirty-six months following the grant date. After the recipient of the RSU has held the shares for six months, he or she may require the Company to repurchase, or the Company may require the participant to sell to the Company, those shares of common stock. If the director's service terminates for reason other than cause after the first, but prior to full, vesting period then any unvested portion of the award will fully vest as of the date of such termination. In addition, each director's initial RSU grant includes a deferral delivery feature, under which the director will not receive the vested awards until six months following the cessation of service on the Board.

Under the terms of the Equity Incentive Plan, recipients of RSUs receive additional grants as a dividend equivalent when the Board declares a dividend to all shareholders. Therefore, all directors who held RSUs as of December 20, 2010, received additional RSUs as a dividend equivalent. Dividend equivalents are subject to all the terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

In addition to the compensation described above, committee chairpersons receive an additional retainer fee in the amount of $20,000 for the Audit Committee and the Human Resources Committee, and $10,000 for the Finance Committee and the Nominating, Governance and Corporate Citizenship Committee.

The Chairman of the Board is entitled to receive an annual retainer in the amount of $200,000, 50% of which is paid in cash and 50% of which is paid in the form of RSUs. Mr. Kauffman and Mr. Neal's 2011 Chairman's retainers were each prorated based on the date of their appointments. Mr. Kauffman was also granted an additional RSU award in 2011 in recognition of his efforts to guide the Company through the selection of and transition to a new Chief Executive Officer. The Chairman may also receive the additional retainers attributable to committee chairmanship if applicable.

Robert D. Haas is Chairman Emeritus of the Board, and in that role receives support in form of an office, related administrative support, a leased car with driver and home security services.

Compensation Committee Interlocks and Insider Participation

The Human Resources Committee serves as the compensation committee of our board of directors. Its members are Ms. Pineda (Chair), Ms. Castagna, Mr. Eckert, Mr. P.E. Haas Jr. and Mr. R.D. Haas. In 2011, no member of the Human Resources Committee was a current officer or employee of ours. Mr. R.D. Haas served as our Chief Executive Officer from 1984 to 1999. There are no compensation committee interlocks between us and other entities involving our executive officers and our Board members who serve as executive officers of those other entities.

Item 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS*

Our common stock is primarily owned by descendants of the family of Levi Strauss and their relatives. From April 15, 1996 to April 15, 2011, all of our common stock was deposited in a voting trust which granted four voting trustees the exclusive ability to elect and remove directors, amend our by-laws and take certain other actions which would normally be within the power of stockholders of a Delaware corporation. Following the expiration of the voting trust in 2011, the voting powers shifted back into the hands of all stockholders who may now engage in voting procedures directly.

Shares of our common stock are not publicly held or traded. All shares are subject to a stockholders' agreement. The agreement, which expires in April 2016, limits the transfer of shares and certificates to other holders, family members, specified charities and foundations and back to the Company.

The following table contains information about the beneficial ownership of our common stock as of February 2, 2012, by:

- Each person known by us to own beneficially more than 5% of our common stock;
- Each of our directors and each of our named executive officers; and
- All of our directors and executive officers as a group.

Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of the security, or "investment power," which includes the power to dispose of or to direct the disposition of the security. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which that person has no economic interest. Except as described in the footnotes to the table below, the individuals named in the table have sole voting and investment power with respect to all common stock beneficially owned by them, subject to community property laws where applicable.

As of February 2, 2012, there were 223 record holders of common stock. The percentage of beneficial ownership shown in the table is based on 37,354,021 shares of common stock outstanding as of February 2, 2012. The business address of all persons listed is 1155 Battery Street, San Francisco, California 94111.

Name	Number of Shares Beneficially Owned	Percentage of Shares Outstanding
Miriam L. Haas	6,547,314	17.53%
Peter E. Haas Jr.	6,268,635(1)	16.78%
Margaret E. Haas	4,353,470(2)	11.65%
Robert D. Haas	3,948,680(3)	10.57%
Peter E. Haas Jr. Family Fund	2,911,770(4)	7.80%
Vanessa J. Castagna	6,018	*
Leon J. Level	6,018	*
Stephen C. Neal	6,018	*
Patricia Salas Pineda	5,092	*
Robert A. Eckert	—	—
Fernando Aguirre	—	—
Charles V. Bergh	—	—
Blake Jorgensen	—	—
Anne Rohosy	—	—
Aaron Beng-Keong Boey	—	—
John Anderson(5)	—	—
Robert Hanson(5)	—	—
James Calhoun(5)	—	—
Directors and executive officers as a group (12 persons)	10,240,461	27.41%

* Less than 0.01%.

(1) Includes 2,911,770 shares held by the Peter E. Haas Jr. Family Fund, of which Mr. Haas is Vice President, for the benefit of charitable entities. Includes an aggregate of 1,112,857 shares held by the spouse of Mr. Haas and by trusts, of which Mr. Haas is trustee, for the benefit of his children. Mr. Haas disclaims beneficial ownership of all the foregoing shares. Also includes 1,359,666 shares of common stock pledged to a third party as collateral for a loan.

(2) Includes 905,975 shares held in custodial accounts or trusts and a limited liability company, of which Ms. Haas is custodian, trustee or managing member, respectively, for the benefit of Ms. Haas' son. Includes 886,122 shares held by the Margaret E. Haas Fund, of which Ms. Haas is a board member, for the benefit of charitable entities. Ms. Haas disclaims beneficial ownership of all of the foregoing shares.

(3) Includes an aggregate of 51,401 shares owned by the spouse of Mr. Haas and by a trust, of which Mr. Haas is trustee, for the benefit of their daughter. Mr. Haas disclaims beneficial ownership of all of the foregoing shares.

(4) Peter E. Haas Jr. is a Vice President of this fund. The shares are also included in Mr. Haas' ownership amounts as referenced above.

(5) Was a Named Executive Officer during fiscal 2011, but was no longer with the Company as of February 2, 2012.

Equity Compensation Plan Information

The following table sets forth certain information, as of November 27, 2011, with respect to the EIP, our only equity compensation plan. This plan was approved by our stockholders. See Note 11 to our audited consolidated financial statements included in this report for more information about the EIP.

Number of Outstanding Options, Warrants and Rights(1)	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights(2)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans(3)
382,671	84,489	$ 24.93	539,728

(1) Includes only dilutive SARs.

(2) Represents the number of shares of common stock the dilutive SARs would convert to if exercised November 27, 2011, calculated based on the conversion formula as defined in the plan and the fair market value of our common stock on that date as determined by an independent third party.

(3) Calculated based on the number of stock awards authorized upon the adoption of the EIP, less the number of securities to be issued upon exercise of outstanding dilutive SARs, less shares issued in connection with converted RSUs; does not reflect 59,508 securities expected to be issued in the future upon conversion of outstanding RSUs. Note that the following shares may return to the EIP and be available for issuance in connection with a future award: (i) shares covered by an award that expires or otherwise terminates without having been exercised in full; (ii) shares that are forfeited or repurchased by us prior to becoming fully vested; (iii) shares covered by an award that is settled in cash; (iv) shares withheld to cover payment of an exercise price or cover applicable tax withholding obligations; (v) shares tendered to cover payment of an exercise price; and (vi) shares that are cancelled pursuant to an exchange or repricing program.

Stockholders' Agreement

Our common stock is primarily owned by descendants of the family of Levi Strauss and their relatives and are not publicly held or traded. All shares are subject to a stockholders' agreement. The agreement, which expires in April 2016, limits the transfer of shares and certificates to other holders, family members, specified charities and foundations and to the Company. The agreement does not provide for registration rights or other contractual devices for forcing a public sale of shares or certificates, or other access to liquidity.

Item 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

Robert D. Haas, a director and Chairman Emeritus of our board of directors, is the President of the Levi Strauss Foundation, which is not a consolidated entity of the Company. During 2011, we donated $1.6 million to the Levi Strauss Foundation.

Procedures for Approval of Related Party Transactions

We have a written policy concerning the review and approval of related party transactions. Potential related party transactions are identified through an internal review process that includes a review of director and officer questionnaires and a review of any payments made in connection with transactions in which related persons may have had a direct or indirect material interest. Any business transactions or commercial relationships between the Company and any director, stockholder, or any of their immediate family members, are reviewed by the Nominating, Governance and Corporate Citizenship Committee of the board and must be approved by at least a majority of the disinterested members of the board. Business transactions or commercial relationships between the Company and named executive officers who are not directors or any of their immediate family members requires approval of the chief executive officer with reporting to the Audit Committee.

Director Independence Policy

Although our shares are not registered on a national securities exchange, we review and take into consideration the director independence criteria required by both the New York Stock Exchange and the NASDAQ Stock Market in determining the independence of our directors. In addition, the charters of our board committees prohibit members from having any relationship that would interfere with the exercise of their independence from management and the Company. The fact that a director may own stock in the Company is not, by itself, considered an "interference" with independence under the committee charters. Family stockholders or other family member directors are not eligible for membership on the Audit Committee. These independence standards are disclosed on our website at http://www.levistrauss.com/investors/corporate-governance. Except as described below, all of our directors are independent under the independence criteria required by the New York Stock Exchange and the NASDAQ Stock Market.

Charles V. Bergh, who serves as our full-time President and Chief Executive Officer, is not considered independent due to his employment with the Company. Robert A. Eckert will not serve as a member of the Audit Committee while he has a family member through marriage who is employed by our independent registered public accounting firm. The Board does not have a lead director.

Item 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES***

Engagement of the independent registered public accounting firm. The audit committee is responsible for approving every engagement of our independent registered public accounting firm to perform audit or non-audit services for us before being engaged to provide those services. The audit committee's pre-approval policy provides as follows:

- First, once a year when the base audit engagement is reviewed and approved, management will identify all other services (including fee ranges) for which management knows or believes it will engage our independent registered public accounting firm for the next 12 months. Those services typically include quarterly reviews, employee benefit plan reviews, specified tax matters, certifications to the lenders as required by financing documents, and consultation on new accounting and disclosure standards.

- Second, if any new proposed engagement comes up during the year that was not pre-approved by the audit committee as discussed above, the engagement will require: (i) specific approval of the chief financial officer and corporate controller (including confirming with counsel permissibility under applicable laws and evaluating potential impact on independence) and, if approved by management, (ii) approval of the audit committee.

- Third, the chair of the audit committee will have the authority to give such approval, but may seek full audit committee input and approval in specific cases as he or she may determine.

Auditor fees. The following table shows fees billed to or incurred by us for professional services rendered by PricewaterhouseCoopers LLP, our independent registered public accounting firm during 2011 and 2010:

	Year Ended November 27, 2011	Year Ended November 28, 2010
	(Dollars in thousands)	
Services provided:		
Audit fees[1]	$ 4,788	$ 5,103
Audit-related fees[2]	288	166
Tax fees	516	179
Total fees	$ 5,592	$ 5,448

(1) Includes fees for the audit of our annual consolidated financial statements, quarterly reviews of interim consolidated financial statements and statutory audits.

(2) Principally comprised of fees related to controls and compliance reviews on our enterprise resource planning system.

PART IV

Item 15. ***EXHIBITS, FINANCIAL STATEMENT SCHEDULES***

List the following documents filed as a part of the report:

1. Financial Statements

The following consolidated financial statements of the Company are included in Item 8:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets

Consolidated Statements of Income

Consolidated Statements of Stockholders' Deficit and Comprehensive Income

Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements

2. Financial Statement Schedule

Schedule II — Valuation and Qualifying Accounts

All other schedules have been omitted because they are inapplicable, not required or the information is included in the Consolidated Financial Statements or Notes thereto.

Exhibits

3.1	Restated Certificate of Incorporation. Incorporated by reference to Exhibit 3.3 to Registrant's Quarterly Report on Form 10-Q filed with the Commission on April 6, 2001.
3.2	Amended and Restated By-Laws. Filed herewith.
4.1	Fiscal Agency Agreement, dated November 21, 1996, between the Registrant and Citibank, N.A., relating to ¥20 billion 4.25% bonds due 2016. Incorporated by reference to Exhibit 4.2 to Registrant's Registration Statement on Form S-4 filed with the Commission on May 4, 2000.
4.2	Indenture, relating to the Euro denominated Senior Notes due 2018 and the U.S. Dollar denominated Senior Notes due 2020, dated as of May 6, 2010, between the Registrant and Wells Fargo Bank, National Association, as trustee. Incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K filed with the Commission on May 7, 2010.
4.3	Indenture relating to the 8.875% Senior Notes due 2016, dated as of March 17, 2006, between the Registrant and Wilmington Trust Company, as trustee. Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Commission on March 17, 2006.
10.1	Stockholders Agreement, dated April 15, 1996, among LSAI Holding Corp. (predecessor of the Registrant) and the stockholders. Incorporated by reference to Exhibit 10.1 to Registrant's Registration Statement on Form S-4 filed with the Commission on May 4, 2000.
10.2	Supply Agreement, dated March 30, 1992, and First Amendment to Supply Agreement, between the Registrant and Cone Mills Corporation. Incorporated by reference to Exhibit 10.18 to Registrant's Registration Statement on Form S-4 filed with the Commission on May 4, 2000.
10.3	Second Amendment to Supply Agreement dated May 13, 2002, between the Registrant and Cone Mills Corporation dated as of March 30, 1992. Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q/A filed with the Commission on September 19, 2002.
10.4	Excess Benefit Restoration Plan. Filed herewith.*
10.5	Supplemental Benefit Restoration Plan. Filed herewith.*
10.6	First Amendment to Supplemental Benefit Restoration Plan. Filed herewith.*
10.7	Executive Severance Plan effective November 29, 2010. Filed herewith.*

10.8	Annual Incentive Plan, effective November 29, 2010. Filed herewith.*
10.9	Annual Incentive Plan, effective November 28, 2011. Filed herewith.*
10.10	Deferred Compensation Plan for Executives and Outside Directors, Amended and Restated, effective January 1, 2011. Filed herewith.*
10.11	First Amendment to Deferred Compensation Plan for Executives and Outside Directors, dated August 26 2011. Filed herewith.*
10.12	2006 Equity Incentive Plan, amended as of December 8, 2011. Filed herewith.*
10.13	Rabbi Trust Agreement, effective January 1, 2003, between the Registrant and Boston Safe Deposit and Trust Company. Incorporated by reference to Exhibit 10.65 to Registrant's Annual Report on Form 10-K filed with the Commission on February 12, 2003.*
10.14	Form of stock appreciation right award agreement. Incorporated by reference to Exhibit 99.2 to Registrant's Current Report on Form 8-K filed with the Commission on July 19, 2006.*
10.15	Term Loan Agreement, dated as of March 27, 2007, among Levi Strauss & Co., the lenders and other financial institutions party thereto and Bank of America, N.A. as administrative agent. Incorporated by reference to Exhibit 99.1 to Registrant's Current Report on Form 8-K filed with the Commission on March 30, 2007.
10.16	Director Indemnification Agreement. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on July 10, 2008.
10.17	Employment Offer Letter, dated May 27, 2009, between Levi Strauss & Co. and Blake Jorgensen. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on May 28, 2009.*
10.18	Second Amendment to Lease, dated November 12, 2009, by and among the Registrant, Blue Jeans Equities West, a California general partnership, Innsbruck LP, a California limited partnership, and Plaza GB LP, a California limited partnership. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on November 25, 2009.
10.19	Purchase Agreement, dated April 28, 2010, among the Registrant and Merrill Lynch International and Banc of America Securities LLC relating to the private placement of Euro denominated 7 3/4% Senior Notes due 2018 and U.S. Dollar denominated 7 5/8% Senior Notes due 2020. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on May 4, 2010.
10.20	Employment Agreement between the Company and Charles V. Bergh, dated June 9, 2011. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on June 16, 2011.*
10.21	Transition Services, Separation Agreement and Release of All Claims between John Anderson and the Company, dated June 16, 2011. Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the Commission on June 16, 2011.*
10.22	Credit Agreement, dated as of September 30, 2011, by and among Levi Strauss & Co., Levi Strauss & Co. (Canada) Inc., the other Loan Parties party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Multicurrency Administrative Agent, the other financial institutions, agents and arrangers party thereto. Filed herewith.
10.23	U.S. Security Agreement, dated September 30, 2011, by Levi Strauss & Co. and certain subsidiaries of Levi Strauss & Co. in favor of JP Morgan Chase Bank, N.A., as Administrative Agent. Filed herewith.
10.24	Separation Agreement and Release of All Claims between Robert Hanson and the Company, dated October 31, 2011. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on November 3, 2011.*
12	Statements re: Computation of Ratio of Earnings to Fixed Charges. Filed herewith.
14.1	Worldwide Code of Business Conduct of Registrant. Filed herewith.
21	Subsidiaries of the Registrant. Filed herewith.
24	Power of Attorney. Contained in signature pages hereto.

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Furnished herewith.
101.INS	XBRL Instance Document. Furnished herewith.
101.SCH	XBRL Taxonomy Extension Schema Document. Furnished herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. Furnished herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. Furnished herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. Furnished herewith.

* Management contract, compensatory plan or arrangement.

SCHEDULE II

LEVI STRAUSS & CO. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

Allowance for Doubtful Accounts	Balance at Beginning of Period	Additions Charged to Expenses	Deductions(1)	Balance at End of Period
	(Dollars in thousands)			
November 27, 2011	$ 24,617	$ 4,634	$ 6,567	$ 22,684
November 28, 2010	$ 22,523	$ 7,536	$ 5,442	$ 24,617
November 29, 2009	$ 16,886	$ 7,246	$ 1,609	$ 22,523

Sales Returns	Balance at Beginning of Period	Additions Charged to Net Sales	Deductions(1)	Balance at End of Period
	(Dollars in thousands)			
November 27, 2011	$ 47,691	$ 139,068	$ 135,736	$ 51,023
November 28, 2010	$ 33,106	$ 133,012	$ 118,427	$ 47,691
November 29, 2009	$ 37,333	$ 115,554	$ 119,781	$ 33,106

Sales Discounts and Incentives	Balance at Beginning of Period	Additions Charged to Net Sales	Deductions(1)	Balance at End of Period
	(Dollars in thousands)			
November 27, 2011	$ 90,560	$ 277,016	$ 265,217	$ 102,359
November 28, 2010	$ 85,627	$ 274,903	$ 269,970	$ 90,560
November 29, 2009	$ 95,793	$ 257,022	$ 267,188	$ 85,627

Valuation Allowance Against Deferred Tax Assets	Balance at Beginning of Period	Charges/ (Releases) to Tax Expense	(Additions) / Deductions(1)	Balance at End of Period
	(Dollars in thousands)			
November 27, 2011	$ 97,026	$ (2,421)	$ (4,131)	$ 98,736
November 28, 2010	$ 72,986	$ 28,278	$ 4,238	$ 97,026
November 29, 2009	$ 58,693	$ 4,090	$ (10,203)	$ 72,986

(1) The charges to the accounts are for the purposes for which the allowances were created.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LEVI STRAUSS & CO.

By: /s/ BLAKE JORGENSEN
Blake Jorgensen
Executive Vice President and
Chief Financial Officer

Date: February 7, 2012

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Heidi L. Manes, Jennifer W. Chaloemtiarana and Seth Jaffe and each of them, his or her attorney-in-fact with power of substitution for him or her in any and all capacities, to sign any amendments, supplements or other documents relating to this Annual Report on Form 10-K he or she deems necessary or appropriate, and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that such attorney-in-fact or their substitute may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	
/s/ STEPHEN C. NEAL **Stephen C. Neal**	Chairman of the Board	Date: February 7, 2012
/s/ CHARLES V. BERGH **Charles V. Bergh**	Director, President and Chief Executive Officer	Date: February 7, 2012
/s/ ROBERT D. HAAS **Robert D. Haas**	Director, Chairman Emeritus	Date: February 7, 2012
/s/ VANESSA J. CASTAGNA **Vanessa J. Castagna**	Director	Date: February 7, 2012
/s/ FERNANDO AGUIRRE **Fernando Aguirre**	Director	Date: February 7, 2012
/s/ ROBERT A. ECKERT **Robert A. Eckert**	Director	Date: February 7, 2012
/s/ PETER E. HAAS JR. **Peter E. Haas Jr.**	Director	Date: February 7, 2012
/s/ LEON J. LEVEL **Leon J. Level**	Director	Date: February 7, 2012
/s/ PATRICIA SALAS PINEDA **Patricia Salas Pineda**	Director	Date: February 7, 2012
/s/ HEIDI L. MANES **Heidi L. Manes**	Vice President and Controller (Principal Accounting Officer)	Date: February 7, 2012

SUPPLEMENTAL INFORMATION

We will furnish our 2011 annual report to our stockholders after the filing of this Form 10-K and will furnish copies of such material to the SEC at such time. No proxy statement will be sent to our stockholders.

EXHIBITS INDEX

3.1	Restated Certificate of Incorporation. Incorporated by reference to Exhibit 3.3 to Registrant's Quarterly Report on Form 10-Q filed with the Commission on April 6, 2001.
3.2	Amended and Restated By-Laws. Filed herewith.
4.1	Fiscal Agency Agreement, dated November 21, 1996, between the Registrant and Citibank, N.A., relating to ¥20 billion 4.25% bonds due 2016. Incorporated by reference to Exhibit 4.2 to Registrant's Registration Statement on Form S-4 filed with the Commission on May 4, 2000.
4.2	Indenture, relating to the Euro denominated Senior Notes due 2018 and the U.S. Dollar denominated Senior Notes due 2020, dated as of May 6, 2010, between the Registrant and Wells Fargo Bank, National Association, as trustee. Incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K filed with the Commission on May 7, 2010.
4.3	Indenture relating to the 8.875% Senior Notes due 2016, dated as of March 17, 2006, between the Registrant and Wilmington Trust Company, as trustee. Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Commission on March 17, 2006.
10.1	Stockholders Agreement, dated April 15, 1996, among LSAI Holding Corp. (predecessor of the Registrant) and the stockholders. Incorporated by reference to Exhibit 10.1 to Registrant's Registration Statement on Form S-4 filed with the Commission on May 4, 2000.
10.2	Supply Agreement, dated March 30, 1992, and First Amendment to Supply Agreement, between the Registrant and Cone Mills Corporation. Incorporated by reference to Exhibit 10.18 to Registrant's Registration Statement on Form S-4 filed with the Commission on May 4, 2000.
10.3	Second Amendment to Supply Agreement dated May 13, 2002, between the Registrant and Cone Mills Corporation dated as of March 30, 1992. Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q/A filed with the Commission on September 19, 2002.
10.4	Excess Benefit Restoration Plan. Filed herewith.*
10.5	Supplemental Benefit Restoration Plan. Filed herewith.*
10.6	First Amendment to Supplemental Benefit Restoration Plan. Filed herewith.*
10.7	Executive Severance Plan effective November 29, 2010. Filed herewith.*
10.8	Annual Incentive Plan, effective November 29, 2010. Filed herewith.*
10.9	Annual Incentive Plan, effective November 28, 2011. Filed herewith.*
10.10	Deferred Compensation Plan for Executives and Outside Directors, Amended and Restated, effective January 1, 2011. Filed herewith.*
10.11	First Amendment to Deferred Compensation Plan for Executives and Outside Directors, dated August 26, 2011. Filed herewith.*
10.12	2006 Equity Incentive Plan, amended as of December 8, 2011. Filed herewith.*
10.13	Rabbi Trust Agreement, effective January 1, 2003, between the Registrant and Boston Safe Deposit and Trust Company. Incorporated by reference to Exhibit 10.65 to Registrant's Annual Report on Form 10-K filed with the Commission on February 12, 2003.*
10.14	Form of stock appreciation right award agreement. Incorporated by reference to Exhibit 99.2 to Registrant's Current Report on Form 8-K filed with the Commission on July 19, 2006.*
10.15	Term Loan Agreement, dated as of March 27, 2007, among Levi Strauss & Co., the lenders and other financial institutions party thereto and Bank of America, N.A. as administrative agent. Incorporated by reference to Exhibit 99.1 to Registrant's Current Report on Form 8-K filed with the Commission on March 30, 2007.

10.16	Director Indemnification Agreement. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on July 10, 2008.
10.17	Employment Offer Letter, dated May 27, 2009, between Levi Strauss & Co. and Blake Jorgensen. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on May 28, 2009.*
10.18	Second Amendment to Lease, dated November 12, 2009, by and among the Registrant, Blue Jeans Equities West, a California general partnership, Innsbruck LP, a California limited partnership, and Plaza GB LP, a California limited partnership. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on November 25, 2009.
10.19	Purchase Agreement, dated April 28, 2010, among the Registrant and Merrill Lynch International and Banc of America Securities LLC relating to the private placement of Euro denominated $7^{3}/_{4}$% Senior Notes due 2018 and U.S. Dollar denominated $7^{5}/_{8}$% Senior Notes due 2020. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on May 4, 2010.
10.20	Employment Agreement between the Company and Charles V. Bergh, dated June 9, 2011. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on June 16, 2011.*
10.21	Transition Services, Separation Agreement and Release of All Claims between John Anderson and the Company, dated June 16, 2011. Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the Commission on June 16, 2011.*
10.22	Credit Agreement, dated as of September 30, 2011, by and among Levi Strauss & Co., Levi Strauss & Co. (Canada) Inc., the other Loan Parties party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Multicurrency Administrative Agent, the other financial institutions, agents and arrangers party thereto. Filed herewith.
10.23	U.S. Security Agreement, dated September 30, 2011, by Levi Strauss & Co. and certain subsidiaries of Levi Strauss & Co. in favor of JP Morgan Chase Bank, N.A., as Administrative Agent. Filed herewith.
10.24	Separation Agreement and Release of All Claims between Robert Hanson and the Company, dated October 31, 2011. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Commission on November 3, 2011.*
12	Statements re: Computation of Ratio of Earnings to Fixed Charges. Filed herewith.
14.1	Worldwide Code of Business Conduct of Registrant. Filed herewith.
21	Subsidiaries of the Registrant. Filed herewith.
24	Power of Attorney. Contained in signature pages hereto.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Furnished herewith.
101.INS	XBRL Instance Document. Furnished herewith.
101.SCH	XBRL Taxonomy Extension Schema Linkbase Document. Furnished herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. Furnished herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. Furnished herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. Furnished herewith.

* Management contract, compensatory plan or arrangement.

AMENDED AND RESTATED BY-LAWS OF LEVI STRAUSS & CO.

ARTICLE I—OFFICES

Section 1. **Registered Office**.

The registered office of the Corporation shall be in the City of New Castle, State of Delaware.

Section 2. **Other Offices**.

The Corporation may also have offices at such other places, both within or without the State of Delaware, as the Board of Directors of the Corporation (the "Board") may from time to time determine or the business of the Corporation may require.

ARTICLE II—STOCKHOLDERS

Section 1. **Annual Meeting**.

An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, on such date, and at such time as the Board shall fix by resolution.

Section 2. Special Meetings.

Special meetings of the stockholders may be called by the Board or by the Chairman of the Board or the President acting pursuant to a resolution adopted by the Board and shall be called by the Chairman of the Board, President or Secretary at the request in writing of the holders of a Majority of the shares of capital stock of the Corporation then entitled to vote generally in an election for directors and shall be held at such place, on such date, and at such time as they or he or she shall fix. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 3. Notice of Meetings.

Notice of the place, if any, date, and time of all meetings of the stockholders, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given, not less than ten nor more than sixty days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the General Corporation Law of the State of Delaware or the Certificate of Incorporation of the Corporation).

When a meeting is adjourned to another place, date or time, notice need not be given of the adjourned meeting if the place, if any, date and time thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 4. Quorum.

At any meeting of the stockholders, the holders of a majority of all of the shares of the stock issued and outstanding and entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number may be required by law. Where a separate vote by a class or classes or series is required, a majority of the shares of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, if any, date, or time.

Section 5. Organization.

Such person as the Board may have designated or, in the absence of such a person, the chief executive officer of the Corporation or, in the designee's or the chief executive officer's absence, such person as may be chosen by the holders of a majority of the shares issued and outstanding and entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. In the absence of the Secretary of the Corporation, the secretary of the meeting shall be such person as the chairman appoints.

Section 6. Conduct of Business.

The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him or her in order. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

Section 7. Proxies and Voting.

At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

The Corporation may, and to the extent required by law, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. Every vote taken by ballots shall be counted by a duly appointed inspector or inspectors.

Each stockholder shall have one vote for every share of stock entitled to vote which is registered in his or her name on the record date for the meeting, except as otherwise provided herein or required by law.

All voting, including on the election of directors but excepting where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefore by a stockholder entitled to vote or his or her proxy, a stock vote shall be taken, and provided, further, that the chairman of the meeting may require that ballots be cast for such vote. Every stock vote shall be taken by ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively.

Section 8. Stock List.

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name, shall be open to the examination of any such stockholder for a period of at least ten days prior to the meeting in the manner provided by law.

The stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

Section 9. Consent of Stockholders in Lieu of Meeting.

Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this Section to the extent permitted by law. Any such consent shall be delivered in accordance with Section 228(d)(1) of the General Corporation Law of the State of Delaware. Notice of the taking of corporate action by written consent shall be given to those stockholders who have not consented in writing in accordance with applicable law.

ARTICLE III—BOARD OF DIRECTORS

Section 1. Number and Term of Office.

The number of directors who shall constitute the Board shall not be less than 7 or more than 13, or such other number as may be designated by the Board from time to time in accordance with these By-laws. The directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall be divided into three classes, as nearly equal in number as reasonably possible. At each annual meeting of stockholders, the successors to the directors whose terms shall expire that year shall be elected to hold office for the term of three years, so that the term of office of one class of directors shall expire in each year. In any event, each director shall hold office until his or her successor is elected and qualified.

Any person who is elected a director of the Corporation shall be deemed to have resigned automatically as a director, and shall no longer be a director, effective upon such person's seventy-second (72nd) birthday. Notwithstanding the foregoing, the Board may, in its discretion, waive this requirement and expressly authorize a director to remain a director beyond such person's seventy-second (72nd) birthday. Vacancies created by such resignations shall be filled in the manner provided in Section 2 of this Article III for the filling of vacancies.

Whenever the authorized number of directors is increased between annual meetings of the stockholders, a majority of the directors then in office, although less than a quorum, shall have the power to elect such new directors for the balance of the term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires and until their successors are elected and qualified. Any decrease in the authorized number of directors shall not become effective until the expiration of the term of the directors then in office unless, at the time of such decrease, there shall be vacancies on the board which are being eliminated by the decrease.

Notwithstanding the foregoing, whenever the holders of any series of preferred stock issued by the Corporation shall have the right, voting separately as a class, to elect directors at an annual or a special meeting of stockholders, the then authorized number of directors shall be increased by the number of the additional directors so to be elected, and at such meeting the holders of such preferred stock shall be entitled to elect such additional directors. Any director so elected shall hold office until his or her right to hold such office terminates pursuant to the provisions of such preferred stock.

For purposes of these By-Laws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

Section 2. Vacancies.

If the office of any director becomes vacant by reason of death, resignation, disqualification, removal or other cause, a majority of the directors remaining in office, although less than a quorum, may elect a successor for the unexpired term of such director and until his or her successor is elected and qualified.

Section 3. Removal.

Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any director, or the entire Board, may be removed from office at any time with or without cause, by the affirmative vote of the holders of a majority of the shares of capital stock of the Corporation then entitled to vote in an election for directors.

Section 4. Regular Meetings.

Regular meetings of the Board shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board and publicized among all directors. A notice of each regular meeting shall not be required.

Section 5. Special Meetings.

Special meetings of the Board may be called by one-third of the directors then in office (rounded up to the nearest whole number) or by the Chairman of the Board or the President and shall be held at such place, on such date, and at such time as they or he or she shall fix. Notice of the place, date, and time of each such special meeting shall be given each director by whom it is not waived by mailing written notice not less than three days before the meeting or by telegraphing or telexing or by facsimile or electronic transmission of the same not less than twenty-four hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 6. Powers.

The business and affairs of the Corporation shall be managed under the direction of the Board. In addition to the powers and authorities expressly conferred upon them by these By-laws, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-laws required to be exercised or done by the stockholders. Directors may participate in task forces and other activities with stockholders, employees and other stakeholders.

Section 7. Participation in Meetings By Conference Telephone.

Members of the Board, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone, video conference or other communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 8. Quorum.

At any meeting of the Board, a majority of the total number of the Whole Board shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof

Section 9. Conduct of Business.

At any meeting of the Board, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present at any meeting at which a quorum is present, except as otherwise provided herein or required by law. Stockholders, members of management or other employees or other persons may attend all or any part of a meeting, at the Board's invitation and discretion. The following actions shall not be taken by the Corporation or the Board without the approval of at least two-thirds of those directors present at a meeting at which a quorum is present:

(a) the declaration of dividends or distributions with respect to capital stock of the Corporation;

(b) the purchase of the Corporation's Common Stock (other than as may be provided in any policy of the type contemplated by Section 9(c) of this Article 111);

(c) the adoption, termination or material modification of any estate tax repurchase policy of the Corporation, as such may be in place from time to time, which policy may contemplate, among other things, the repurchase by the Corporation of its securities from the estates of deceased stockholders to provide funds for payment of estate or similar taxes;

(d) the acquisition or disposition of assets with a fair market value in excess of One Hundred Fifty Million Dollars ($150,000,000.00) in one transaction or a series of related transactions;

(e) the employment or termination of the chief executive officer of the Corporation;

(f) the execution of a registration statement under the Securities Act of 1933 (or comparable law of any other jurisdiction) for a public offering of securities of the Corporation or any subsidiary;

(g) the dissolution or liquidation of the Corporation;

(h) the execution or performance of any merger agreement pursuant to which securities of the Corporation are issued, extinguished, or modified;

(i) the adoption of a resolution by the Board changing the size of the Board;

(j) the changing of the independent accountants of the Corporation;

(k) the calling by the Board of a special meeting of the stockholders of the Corporation;

(l) the waiver of any rights of the Corporation as successor to LSAI Holding Corp. under the Stockholders' Agreement dated as of April 15, 1996 by and among LSAI Holding Corp. and its stockholders (as such agreement may be amended from time to time, the "Stockholders' Agreement") or the approval of certain transfers of shares of common stock pursuant to the Stockholders' Agreement;

(m) the amendment or repeal of this Section 9 of Article III or of Article XI, or the addition to these By-laws of any provision inconsistent with this Section 9 of Article III or with Article XI.

Action may be taken by the Board without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 10. Compensation of Directors.

Directors, as such, may receive, pursuant to resolution of the Board, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the Board.

Section 11. Chairman of the Board.

The Chairman of the Board, who shall be a member of the Board, shall preside at all meetings of the Board of Directors and the stockholders. The Chairman of the Board shall exercise and perform such other powers and duties as may from time to time be assigned to the Chairman of the Board by the Board. The Chairman of the Board shall be elected annually by the Board at the organizational meeting following the annual meeting of the stockholders, and shall serve in such capacity until the next annual election of the Chairman of the Board and until his or her successor is elected and qualified, or until his or her

death, resignation or removal. The Chairman of the Board may be removed from this position (but not as a director) at any time, with or without cause, by a vote of the majority of the Whole Board. If the Chairman of the Board is not present at a meeting of the Board, the Board shall elect a member of the Board who is not an officer or employee of the Corporation to serve as Chairman of the Board for such meeting.

ARTICLE IV—COMMITTEES

Section 1. Committees of the Board of Directors.

The Board may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers and to the full extent permitted by Section 141 (c) (2) of the General Corporation Law of the State of Delaware, to serve at the pleasure of the Board and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board to act at the meeting in the place of the absent or disqualified member.

Section 2. Conduct of Business.

Each committee may determine the procedural rules for meeting and conducting its business, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; one-third of the members shall constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

ARTICLE V—OFFICERS

Section 1. Number.

The officers of the Corporation shall be chosen by the Board and shall include a President, a Secretary, and a Treasurer. The Board may also appoint one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem necessary. Any Vice President may be given such specific designation as may be determined from time to time by the Board. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these By-laws otherwise provide.

Section 2. Election and Term of Office.

The officers shall be elected annually by the Board at its organizational meeting following the annual meeting of the stockholders, and each officer shall hold office until the next annual election of officers and until his or her successor is elected and qualified, or until his or her death, resignation, or removal. Any officer may be removed at any time, with or without cause, by a vote of the majority of the Whole Board, and any officer shall be deemed removed upon termination of such officer's employment with the Corporation or by any subsidiary for any reason. Any vacancy occurring in any office may be filled by the Board.

Section 3. Salaries.

The Board from time to time shall fix the salaries of the President and such other officers as it may determine.

Section 4. President.

The President shall be the chief executive officer of the Corporation unless the Chairman of the Board or other person is designated by the Board to be the chief executive officer. The President shall supervise generally the affairs of the Corporation, and shall exercise such other powers and perform such other duties as may be assigned to him or her by these By-Laws or by the Board.

Section 5. Vice Presidents.

Except where the signature of the President is required by law, each of the Vice Presidents shall have the same power as the President to sign certificates, contracts and other instruments of the Corporation. Any Vice President shall perform such other duties and may exercise such other powers as may from time to time be assigned to him or her by these By-laws, the Board or the President.

Section 6. Secretary and Assistant Secretaries.

The Secretary shall: record, or cause to be recorded, in books provided for the purpose, minutes of the meetings of the stockholders, the Board, and all committees of the Board; see that all notices are duly given in accordance with the provisions of these By-Laws as required by law; be custodian of all corporate records (other than financial) and of the seal of the Corporation, and have authority to affix the seal to all documents requiring it and attest to the same; give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board or by the President. At the request of the Secretary, or in his or her absence or disability, any Assistant Secretary shall perform any of the duties of the Secretary and, when so acting, shall have all the powers and be subject to all the restrictions upon, the Secretary.

Section 7. Treasurer and Assistant Treasurers.

The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall cause the funds of the Corporation to be deposited in such banks as may be authorized by the Board, or in such banks as may be designated as depositories in the manner provided by resolution of the Board. He or she shall have such further powers and duties and shall be subject to such directions as may be granted or imposed upon him or her from time to time by the Board or the President. At the request of the Treasurer, or in his or her absence or disability, the Assistant Treasurer may perform any of the duties of the Treasurer and, when so acting shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Except where the signature of the Treasurer is required by law, each of the Assistant Treasurers shall possess the same power as the Treasurer to sign all certificates, contracts, obligations, and other instruments of the Corporation.

ARTICLE VI—EXECUTION OF CORPORATE INSTRUMENTS, RATIFICATION OF CONTRACTS, AND VOTING OF SHARES OWNED BY THE CORPORATION

Section 1. Execution of Corporate Instruments.

The Board may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the Corporation. Unless otherwise specifically determined by the Board:

(a) formal contracts of the Corporation, promissory notes, indentures, deeds of trust, mortgages, real property leases and purchase and sale agreements, powers of attorney relating to trademark and any other matters, and other evidences of indebtedness of the Corporation, and corporate instruments or documents requiring the corporate seal (except for share certificates issued by the Corporation), and share certificates owned by the Corporation, shall be executed, signed, or endorsed by any of the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer;

(b) checks drawn on banks or other depositories on funds to the credit of the Corporation, or in special accounts of the Corporation, shall be signed in such manner (which may be a facsimile signature) and by such person or persons as shall be authorized by the Board; and

(c) share certificates issued by the Corporation shall be signed (which may be a facsimile signature) jointly by (i) the chief executive officer and (ii) the Secretary or an Assistant Secretary.

Section 2. Ratification by Stockholders.

The Board may, in its discretion, submit any contract or act for approval or ratification by the stockholders at any annual meeting of stockholders or at any special meeting of stockholders called for that purpose. Any contract or act which shall be approved or ratified by the holders of a majority of the voting power of the Corporation represented at such meeting shall be as valid and binding upon the Corporation as though approved or ratified by each and every stockholder of the Corporation, unless a greater vote is required by law for such purpose.

Section 3. Voting of Stock Owned by the Corporation.

All stock of other corporations owned or held by the Corporation for itself or for other parties in any capacity shall be voted, and all proxies with respect thereto shall be executed, by the person authorized to do so by resolution of the Board or, in the absence of such authorization, by the President, any of the Vice Presidents, the Secretary or any Assistant Secretary.

ARTICLE VII—STOCK

Section 1. Certificates of Stock, Transfers.

The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe. The shares of the stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof in person or by his or her attorney, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require.

The certificates of stock shall be signed, countersigned and registered in such manner as the Board may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 2. Certain Transfers of Stock.

For as long as that voting trust agreement among Robert D. Haas, Peter E. Haas, Sr., Peter E. Haas, Jr., and F. Warren Hellman (the "Trustees") and certain holders of capital stock of the Corporation (the "Voting Trust Agreement") is in effect, shares of the Corporation's capital stock subject thereto and the voting trust certificates so representing (the "Voting Trust Certificates") are necessarily linked and cannot be transferred separately. Any transfer of Voting Trust Certificates shall be deemed to effect a transfer of the underlying shares of capital stock represented thereby, and any transfer of shares of capital stock with respect to which Voting Trust Certificates have been issued shall be deemed to effect a transfer of such Voting Trust Certificates.

Section 3. Record Date.

The Board may fix a record date, which shall not be more than sixty nor less than ten days before the date of any meeting of stockholders, nor more than sixty days prior to the time for the other action hereinafter described, as of which there shall be determined the stockholders who are entitled: to notice of or to vote at any meeting of stockholders or any adjournment thereof; to receive payment of any dividend or other distribution or allotment of any rights; or to exercise any rights with respect to any change, conversion or exchange of stock or with respect to any other lawful action.

In order that the Corporation may determine the stockholders entitled to consent to corporate action without a meeting, (including by telegram, cablegram or other electronic transmission as permitted by law), the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall be not more than ten (10) days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the Board of Directors and no prior action by the Board of Directors is required by the General Corporation Law of the State of Delaware, the record date shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Article II, Section 9 hereof. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by the General Corporation Law of the State of Delaware with respect to the proposed action by written consent of the stockholders, the record date for determining stockholders entitled to consent to corporate action in writing shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Delaware.

Section 4. Lost, Stolen or Destroyed Certificates.

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations and practices as the Corporation may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

Section 5. Regulations.

The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Corporation may establish.

ARTICLE VIII—NOTICES

Section 1. Notices.

If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the General Corporation Law of the State of Delaware.

Section 2. Waivers.

A written waiver of any notice, signed by a stockholder, or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of objecting to the timeliness of notice.

ARTICLE IX—INDEMNIFICATION

Section 1. Indemnification and Insurance.

Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation (including, without limitation, any subsidiary) or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, Employee Retirement Income Security Act of 1974 (as amended) excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 3 of this Article, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board. The right to indemnification conferred in this Article shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition, such

advances to be paid by the Corporation within 20 days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Article or otherwise.

Section 2. Request for Indemnification.

To obtain indemnification under this Article, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 2, a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, (1) by the Board by a majority vote of the directors who are not parties to such proceeding, even though less than a quorum, or (ii) if there are no such directors, or if such directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the claimant, or (iii) if such Directors so direct, by the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board unless there shall have occurred within two years prior to the date of the commencement of the proceeding for which indemnification is claimed a change in control of the Corporation, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within 10 days after such determination.

Section 3. Right of Claimant to Bring Suit.

If a claim under Section I of this Article is not paid in full by the Corporation within thirty days after a written claim pursuant to Section 2 of this Article has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, Independent Counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the

General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, Independent Counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4. Corporation Bound.

If a determination shall have been made pursuant to Section 2 of this Article that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to Section 3 of this Article.

Section 5. Corporation Precluded.

The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 3 of this Article that the procedures and presumptions of this Article are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Article.

Section 6. Non-Exclusivity of Rights.

The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-laws, agreement, vote of stockholders or disinterested directors or otherwise. No repeal or modification of this Article shall in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

Section 7. Insurance.

The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware. To the extent that the Corporation maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights to indemnification have been granted as provided in Section 8 of this Article, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

Section 8. Granting of Rights.

The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 9. Severability.

If any provision or provisions of this Article shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Article (including, without limitation, each portion of any paragraph of this Article containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Article (including, without limitation, each such portion of any paragraph of this Article containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Section 10. Definitions.

For purposes of this Article, "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this Article.

Section 11. Notices.

Any notice, request or other communication required or permitted to be given to the Corporation under this Article shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE X—MISCELLANEOUS

Section 1. Facsimile Signatures.

In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these By-laws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board or a committee thereof.

Section 2. Corporate Seal.

The Board may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. Duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 3. Reliance upon Books, Reports and Records.

Each director, each member of any committee designated by the Board, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation, including reports made to the Corporation by any of its officers, by an independent certified public accountant, by an appraiser or by any other professional person or expert selected with reasonable care.

Section 4. Fiscal Year.

Each fiscal year of the Corporation shall end on the last Sunday of November, and the subsequent fiscal year shall begin on the Monday thereafter, unless the Board or the President of the Corporation shall designate a different period.

Section 5. Time Periods.

In applying any provision of these By-laws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE XI—AMENDMENTS

These By-laws may be amended or repealed, or new By-laws may be adopted, by the holders of a majority of the shares of capital stock then entitled to vote in an election for directors or by the Board at any regular or special meeting of the stockholders or the Board, or by written consent in lieu thereof.

* * * *

Amended and Restated on July 8, 2005.
Article III, Section 1, amended July 13, 2006.
Article III, Section 1, amended October 2, 2007.
Article III, Section 1, amended December 8, 2011.

Exhibit 10.4

LEVI STRAUSS & CO.

EXCESS BENEFIT RESTORATION PLAN

As Amended and Restated

SECTION 1 PREAMBLE

On November 29, 1976, Levi Strauss & Co. (the "Company") established the Levi Strauss & Co. Benefit Restoration Plan (the "Plan"). The Company intended the Levi Strauss & Co. Benefit Restoration Plan to restore benefits under the Company's tax-qualified employee retirement benefit plans to the extent such benefits were reduced due to the limits of Section 415 of the Internal Revenue Code of 1954, as amended. The Company intended the Levi Strauss & Co. Benefit Restoration Plan to be an "excess benefit plan" as defined in Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and to be an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees (a "Top Hat Plan"), as described in Section 401(a)(1) of ERISA. Effective November 27, 1989, the Company amended and restated the Levi Strauss & Co. Benefit Restoration Plan and renamed it the Levi Strauss Associates Inc. Excess Benefit Restoration Plan. The Company amended the Plan from time to time thereafter, and renamed it the Levi Strauss & Co. Excess Benefit Restoration Plan.

By this instrument, the Company hereby amends and restates the Plan to: (i) incorporate all of the amendments to the Plan that the Company adopted since November 27, 1989; (ii) reflect that this Plan is intended exclusively to provide benefits in excess of those provided under the Employee Savings and Investment Plan of Levi Strauss & Co. as described in Section 4.1. This Plan describes the terms and conditions for benefits since November 27, 1989 (the "Effective Date"). The Company intends this Plan to constitute a Top Hat Plan.

SECTION 2 DEFINITIONS

2.1 "Committee" means the Administrative Committee of Retirement Plans.

2.2 "ESIP" means the Employee Savings and Investment Plan of Levi Strauss & Co.

2.3 "Eligible Employee" means each employee of the Company or any of its subsidiaries who is eligible for the Levi Strauss & Co. Management Incentive Program.

2.4 "Participant" means an Eligible Employee who meets the requirements for participation under Section 3.

SECTION 3 PARTICIPATION

3.1 Each individual who has an accrued benefit under the Plan on the Effective Date shall be a Participant.

3.2 Each Eligible Employee who is entitled to an allocation of contributions under Section 4.1 shall be a Participant.

3.3 Any individual who is otherwise deemed to be a Participant pursuant to this Section 3 may elect not to participate in the Plan by written notice to the Committee whereby he waives all present and future rights to benefits under the Plan.

3.4 Notwithstanding any provision of this Plan to the contrary, the Company may restrict participation in the Plan to the extent it deems necessary for the Plan to qualify as a Top Hat Plan.

SECTION 4 AMOUNT OF PLAN BENEFITS

4.1 Excess Benefit. The amount of the benefit payable to or in respect of an Eligible Employee shall be the difference between the aggregate amount of contributions which would have been allocated for plan years beginning before November 26, 1990, in respect of the Eligible Employee under the ESIP without regard to the limit imposed by Section 415 of the Code, and the aggregate amount of contributions actually allocated in respect of such Eligible Employee thereunder, adjusted to reflect performance adjustments in accordance with Section 4.2 below; provided, however, that to the extent such amount would have consisted of pre-tax or post-tax employee contributions, such amount will be credited hereunder only to the extent the Eligible Employee executed a salary reduction agreement in a form suitable to the Committee. For purposes of determining performance adjustments hereunder, amounts payable pursuant to this Section 4.1 shall be deemed to be subject to the applicable performance standard as of the date such amounts would have been allocated under the ESIP but for the limit imposed by Section 415 of the Code.

4.2 Performance Adjustments. Performance adjustments with respect to benefits described in Section 4.1 above shall be determined pursuant to paragraph (a) below, except to the extent that the Committee offers, and the Participant elects, alternative measurement standards pursuant to paragraph (b) below.

(a) The performance adjustment pursuant to this paragraph (a) shall be interest, computed monthly, at a rate determined by the Committee equal to the reference rate charged for commercial loans by the Bank of America N.T. & S.A. on the last day of each such month.

(b) The Committee may, but is not required to, offer one or more measurement standards in addition to the standard described in paragraph (a) above. Such alternative measurement standards offered by the Committee may include standards which have different potential for risk and return and could result in reductions in value of the Plan benefits of a Participant who elects such standards. The determination of such standards, terms and conditions for electing such standards and receiving credits for gains and losses attributable to such standards, shall be in the sole discretion of the Committee.

4.3 Vesting. Benefits described in Section 4 shall be vested only to the same extent that such benefits would have been vested pursuant to the terms of the ESIP.

SECTION 5 PAYMENT OF BENEFIT

5.1 Except as provided below, benefits shall be paid to the Participant, his surviving spouse or his beneficiary (as applicable) at the same time or times, in the same form, and subject to any applicable adjustments, as his benefit under the ESIP. Except as provided in Sections 5.2 and 5.3, benefits shall not be paid in the form of a single lump sum without the Committee's express consent. If the Committee does not consent to a lump sum distribution, the Participant may elect to have the benefit paid in any other form available under the ESIP.

5.2 If a Participant's employment is terminated for any reason and the present value of such Participant's vested benefit under the Plan is $50,000 or less, such Participant's vested benefit shall be paid in a lump sum, and such payment shall extinguish the Participant's right to a benefit under the Plan. For purposes of this Section, the present value of the benefit of any Participant shall be determined by the Committee in a uniform and nondiscriminatory manner.

5.3 The foregoing provisions of this Section 5 notwithstanding, the Committee may allow a Participant to elect that his benefit described in Sections 4.1 be paid in any form permitted by the Committee, provided that such election is: (i) made in writing; (ii) irrevocable; and (iii) submitted to the Committee at least 12 months before the Participant's benefit under the ESIP commences. In the event that the Participant's benefit under such defined contribution plans commences sooner than 12 months after the Participant's election described in the prior sentence for reasons other than the Participant's death, such benefit shall be payable pursuant to the provisions of Section 5.1 above.

SECTION 6 DETERMINATION OF BENEFICIARIES

With respect to any component of a benefit payable under the Plan, a Participant's beneficiary shall be the person or persons so designated in writing by the Participant or, if no such person is so designated, the Participant's estate.

SECTION 7 SOURCE OF PAYMENT

All payments of benefits hereunder shall be paid in cash from the general funds of the Company, and no special or separate fund shall be established, nor other segregation of assets made, to assure such payments; provided, however, that the Company may establish a bookkeeping reserve to meet its obligations hereunder. Nothing in the Plan, nor any action taken pursuant to the provisions of the Plan, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or the Committee and any employee or other person. If any employee or other person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

SECTION 8 ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Committee, which shall have full power, discretion and authority to interpret, construe and administer the Plan and any part thereof, and the Committee's interpretation and construction thereof, and actions thereunder, shall be binding and conclusive on all persons for all purposes; provided, however, that no member of the Committee shall participate in a determination in respect of the benefit of such member or such member's family.

SECTION 9 AMENDMENT

The Plan may be amended, suspended or terminated, in whole or in part, by the Board of Directors of the Company, but no such action shall retroactively impair or otherwise adversely affect the rights of any person to benefits under the Plan that accrued prior to the date of such action, as determined by the Committee.

SECTION 10 GENERAL PROVISIONS

10.1 The right of any Participant or other person to the payment of benefits under the Plan may not be assigned, transferred, pledged or encumbered, either voluntarily or by operation

of law, except as provided in Section 6 above with respect to determination of beneficiaries, Section 11 with respect to qualified domestic relations orders, or as provided below. If any person shall attempt to, or shall, assign, transfer, pledge or encumber any amount payable hereunder, or if by reason of his bankruptcy or other event happening at any time any such payment would be made subject to his debts or liabilities, or would otherwise devolve upon anyone else and not be enjoyed by him or his beneficiary, the Committee may, in its sole discretion, terminate his interest in any such payment and direct that the same be held and applied to, or for the benefit of, such person, his spouse, children or other dependents, or any other persons deemed to be the natural objects of his bounty, or any of them, in such manner as the Committee may deem proper.

10.2 If the Committee shall find that any person to whom any payment is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, then any payment due (unless a prior claim therefor shall have been made by a duly appointed guardian, committee or other legal representative) may be paid to his spouse, a child, a parent, or sibling, or any other person deemed by the Committee to have incurred expenses for such person otherwise entitled to payment, in such manner and proportions as the Committee may determine. Any such payment shall be a complete discharge of the liabilities of the Company under the Plan.

10.3 The Committee shall make appropriate arrangements for satisfaction of any federal or state payroll withholding tax required upon the accrual or payment of any Plan benefits.

10.4 Neither the Plan, nor any action taken hereunder, shall be construed as giving to any employee the right to be retained in the employ of the Company or any of its subsidiaries, or as affecting the right of the Company or any of its subsidiaries to dismiss any employee.

10.5 The captions preceding the sections hereof have been inserted solely as a matter of convenience, and in no way define or limit the scope or intent of any provisions hereof.

10.6 The Plan and all rights thereunder shall be governed by, and construed in accordance with, the laws of the State of California to the extent Federal laws do not control.

10.7 Whenever used in the Plan, the masculine gender includes the feminine.

SECTION 11 QUALIFIED DOMESTIC RELATIONS ORDER

Any other provision of this Plan notwithstanding, a Participant's benefit under the Plan shall be payable to any "alternate payee," as such person is defined in Section 414(p)(8) of the Code, as provided in a domestic relations order with respect to the Plan, which would constitute a qualified domestic relations order within the meaning of Section 414(p)(1)(A) of the Code, if the Plan were subject to Section 414(p) of the Code. Determinations under this Section 11, including but not limited to determination of whether an order would constitute a qualified domestic relations order, shall be made by the Committee, or its designee, in its sole discretion. The rights of any alternate payee hereunder are subject to the provisions of the Plan as administered with respect to alternate payees, and the Committee may require an alternate payee to acknowledge that his or her rights are subject to such provisions.

* * *

IN WITNESS WHEREOF, LEVI STRAUSS & CO. has caused this Plan to be executed by its duly authorized officer, as of this day of , 2006.

LEVI STRAUSS & CO.

By: /s/ Fred Paulenich

Its: Senior Vice President, Worldwide Human Resources

Exhibit 10.5

LEVI STRAUSS & CO.

SUPPLEMENTAL BENEFIT RESTORATION PLAN

AMENDED AND RESTATED
EFFECTIVE AS OF JANUARY 1, 2005

SECTION 1 INTRODUCTION

1.1 Purpose and History of the Plan. Levi Strauss & Company (the "Company") established the Levi Strauss Associates Inc. Supplemental Benefit Restoration Plan (the "Plan") on November 27, 1989 to provide benefits to a select group of management and highly compensated employees of the Company that could not otherwise be provided under its tax-qualified retirement plans due to Code limits.

Effective November 29, 2004, the Company amended and restated the Plan to (i) reflect that this Plan is intended exclusively to provide benefits in excess of those provided under the HOPP, and (ii) freeze benefit accruals under the Plan for all employees except Eligible Employees.

By this instrument, the Company hereby amends and restates the Plan effective January 1, 2005 to comply with the final regulations issued under Code Section 409A. Any amounts accrued and vested before January 1, 2005 are "grandfathered" and shall be administered and paid pursuant to the terms of the Prior Plan. The Plan as amended and restated herein shall apply to a Participant's benefit accrued on and after January 1, 2005.

1.2 Status of the Plan. The Plan is intended to be an unfunded plan maintained by the Company "primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of ERISA Section 201(2), 301(a)(3) and 401(a)(1), and the Plan shall be interpreted and administered consistent with this intent.

SECTION 2 DEFINITIONS

2.1 "Actuarial Equivalent Value" shall have the meaning assigned to it under the HOPP.

2.2 "Approved Leave of Absence" means a military, sick or other bona fide leave of absence approved by the Company under its policies which does not exceed six months, or if longer, so long as the Participant retains a right to reemployment with the Company under an applicable statute or by contract.

2.3 "Beneficiary" means the person or persons designated by the Participant in writing to receive payment of benefits under the HOPP as a result of the Participant's death.

2.4 "Benefit" means the amount accrued and/or vested under the Plan on or after January 1, 2005.

2.5 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations and rulings issued thereunder. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provisions of any legislation that amends, supplements or replaces such section or subsection.

2.6 "Committee" means the Administrative Committee of Retirement Plans or its delegate.

2.7 "Company" means Levi Strauss & Company, a Delaware corporation, or any successor corporation thereto.

2.8 "Disability" means permanent incapacitation that results in the Participant being determined to be disabled and granted disability benefits under Title II of the Social Security Act. The effective date of a Participant's Disability shall be the date on which he or she is determined to be disabled under the Social Security Act without regard to any retroactive period of benefit payments awarded under the Social Security Act.

2.9 "Eligible Employee" means an employee who, as of November 28, 2004: (i) participates in the HOPP; (ii) is at least age fifty (50); (iii) has at least ten (10) years of service (as defined in the HOPP) and (iv) is actively employed by the Company.

2.10 "**HOPP"** means the Revised Home Office Pension Plan of Levi Strauss & Co.

2.11 "Limit" means the Code Section 401(a)(17) limit on compensation or the Code Section 415 limit on benefits under the HOPP.

2.12 "Participant" means an Eligible Employee who meets the requirements for participation under Section 3.

2.13 "Prior Plan" means the Levi Strauss & Co. Supplemental Benefit Restoration Plan, as amended and restated effective November 29, 2004.

2.14 "Termination of Employment" means when the Participant ceases to perform services for the Company and all majority-owned subsidiaries of the Company, or such services decrease to a level that is 20 percent or less of the average level of services performed by the Participant over the immediately preceding 36-month period. However, temporary absence from employment because of vacation or Approved Leaves of Absences, and transfers of employment among the Company and its majority-owned subsidiaries shall not be a Termination of Employment.

SECTION 3 PARTICIPATION

3.1 Each Eligible Employee who accrues a benefit under Section 4 after the Effective Date shall be a Participant.

SECTION 4 AMOUNT OF PLAN BENEFITS

A Participant's Benefit shall equal the benefit the Participant would be entitled to receive under the HOPP determined without regard to any Limit reduced by the benefit the Participant is entitled to receive under the HOPP with respect to accruals on and after January 1, 2005.

4.1 Vesting. A Participant shall become fully vested in his Benefit when such Participant becomes vested under the HOPP.

SECTION 5 TIME AND FORM OF PAYMENT

5.1 Benefits Distributed On or After January 1, 2005 and Before January 1, 2008

(a) Benefits shall be paid to the Participant, his or her Beneficiary (as applicable) at the same time or times, in the same form, and subject to any applicable adjustments, as his or her benefit under the HOPP. Except as provided in subparagraph (b), benefits shall not be paid in the form of a single lump sum.

(b) Notwithstanding the foregoing, if the present value of the Participant's Benefit is $50,000 or less at the time he or she commences payment under the HOPP, such benefit shall be paid in a lump sum. For purposes of this Section 5.1, the present value of any benefit attributable to the HOPP shall be determined in the same manner as single sum payments under Section 9.5 of the HOPP.

5.2 Benefits Distributed On or After January 1, 2008

(a) Time for Distribution – A Participant's benefit shall be distributed upon the later of:

(i) The first month following the month after the Participant incurs a Termination of Employment; or

(ii) The first month following the month the Participant turns age 55 (collectively, the "Distribution Date").

(b) Payment Form. A Participant's Benefit distribution form depends on the present value of his or her Benefit as of the first business day of the month following the month the Participant incurs a Termination of Employment (the "Determination Date").

(i) A Participant whose Benefit is $50,000 or less on the Determination Date shall receive a lump sum payment.

(ii) A Participant whose Benefit is greater than $50,000 as of the Determination Date shall receive payment in the form of an annuity. The Participant may elect among annuities of Actuarial Equivalent Value by returning an election form to the Committee no later than three months preceding the Participant's Distribution Date. If the Participant does not make a timely election, payments shall automatically commence on the Participant's Distribution Date in a straight life annuity for unmarried Participants and a 100% joint and survivor annuity for married Participants.

SECTION 6 DEATH BENEFITS

(a) Death While in Pay Status. If the Participant dies after annuity payments commence, the Participant's Beneficiary will receive the survivor annuity portion, if any, of the distribution form elected by the Participant pursuant to Section 5.2(b)(ii).

(b) Death Prior to Benefit Payment Commencement.

(i) Time of Payment. If a Participant is age 55 or older when he or she dies, payment shall be made or begin to be made in the month following the date of the Participant's death. If a Participant dies before age 55, payment shall be made or begin to be made in the month following the month in which the Participant would have attained age 55.

(ii) Form of Payment. If a Participant dies before his or her Distribution Date, the form in which the Benefit shall be paid to the Participant's Beneficiary depends on the present value of the Participant's Benefit determined as of the date specified in Section 6(b)(i).

(1) The Beneficiary of a Participant whose Benefit is $50,000 or less shall receive a lump-sum payment.

(2) The Beneficiary of a Participant whose Benefit is more than $50,000 will receive the monthly benefit that would be payable if the Participant elected to receive a 100% qualified joint and survivor annuity with his or her Beneficiary as contingent annuitant.

SECTION 7 SOURCE OF PAYMENT

All payments of benefits hereunder shall be paid in cash from the general funds of the Company, and no special or separate fund shall be established, nor other segregation of assets made, to assure such payments; provided, however, that the Company may establish a bookkeeping reserve to meet its obligations hereunder. Nothing in the Plan, nor any action taken pursuant to the provisions of the Plan, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or the Committee and any employee or other person. If any employee or other person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

SECTION 8 ADMINISTRATION OF THE PLAN

8.1 Plan Administration and Interpretation. The Committee shall oversee the administration of the Plan. The Committee shall have complete control and authority to determine the rights and benefits and all claims, demands and actions arising out of the provisions of the Plan of any Eligible Employee, Participant, Beneficiary, deceased Participant, or other person having or claiming to have any interest under the Plan. Benefits under the Plan shall be paid only if the Committee decides in its discretion that the Eligible Employee, Participant or Beneficiary is entitled to them. Notwithstanding any other provision of the Plan to the contrary, the Committee shall have complete discretion to interpret the Plan and to decide all matters under the Plan. Such

interpretation and decision shall be final, conclusive and binding on all Eligible Employees and Participants and any person claiming under or through any Eligible Employee or Participant, in the absence of clear and convincing evidence that the Committee acted arbitrarily and capriciously. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant, a Beneficiary, the Company or a trustee (if any). The Committee shall have the responsibility for complying with any reporting and disclosure requirements of ERISA.

8.2 Powers, Duties, Procedures. The Committee shall have such powers and duties, may adopt such rules and tables, may act in accordance with such procedures, may appoint such officers or agents, may delegate such powers and duties, may receive such reimbursements and compensation, and shall follow such claims and appeal procedures with respect to the Plan as the Committee may establish.

8.3 Claims Procedure.

(a) **Initial Claim Determination.** Claims by a Participant or Beneficiary shall be presented in writing to the Committee. The Committee shall review the claim and determine whether the claim should be approved or denied. In the event the claim is denied (in whole or in part), the Committee shall notify the Participant or Beneficiary in writing of such denial within 90 days after receipt of the claim. The letter of denial shall set forth the following information:

(i) the specific reason or reasons for the denial;

(ii) specific reference to pertinent Plan provisions on which the denial is based;

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;

(iv) an explanation that a full and fair review by the Committee of the decision denying the claim may be requested by the claimant or his authorized representative by filing with the Committee, within 60 days after such notice has been received, a written request for such review; and

(v) an explanation that if such request is so filed, the claimant or his authorized representative may review relevant documents and submit issues and comments in writing within the same 60 day period specified in paragraph (a)(iv) above.

(b) Extension of Time for Notice of Denial. If special circumstances require an extension of time beyond the 90 day period described in paragraph (a) above, the claimant shall be so advised in writing within the initial 90 day period. In no event shall such extension exceed an additional 90 days. If the Committee does not respond within 90 or 180 days, the claimant may consider the appeal denied.

(c) Appeal of the Committee's Determination. Any claimant may submit a written request for review of the decision denying the claim if:

(i) The claim is denied by the Committee;

(ii) No reply at all is received after 90 days; or

(iii) The Committee has extended the time by an additional 90 days and no reply is received.

(d) Time of Committee Decision. The decision of the Committee shall be made promptly, and not later than 60 days after the Committee receives the request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receiving the request for review. The claimant shall be given a copy of the decision promptly. The decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based. If the Committee does not respond within 60 or 120 days, the claimant may consider the appeal denied.

(e) Exhaustion of Remedy. No claimant shall institute any action or proceeding in any state or federal court of law or equity, or before any administrative tribunal or arbitrator, for a claim for benefits under the Plan, until he has first exhausted the procedures set forth in this Section.

8.4 Information. To enable the Committee to perform its functions, the Company shall supply full and timely information to the Committee on all matters relating to the compensation of Participants, their employment, retirement, death, termination of employment, and such other pertinent facts as the Committee may require.

8.5 Indemnification of Committee. The Company agrees to indemnify and to defend to the fullest extent permitted by law any director, officer or employee who serves on the Committee (including any such individual who formerly served on the Committee) against all liabilities, damages, costs and expenses (including reasonable attorneys' fees and amounts paid in settlement of any claims approved by the Employer in writing in advance) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

SECTION 9 AMENDMENT OR TERMINATION

9.1 Amendment. The Company may, in its sole discretion, amend or modify the Plan at any time, in whole or in part, by action of its Board of Directors or designated officer; provided, however, that no such action shall retroactively impair or otherwise adversely affect the rights of any person to benefits under the Plan that accrued prior to the date of such action, as determined by the Committee.

9.2 Termination.

(a) Although the Company anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that it will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, the Company reserves the right to discontinue its sponsorship of the Plan and/or to terminate the Plan at any time with respect to all of its Participants, by action of the Company's Board of Directors or designated officer. The termination of the Plan shall not reduce the amount of any benefit to which the Participant or Beneficiary is entitled to receive under the Plan as of the termination date. Except as provided in paragraph (b) below, benefits shall be maintained under the Plan until such amounts would otherwise have been distributed in accordance with the terms of the Plan and Participants' validly filed payment elections.

(b) Upon termination of the Plan, the Board of Directors reserves the discretion to accelerate distribution of Participants' benefits (including those Participants in pay status) in accordance with Treasury Regulation Section 1.409A-3(j)(4)(ix).

SECTION 10 GENERAL PROVISIONS

10.1 The right of any Participant or other person to the payment of benefits under the Plan may not be assigned, transferred, pledged or encumbered, either voluntarily or by operation of law, except as provided in Section 11 with respect to qualified domestic relations orders, or as provided below. If any person shall attempt to, or shall, assign, transfer, pledge or encumber any amount payable hereunder, or if by reason of his bankruptcy or other event happening at any time any such payment would be made subject to his debts or liabilities, or would otherwise devolve upon anyone else and not be enjoyed by him or his Beneficiary, the Committee may, in its sole discretion, terminate his interest in any such payment and direct that the same be held and applied to, or for the benefit of, such person, his spouse, children or other dependents, or any other persons deemed to be the natural objects of his bounty, or any of them, in such manner as the Committee may deem proper.

10.2 Any payment to any Participant or Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims under the Plan against the Company, the Committee and a trustee (if any) under the Plan, and the Committee may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect. If any Participant or Beneficiary is determined by the Committee to be incompetent by reason of physical or mental disability (including minority) to give a valid receipt and release, the Committee may cause the payment or payments becoming due to such person to be made to another person for his benefit without responsibility on the part of the Committee, the Company or a trustee (if any) to follow the application of such funds. In the case of a benefit payable on behalf of a Participant, if the Committee is unable to locate the Participant or Beneficiary to whom such benefit is payable, upon the Committee's determination thereof, such benefit shall be forfeited to the Company. Notwithstanding the foregoing, if subsequent to any such forfeiture the Participant or Beneficiary to whom such benefit is payable makes a valid claim for such benefit, such forfeited benefit shall be restored to the Plan by the Company.

10.3 The Committee shall make appropriate arrangements for satisfaction of any federal or state payroll withholding tax required upon the accrual or payment of any Plan benefits.

10.4 Neither the Plan, nor any action taken hereunder, shall be construed as giving to any employee the right to be retained in the employ of the Company, or as affecting the right of the Company to dismiss any employee.

10.5 The captions preceding the sections hereof have been inserted solely as a matter of convenience, and in no way define or limit the scope or intent of any provisions hereof.

10.6 To the extent Federal laws do not control, the Plan and all rights thereunder shall be governed by, and construed in accordance with, the laws of the State of California.

SECTION 11 QUALIFIED DOMESTIC RELATIONS ORDER

Any other provision of this Plan notwithstanding, a Participant's benefit under the Plan shall be payable to any "alternate payee," as such person is defined in Section 414(p)(8) of the Code, as provided in a domestic relations order with respect to the Plan, which would constitute a qualified domestic relations order within the meaning of Section 414(p)(1)(A) of the Code, if the Plan were subject to Section 414(p) of the Code. Determinations under this Section 11, including but not limited to determination of whether an order would constitute a qualified domestic relations order, shall be made by the Committee, or its designee, in its sole discretion. The rights of any alternate payee hereunder are subject to the provisions of the Plan as administered with respect to alternate payees, and the Committee may require an alternate payee to acknowledge that his or her rights are subject to such provisions.

SECTION 12 DISCRETION TO ACCELERATE PAYMENT

(a) The Committee shall have the discretion to make a distribution, or accelerate the time of payment of an accrued benefit if payment is required for:

(i) FICA, FUTA and/or the corresponding withholding provisions of applicable state and local taxes with respect to benefits accrued under the Plan. Any such distribution shall not exceed the aggregate of such tax withholding and shall reduce the Participant's accrued benefit to the extent of such distributions; or

(ii) Payment of state, local or foreign tax obligations arising from participation in the Plan that apply to benefits accrued under the Plan and FUTA resulting from such payment. Any such payment shall not exceed the amount of such taxes due as a result of Plan participant.

(b) The Committee is authorized to accelerate the time or schedule of a payment under the Plan to an individual other than the Participant, or to make a payment under the Plan to an individual other than the Participant, to the extent necessary to fulfill a domestic relations order (as defined in Code Section 414(p)(1)(B)). Payment to an alternate payee under a domestic relations order shall be made within 60 days after the Committee approves such order.

(c) The Committee shall have the discretion to accelerate the time or schedule of a payment under the Plan if the Plan fails to meet the requirements of Code Section 409A and regulations promulgated thereunder, provided that any such payment does not exceed the amount required to be included in income as a result of such failure.

* * *

IN WITNESS WHEREOF, LEVI STRAUSS & CO. has caused this Plan to be executed by its duly authorized officer, as of this 29th day of August, 2008.

LEVI STRAUSS & CO.

By: /s/ Cathy Unruh

Its: Senior Vice President, Human Resources

FIRST AMENDMENT
TO THE
LEVI STRAUSS & CO. SUPPLEMENTAL BENEFIT RESTORATION PLAN

WHEREAS, LEVI STRAUSS & CO. ("LS&Co.") maintains the Levi Strauss & Co. Supplemental Benefit Restoration Plan, amended and restated effective as of January 1, 2005 (the "Plan"), to provide benefits to a select group of management and highly compensated employees; and

WHEREAS, pursuant to Section 9.1 of the Plan, the Board of Directors of LS&Co. is authorized to amend the Plan at any time and for any reason; and

WHEREAS, LS&Co. desires to amend the Plan to cease benefit accruals for all Plan participants effective as of May 31, 2011; and

WHEREAS, by resolutions duly adopted on June 22, 2000, the Board of Directors of LS&Co. authorized the President and Chief Executive Officer to take certain actions with respect to the Plan; and

WHEREAS, the amendments herein are within the delegated authority of John Anderson.

NOW THEREFORE BE IT RESOLVED, effective as of May 31, 2011, the Plan is hereby amended in the following respects:

1. The following sentence is hereby added to the end of Section 1.1 to read as follows:
   "Effective May 31, 2011, the Company amended the Plan to freeze benefit accruals under the Plan for all Eligible Employees."

2. The following sentence is hereby added to Section 2.4 to read as follows:
   "Notwithstanding the foregoing, no Participant shall accrue any additional Benefits under the Plan on or after June 1, 2011."

3. The following sentence is hereby added to Section 2.12 to read as follows:
   "Notwithstanding the foregoing, no Eligible Employee shall become a Participant under the Plan on or after June 1, 2011."

4. The following sentence is hereby added to Section 3.1 to read as follows:
   "Notwithstanding the foregoing, no Eligible Employee shall become a Participant under the Plan on or after June 1, 2011."

5. The following sentence is hereby added to the introduction of Section 4 to read as follows:

"Notwithstanding the foregoing, no Participant shall accrue any additional Benefits under the Plan on or after June 1, 2011."

* * *

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed this 19th day of May, 2011.

LEVI STRAUSS & CO.

By: /s/ John Anderson
John Anderson
President and Chief Executive Officer

Exhibit 10.7

LEVI STRAUSS & CO.
EXECUTIVE SEVERANCE PLAN
(Effective November 29, 2010)

TABLE OF CONTENTS

LEVI STRAUSS & CO.
EXECUTIVE SEVERANCE PLAN
(Effective May 1, 2004, and
Amended and Restated Effective November 29, 2010)

Introduction. Levi Strauss & Co. (the "Company") established the Levi Strauss & Co. Executive Severance Plan (the "Plan") effective May 1, 2004 for the benefit of certain eligible Executives of the Company. By this instrument, the Company hereby amends and restates the Plan effective November 29, 2010.

The purpose of the Plan is to provide an eligible Executive with Severance Payments, Severance Benefits and Deferred Termination Early Retirement Benefits in the event the Executive's employment is involuntarily terminated under circumstances entitling the Executive to Severance Payments, Severance Benefits or Deferred Termination Early Retirement Benefits, as determined in the sole discretion of the Company. The Plan is an unfunded welfare benefit plan for purposes of ERISA, a severance pay plan within the meaning of United States Department of Labor Regulation Section 2510.3-2(b) and an involuntary separation pay plan within the meaning of Treasury Regulation Section 1.409A-1(b)(9). This Plan supersedes all prior policies and practices of the Company with respect to severance or separation pay for Executives whose employment is involuntarily terminated on or after November 29, 2010. This Plan is the only severance program for such Executives.

1. Definitions.

1.1. "Company" means Levi Strauss & Co.

1.2. "Comparable Position" means any job that has no negative impact on base salary. To be a "Comparable Position," the different job must be performed at the same or geographically proximate work site with the same or comparable work schedule, as determined in the sole discretion of the Company.

1.3. "Compensation" means (i) the sum of the Executive's (a) annual base salary rate in effect on his or her Termination Date, plus (b) target bonus amount under the Annual Incentive Plan ("AIP") for the fiscal year in which the termination is announced to the Executive (ii) divided by 52. Compensation is solely used for purposes of determining an eligible Executive's Enhanced Severance Pay under the Plan.

$$\text{Compensation} = \frac{\text{annual base salary + AIP target bonus for the fiscal year in which the termination is announced}}{52}$$

1.4. "Deferred Termination Early Retirement Benefits" means the benefits provided to an Executive pursuant to Section 3.3 on account of his or her involuntary termination from the Company.

1.5. "Employee" means a common-law employee of the Company on the Home Office Payroll, including an employee classified by the Company as a U.S. expatriate employee, who is not subject to the overtime provisions of the Fair Labor Standards Act, and who is a Home Office Payroll employee, and who has not signed an agreement that he or she is not

entitled to benefits from the Company. An Employee does not include any person who is designated by the Company as an independent contractor or a "leased employee," within the meaning of Section 414(n) of the Internal Revenue Code of 1986, as amended (the "Code"), or any individual who has entered into an independent contractor or consultant agreement with the Company. Individuals not treated as Employees by the Company on its payroll records are excluded from Plan participation even if a court or administrative agency determines that such individuals are Employees.

1.6. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.7. "Executive" means (i) a WLT Member, or (ii) an Employee whose position is classified under the Executive Band or Leader Band in the Company's World-Wide Compensation Plan.

1.8. "General Release Agreement" means a legally binding document in which an Employee waives any and all claims against the Company (as defined in the General Release Agreement) related to his or her employment or separation from employment. Whether or not an Executive chooses to sign the General Release Agreement is completely at his or her discretion.

1.9. "Plan" means the Levi Strauss & Co. Executive Severance Plan, as set forth in this instrument and as hereafter amended.

1.10. "Severance Benefits" means the severance benefits provided to an Executive pursuant to Section 3.2 on account of his or her involuntary termination from the Company.

1.11. "Severance Payment(s)" or "Severance Pay" means the payments to an eligible Executive pursuant to Section 3.1 on account of his or her involuntary termination from the Company.

1.12. "Termination Date" means the Executive's final day of employment with the Company which date shall be communicated by the Company to the Executive.

1.13. "WLT Member" means each Employee identified on Appendix A.

1.14. "Year of Service" means a 12-month period of employment beginning on the later of the Executive's hire or rehire date. Years of Service are calculated in full 12-month periods with no credit for partial years.

2. Eligibility for Severance Payments, Severance Benefits and Deferred Termination Early Retirement Benefits.

2.1. General Eligibility. Except as otherwise provided in the Plan, an Executive is entitled to Severance Payments, Severance Benefits or Deferred Termination Early Retirement Benefits under the Plan only if his or her employment with the Company is involuntarily terminated by action of the Company on account of a reduction in force, layoff or position elimination.

2.2. Exclusions. An Executive is not eligible for Severance Payments, Severance Benefits or Deferred Termination Early Retirement Benefits if he or she:

(a) Voluntarily resigns before his or her Termination Date;

(b) Is terminated because of failure to return from an approved leave of absence;

(c) Resigns or is involuntarily terminated because the Company has determined that he or she violated any policy, procedure or rule of the Company, engaged in dishonest or wrongful conduct, committed any crime or performed his or her duties in an unacceptable manner;

(d) Resigns or is terminated after declining to accept an offer of a Comparable Position with the Company;

(e) Ceases to be an Executive as defined by the Plan;

(f) Terminates employment with the Company by reason of death;

(g) Receives consulting fees from the Company following his or her Termination Date;

(h) Is entitled to long-term disability benefits from the Company-sponsored long-term disability plan as of the date the involuntary termination would have occurred had the individual been actively at work on such date;

(i) Has an individual written agreement with the Company that provides for any form of severance, separation or special retirement program; or

(j) Has notified the Company of his or her intent to retire from the Company prior to the date the Company notified the Executive of his or her involuntary termination.

2.3. Certain Corporate Transactions. Unless, and only to the extent expressly authorized by the Company or as set forth in this Plan, no Severance Payments, Severance Benefits or Deferred Termination Early Retirement Benefits will be payable under the Plan to an Executive in the event of the sale or other disposition of the Company, any affiliate or any assets or stock of either, if the Executive (i) continues to be employed by the Company, its successor or an affiliate on or after the date of such sale or other disposition, (ii) is offered a Comparable Position with the acquiring entity or any of its affiliates, or (iii) is offered a Comparable Position with an entity that was an affiliate of the Company immediately prior to the sale or other disposition.

3. Amount and Form of Severance Payments, Severance Benefits and Deferred Termination Early Retirement Benefits.

3.1. Payment Amount. An eligible Executive is entitled to receive the following Severance Payments:

(a) Base Severance Pay: Subject to Section 3.4, and except as otherwise provided in this Plan, an eligible Executive will receive two weeks of his or her *base salary* beginning on the date he or she is notified that his or her employment is terminated. If the Company requests, the eligible Executive will remain in his or her position during this two-week period.

(b) Enhanced Severance Pay: In exchange for providing the Company with an enforceable General Release Agreement, in a form acceptable to the Company, an eligible Executive who is involuntarily terminated from the Company will be eligible to receive Enhanced Severance Pay and Severance Benefits, subject to Section 3.4. The consideration for the voluntary General Release Agreement will be the Enhanced Severance Pay and Severance Benefits the eligible Executive would not otherwise be eligible to receive. An eligible Executive will receive Enhanced Severance Pay in accordance with the following table:

WLT Member	78 weeks of Compensation
Executive and Leader Band	26 weeks of Compensation, plus two additional weeks of Compensation for each Year of Service in excess of five, limited to a maximum period of 52 weeks of Compensation

3.2. Severance Benefits.

(a) Medical Benefits Subsidy.

(1) "COBRA" Continuation Coverage: An Executive who is enrolled in a Company-sponsored medical benefits plan on his or her Termination Date is eligible to continue his or her medical, dental and/or vision coverage for up to 18 months under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). Generally, the Executive is required to pay the full cost of this coverage, plus a two percent (2%) administrative fee. If an Executive does not timely elect to exercise his or her COBRA continuation rights to continue his or her Company-sponsored medical, dental and/or vision benefits, the Executive may not reinstate such coverage at a later date. COBRA coverage will not extend beyond the date on which a terminated Executive becomes eligible for coverage under another group health plan unless the new plan has a pre-existing condition limitation or the Executive is entitled to Medicare. All of the terms and conditions of the corresponding medical, dental and/or vision plans sponsored by the Company will apply to an Executive receiving COBRA continuation coverage.

(2) Company Subsidy for COBRA (Medical Coverage Only): If an Executive and/or his or her covered dependents timely elect(s) to receive medical continuation coverage through COBRA, the Company will subsidize the cost (at the active employee contribution rate) of the medical coverage under COBRA for the duration of the Executive's severance payment period under Section 3.1(b) above, up to a maximum coverage period of 18 months. Thereafter, the Executive will be required to pay the full applicable COBRA premium for medical coverage. During the Company-subsidized COBRA coverage period, the Executive must pay for the remainder of the cost of his or her COBRA medical coverage.

All periods of Company-subsidized coverage are counted toward the 18-month COBRA entitlement.

(3) Dental and/or Vision Continuation: The Company will not subsidize Company-sponsored dental and vision benefits continuation coverage. An Executive may elect to continue dental and/or vision coverage under COBRA as described in paragraph (a)(1) above.

(b) Life Insurance Continuation. The Company will pay the cost of premiums under its standard basic life insurance program of $10,000 for the same duration that it subsidizes the COBRA coverage under paragraph (a)(2) above.

(c) Retiree Medical Benefits. If an Executive retires and becomes covered by the Company's retiree health benefits program, the Company will pay the full cost for the retiree medical coverage for the same duration that it subsidizes the COBRA coverage under paragraph (a)(2) above. For purposes of paragraph (a) above and this paragraph (c), the continued medical payments are designated as separate payments for purposes of the exemption for medical expense reimbursements under Treasury Regulation Section 1.409A-1(b)(9)(v)(B).

(d) Outplacement Benefits. Eligible Executives may be entitled to receive reasonable outplacement counseling and job search benefits. In no event will the Company provide such outplacement benefits to an eligible Executive later than December 31 of the second year following his or her Termination Date. An Executive may not receive cash in lieu of the available outplacement services.

3.3. Deferred Termination Early Retirement Benefits.

(a) Any Executive who is within 18 months of meeting the minimum requirements to be early retirement eligible under the Company's pension and retiree medical plans (15 years of service/age 55) will be eligible for a deferred Termination Date. To qualify for the deferred Termination Date, the Executive must:

(1) Become early retirement eligible within 18 months following the date he or she is notified of his or her termination of employment; and

(2) Submit a General Release Agreement, as described below, within the prescribed time period.

(b) Except as provided below, the Termination Date for any such Executive will be deferred to the first date he or she meets the minimum age and service requirements for early retirement. This way, the Executive may take early retirement on his or her Termination Date. Until the deferred Termination Date, the Executive will remain on the Company's payroll as an employee with special leave status. During this period, the Executive will continue to be eligible for Company benefits and earn service towards eligibility for early retirement benefits; provided, however, that the Executive may participate in the Employee Savings and Investment Plan of Levi Strauss & Co. (the "ESIP") during the special leave period. Benefit plan and service credit eligibility will cease when the Executive satisfies the minimum early retirement requirements. The terms of the early retirement benefits are governed exclusively by the governing plan documents for those benefits. The Company reserves the right to amend or terminate the retiree medical plan, as described in the governing plan document.

(c) In lieu of the Executive's regular salary, the Executive will instead receive the total value of his or her Severance Payments, as calculated above under Section 3.1, paid through the bi-weekly payroll process. In most cases, the total amount of the Severance Payments will be distributed evenly over the course of the entire leave period ending on the Termination Date. However, if the number of weeks of Severance Pay earned by the Executive is greater than the number of weeks needed to attain early retirement eligibility, the payments will be issued according to the normal payroll schedule until the end of the Severance Pay period. In this situation, an Executive's Termination Date (*i.e.*, the date he or she becomes early retirement eligible) will occur before all Severance Payments have been issued. The Severance Payments will continue beyond the Termination Date until all payments are issued to the Executive. Note, however, that the Termination Date will mark the end of active employment so other employee benefits, such as ESIP pre-tax contributions, will cease at that time. However, these Severance Payments will begin only after both (i) the Executive has signed the General Release Agreement, and (ii) the revocation period has expired. If the Executive fails to sign the General Release Agreement within the prescribed time period, or revokes the Agreement after signing, he or she will receive only the Base Severance Pay described under Section 3.1(a).

(d) An Executive who qualifies for deferred termination under this Section 3.3 may choose an immediate Termination Date instead by notifying the Company within 10 business days of the date he or she is notified of his or her termination of employment. By choosing an immediate Termination Date, the Eligible Employee will be entitled to the Severance Payments and Severance Benefits described under Sections 3.1 and 3.2 of the Plan, subject to all applicable terms and conditions.

3.4. Conditions and Limitations on Severance Payments, Severance Benefits and Deferred Termination Early Retirement Benefits. Enhanced Severance Pay, Severance Benefits and Deferred Termination Early Retirement Benefits are specifically conditioned upon the Executive signing and not later revoking a General Release Agreement at a time and in a manner to be determined by the Company. Under no circumstances will any Enhanced Severance Pay, Severance Benefits or Deferred Termination Early Retirement Benefits be made to an Executive who elects not to sign, or who revokes, a General Release Agreement.

3.5. Form and Timing of Severance Payments, Severance Benefits and Deferred Termination Early Retirement Benefits.

(a) Except as provided under Section 3.3 for Deferred Termination Early Retirement Benefits, Severance Payments will be paid in installments in accordance with the Company's regular payroll payment schedule following the eligible Executive's Termination Date, however any Enhanced Severance Pay and Severance Benefits which become available will be provided only after the seven-day revocation period for a signed General Release Agreement has passed.

(b) If the Company reemploys an eligible Executive who is receiving Enhanced Severance Pay, Severance Benefits or Deferred Termination Early Retirement Benefits under the Plan, the individual will become ineligible and such pay and benefits will cease effective as of the reemployment date.

(c) If an Executive dies before Severance Payments are completed, any remaining Severance Payments, including the value of any Severance Payments under Section 3.3(c), will be made to the Executive's estate in a lump-sum within 60 days after the Company is provided with proof of the Executive's death.

3.6. Plant Shut-Down or Mass Layoff. If the Executive is laid off or discharged because of a plant shut-down or mass layoff to which the federal, or any state, Worker Adjustment and Retraining Notice Act ("WARN") applies, Severance Payments, Severance Benefits and Deferred Termination Early Retirement Benefits will not be available, except as provided in this Section 3.6. The Company will provide notice of termination of employment, or pay in lieu of notice, or a combination of notice and pay in lieu of notice in accordance with the provisions of WARN. The amount of Severance Payments to which the Executive is entitled under the Plan will be determined by subtracting the number of days' pay in lieu of notice he or she receives pursuant to WARN from the amount of Severance Payments to which he or she would be otherwise entitled under the Plan. Likewise, the period of Company-subsidized medical coverage under Section 3.2 is reduced by the time during which the eligible Executive receives medical coverage during the WARN Notice Period.

3.7. General Release Agreement. The General Release Agreement will be furnished to an eligible Executive along with a written explanation regarding the General Release Agreement. It is completely within the eligible Executive's own discretion as to whether he or she elects to sign the applicable General Release Agreement. An eligible Executive is encouraged to review the applicable General Release Agreement with his or her personal attorney at his or her own expense, if he or she so desires.

In order to receive Enhanced Severance Pay, Severance Benefits or Deferred Termination Early Retirement Benefits, an eligible Executive must sign, date and return the General Release Agreement to the Company within 21 days (for an individual termination) or 45 days (for a group termination) after the date he or she receives the General Release Agreement. If an eligible Executive elects to sign the General Release Agreement, he or she then has seven days from the date of such signing to revoke the signed General Release Agreement. Any such revocation must be in writing and must be received by the Company or its designee within the seven-day revocation period. If an eligible Executive elects to revoke his or her signed General Release Agreement, such Executive will not receive any Enhanced Severance Pay, Severance Benefits or Deferred Termination Early Retirement Benefits.

In the event of a group termination, as determined in the sole discretion of the Company, the Company will furnish affected Executives with such additional information as may be required by law.

3.8. Withholding. The Company will withhold from all Severance Payments, Severance Benefits and Deferred Termination Early Retirement Benefits all required federal, state, local and other taxes and any other payroll deductions required.

3.9. Code Section 409A Compliance. For purposes of Code Section 409A, each "payment" (as defined by Code Section 409A) made under the Plan will be considered a "separate payment." Each such payment will be deemed exempt from Code Section 409A to the full extent permissible under the "short-term deferral exemption" under Treasury Regulation Section 1.409A-1(b)(4) and, with respect to amounts paid no later than the second taxable year following the taxable year containing the Executive's Termination Date, the "two years/two times" separation pay exemption under Treasury Regulation Section 1.409A-1(b)(9)(iii), which are hereby incorporated by reference.

4. Administration.

The Company is the "Plan Administrator" of the Plan and the "named fiduciary" within the meaning of such terms as defined in ERISA. The Company has the discretionary authority to determine eligibility for Plan benefits and to construe the terms of the Plan, including the making of factual determinations. Severance Pay, Severance Benefits and Deferred Termination Early Retirement Benefits under the Plan will be payable only if the Company determines in its sole discretion that the Executive is entitled to them. The decisions of the Company will be final and conclusive with respect to all questions concerning the administration of the Plan. The Company may delegate to other persons responsibilities for performing certain of is duties under the Plan and may seek such expert advice as it deems reasonably necessary with respect to the Plan. The Company may rely upon the information and advice furnished by such delegatees and experts, unless actually knowing such information and advice to be inaccurate or unlawful.

5. Amendment or Termination.

Executives do not have any vested rights to Severance Payments, Severance Benefits or Deferred Termination Early Retirement Benefits. The Company reserves the right, in its sole and unlimited discretion, to amend or terminate the Plan at any time by action of the Company's Chief Executive Officer, or his or her designee, without prior notice to any Executive.

6. Claims Procedure.

(a) Any person who believes he or she is entitled to any payment under the Plan ("Applicant") may submit a claim in writing to the Company. Any such claim should be sent to the Health & Welfare Plans Administrative Committee (the "Committee"), c/o Levi Strauss & Co., P.O. Box 7215, San Francisco, CA 94120, Attention: Vice President, Compensation, Benefits & HR Services. If a claim is denied in whole or in part, the Committee will furnish the Applicant within 90 days after receipt of such claim with a written notice, written in a manner calculated to be understood by the Applicant, which includes (i) the specific reason(s) for the denial, (ii) specific references to the Plan provisions on which the denial is based, (iii) a description of any additional material or information necessary for properly completing the claim and an explanation why such material or information is necessary, (iv) a statement that the Applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records or other information relevant to his or her claim, and (v) an explanation of the Plan's appeal procedures. The 90-day period for responding to a claim may be extended by up to an additional 90 days if the Applicant is given a written notice of the extension, including an explanation of the reason for the extension and an estimate of when the claim will be resolved, by the end of the initial 90-day period.

(b) An Applicant may appeal the denial of his or her claim and have the Committee reconsider the decision. The Applicant or the Applicant's authorized representative has the right to: (i) request an appeal by written notice to the Committee at the address identified above no later than 60 days after the receipt of the notice from the Committee denying the Applicant's claim, (ii) upon request and free of charge, review or receive copies of any documents, records or other information relevant to the Applicant's claim, and (iii) submit written comments, documents, records and other information relating to the Applicant's claim in writing to the Committee. In deciding the Applicant's appeal, the Committee will take into account all comments, documents, records and other information submitted by the Applicant relating to the claim, regardless of whether such information was submitted or considered in the initial review of the claim. If the Applicant does not provide all the necessary information for the Committee to process the appeal, the Committee may request additional information and set deadlines for the Applicant to provide that information.

(c) The Committee's decision on review will be in writing, written in a manner calculated to be understood by the Applicant, and will include (i) specific reason(s) for the decision, (ii) specific references to the Plan provisions on which the decision is based, (iii) a statement that the Applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records or other information relevant to his or her claim, and (iv) a statement of the Applicant's right to bring a civil action under ERISA Section 502(a) following a denial of his or her appeal for benefits. The notice will be delivered to the Applicant within 60 days after the request for review is received, unless extraordinary circumstances require a longer period, in which event the 60-day period may be extended by up to an additional 60 days if the Applicant is given a written notice of the extension, including an explanation of the reason for the extension and an estimate of when the appeal will be resolved, by the end of the initial 60-day period.

(d) The provisions of this Section 6 are intended to comply with ERISA Section 503 and the Regulations issued thereunder, and will be so construed. In accordance with such Regulations, each Applicant will be entitled, upon written request and without charge, to review and receive copies of all material relevant to his or her claim within the meaning of Department of Labor Regulation Section 2560.503-1(m)(8), and to be represented by a qualified representative.

(e) In further consideration of being permitted to participate in the Plan, each eligible Executive agrees on behalf of himself or herself, and all other persons claiming through him or her, that he or she will not commence any action at law or equity (including without limitation any action under ERISA Section 502), or any proceeding before any administrative agency, for payment of any benefit under this Plan without first filing a written claim for such benefit and appealing the denial of that claim in accordance with the provisions of this Section 6, and in any event not more than 180 days after the appeal is denied in accordance with paragraph (c) above.

7. Non-Compete.

While employed by the Company and for the longer of (i) the period the Executive receives Enhanced Severance Pay, (ii) the period the Executive receives Deferred Termination Early Retirement Benefits, or (iii) the 12-month period immediately following the Executive's Termination Date, the Executive will not, directly or indirectly for the Executive's own account or account of others, own, manage, operate, control or participate in the ownership, management, operation or control of, or be connected as a principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, partner, advisor, manager, consultant or in any other individual or representative capacity with, any business which engages in any business within any market area served by the Company or any of its affiliates, including VF Corporation, Haggar, Tropical Sportswear International Corporation, CK jeans, Guess, The Limited, Savane International Corporation, Nautica Enterprises, Liz Claiborne, Polo Jeans Company, The Gap and any jeanswear or khakiwear business in any apparel company in the United States (a "Competing Business"). Ownership for personal investment purposes of less than 5% of the voting stock of any publicly held Competing Business will not constitute a violation hereof. Subject to any period limitation imposed by a particular jurisdiction, the Company will enforce this provision in jurisdictions where such a restraint is legally permissible.

8. Non-Solicitation of Employees and Consultants.

While employed by the Company and for the 12-month period immediately following the Executive's Termination Date, the Executive will not directly or indirectly: (i) solicit or induce any employee or consultant of the Company to leave employment with the Company, or (ii) offer employment to any employee employed by the Company or consultant working with the Company as of the Executive's Termination Date. Subject to any period limitation imposed by a particular jurisdiction, the Company will enforce this provision in jurisdictions where such a restraint is legally permissible.

9. Confidential Information.

An eligible Executive may have access to trade secrets, information regarding the Company's operations, product lines, costs, operational processes, strategic planning, financial data, marketing plans, sales forecasts, customers, suppliers, personnel and other confidential and proprietary information (hereinafter "Confidential Information") with regard to the Company's business. Recognizing that the disclosure or improper use of such Confidential Information will cause serious and irreparable injury to the Company, an eligible Executive with such access acknowledges that (i) he or she will not at any time, directly or indirectly, disclose Confidential Information to any third party or otherwise use such Confidential Information for his or her own benefit or the benefit of others, (ii) the payment of Enhanced Severance Pay, Severance Benefits and Deferred Termination Early Retirement Benefits under the Plan will cease if the Executive discloses or improperly uses such Confidential Information, and (iii) the retention of Enhanced Severance Pay, Severance Benefits and Deferred Termination Early Retirement Benefits already received under the Plan is conditioned upon the Executive not disclosing or improperly using such Confidential Information.

10. Cooperation/Non Disparagement.

Each eligible Executive will cooperate with the Company and its legal counsel in connection with any current or future investigation or litigation relating to any matter to which the eligible Executive was involved or of which the Executive has knowledge or which occurred during the Executive's employment. Such assistance will include, but is not limited to, depositions and testimony and will continue until such matters are resolved. In addition, an Executive shall not in any way disparage the Company nor any person associated with the Company to any person, corporation or other entity.

11. Source of Payments.

All Severance Payments, Severance Benefits and Deferred Termination Early Retirement Benefits will be paid in cash from the general funds of the Company; no separate fund will be established under the Plan and the Plan will have no assets. Any right of any person to receive any payment under the Plan will be no greater than the right of any other unsecured creditor of the Company.

12. Inalienability.

In no event may any Executive sell, transfer, anticipate, assign or otherwise dispose of any right or interest under the Plan. At no time will any such right or interest be subject to the claims of creditors nor liable to attachment, execution or other legal process.

13. Recovery of Payments Made by Mistake.

An eligible Executive must return to the Company any Severance Payment, Severance Benefit or Deferred Termination Early Retirement Benefit, or portion thereof, made by a mistake of fact or law. The Company has all remedies available at law for the recovery of such amounts.

14. No Enlargement of Employment Rights.

Neither the establishment or maintenance of the Plan, the payment of any amount by the Company nor any action of the Company will confer upon any individual any right to be continued as an Employee nor any right or interest in the Plan other than as provided in the Plan. Other than an Employee who has a written agreement to the contrary signed by the President, Chief Executive Officer or a Senior Vice President of the Company, every Employee is an employee-at-will whose employment with the Company may be terminated by the Company or the Employee at any time with or without cause and with no notice.

15. Applicable Law.

The provisions of the Plan will be construed, administered and enforced in accordance with ERISA and, to the extent applicable, the laws of the State in which the Executive resides on his or her Termination Date.

16. Severability.

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provision of the Plan, and the Plan will be construed and enforced as if such provision had not been included.

17. Execution.

IN WITNESS WHEREOF, Levi Strauss & Co., by its duly authorized officer, has executed the Plan on the date indicated below.

LEVI STRAUSS & CO.

/s/ Cathy Unruh
Cathy Unruh
Senior Vice President
Global Human Resources

Dated: 10/3/2011

APPENDIX A

For purposes of this Plan, the following positions are designated as Worldwide Leadership Team members (WLT), assuming the Employee in the position is also a U.S. Home Office Payroll Employee at the time of termination:

President & Chief Executive Officer
Executive Vice President & President, Global Levi's®
Executive Vice President & President, Global Dockers®
Executive Vice President & President, Global Denizen™
Executive Vice President & Chief Financial Officer
Senior Vice President & Chief Supply Chain Officer
Senior Vice President & General Counsel
Senior Vice President, Worldwide Human Resources
Senior Vice President & Chief Strategy Officer
Senior Vice President & Chief Information Officer
Senior Vice President, Corporate Affairs

This list is subject to change and may be revised at any time.

Exhibit 10.8

2011 Plan Year

LEVI STRAUSS & CO.
ANNUAL INCENTIVE PLAN

—CONFIDENTIAL—

TABLE OF CONTENTS

ANNUAL INCENTIVE PLAN (AIP)

1. Introduction

This is the official document for the Levi Strauss & Co. Annual Incentive Plan (the "Plan"), which contains the exclusive and complete description of the Plan terms. For more specific information on how the Plan works, please refer to the Plan Administrative Guidelines. In the event of any inconsistency between the Plan document and the Plan Administrative Guidelines, the Plan document will control. The Company and the Committee reserve the right to amend the Plan from time to time or to terminate the Plan at any time and for any reason.

The Plan rewards individual achievement of results toward objectives established by Levi Strauss & Co. (the "Company") for the 2011 fiscal year beginning November 29, 2010 and ending November 27, 2011 (the "Plan Year"). The amount of the incentive pay earned depends on the financial performance of the Company and the performance of the individual Participant.

2. Purpose of the Plan

The purpose of the Plan is to:

- align Eligible Employees' and shareholders' interests;
- recognize and reward Eligible Employees who make substantial contributions to the Company;
- provide managers with the ability to recognize and reward key contributors and reinforce the Performance Management Development Program;
- tie the incentive opportunity to external competitive practices, and internally to the Company's total compensation objectives; and
- encourage continuation of excellent service.

3. Defined Terms

A. Active Employment means the Eligible Employee is on the active payroll of the Company and has not experienced a voluntary or involuntary termination of employment with the Company, including discharge for any reason, resignation, layoff, death, Retirement or Long-Term Disability.

B. Allocation Percentage means the percentage used to determine an Individual Incentive Allocation. An Allocation Percentage is chosen from a range of percentages based on final year-end Business Unit or Staff Group performance, as applicable, and the Participant's individual performance rating.

C. Base Salary means the Participant's base annual wage rate in effect on August 31 of the Plan Year, excluding bonuses, overtime, shift differential or any other additional pay items.

D. Beneficiary means the Participant's (i) surviving spouse; (ii) living descendents per stirpes; or (iii) duly appointed and qualified executor or personal representative or estate.

E. Board means the Board of Directors of the Company.

F. Business Unit means a category relative to a Participant's position within the Company used to measure the Participant's performance that has a direct impact on EBIT, Working Capital and Net Revenue, such as Levi's®, Dockers® or Denizen™.

G. Cause means a finding by the Plan Administrator that the Participant has:

1. committed any willful, intentional or grossly negligent act materially injuring the interest, business or reputation of the Company;

2. engaged in any willful misconduct, including insubordination, in respect of his or her duties or obligations to the Company;

3. violated or failed to comply in any material respect with the Company's published rules, regulations or policies, as in effect from time to time;

4. committed a felony or misdemeanor involving moral turpitude, fraud, theft or dishonesty (including entry of a nolo contendere plea resulting in conviction of a felony or misdemeanor involving moral turpitude, fraud, theft or dishonesty);

5. misappropriated or embezzled any property of the Company (whether or not a misdemeanor or felony);

6. failed, neglected or refused to perform the employment duties related to his or her position as from time to time assigned to him or her (including, without limitation, the Participant's inability to perform such duties as a result of alcohol or drug abuse, chronic alcoholism or drug addiction); or

7. breached any applicable employment agreement.

"Willful" means an act or omission in bad faith and without reasonable belief that such act or omission was in, or not opposed to, the best interests of the Company.

H. Committee means the Human Resources Committee of the Board.

I. Company means Levi Strauss & Co. and its participating Subsidiaries.

J. EBIT means earnings before interest, and taxes, as determined under the Company's audited financial statements.

K. EBIT Percentage means actual EBIT for the Plan Year divided by Target EBIT.

L. Eligible Employee means each individual who meets the eligibility requirements under Section 5. The term "Eligible Employee" excludes anyone who is classified as an independent contractor or consultant, and anyone who provides services to the Company pursuant to a contract between the Company and a third party organization.

M. Funding Amount means an amount generated to pay incentives based on the Participant's Target Amount and the performance of the Funding Source against Target EBIT, Target Net Revenue and Target Working Capital. The Funding Amount is calculated by multiplying a Participant's Target Amount by the final year-end Business Unit or Staff Group Funding Percentage, as applicable, to determine the Incentive Pool.

N. Funding Percentage means the percentage used to determine the final Incentive Pool for a Business Unit or Staff Group, as applicable. The Funding Percentage is calculated under Section 6.B or 6.C.

O. Funding Source means the organizational unit(s) used to set and measure financial objectives for purposes of determining the size of the final Incentive Pools. For example, the Funding Source may be the Company or a designated Business Unit.

P. Incentive Pool means the sum of the Funding Amounts for all Participants within the Funding Source, determined after the close of the Plan Year. Incentive Pools are established separately for the Company and for each Business Unit and Staff Group, as applicable.

Q. Individual Incentive Allocation means the award made under the Plan to a Participant.

R. Long-Term Disability means the Eligible Employee is disabled within the meaning of, and eligible for benefits under, a long-term disability program or equivalent program maintained by the Company or a Subsidiary employing the Eligible Employee.

S. Net Revenue means gross sales after returns and allowances, plus licensing revenue.

T. Net Revenue Percentage means actual Net Revenue for the Plan Year divided by Target Net Revenue.

U. Participant means an Eligible Employee who meets the participation requirements under Section 5.

V. Participation Rate means the percentage used to determine a Participant's Target Amount. A Participation Rate is based on the Participant's job level and is expressed as a percent of Base Salary. Participation Rates may vary depending on the Participant's location and/or job title.

W. Performance Management Development Program means the program in which performance objectives are set and measured for individual employees.

X. Plan means the Levi Strauss & Co. Annual Incentive Plan, as set forth herein and as amended from time to time.

Y. Plan Administrator means the Committee.

Z. Plan Year means the Company's 2011 fiscal year beginning November 29, 2010 and ending November 27, 2011.

AA. Retirement means a voluntary termination of employment by an Eligible Employee who meets the age and service requirements as defined and determined under the Company retirement plan applicable to the Eligible Employee.

BB. Staff Group means a category relative to a Participant's position within the Company used to measure the performance of a Participant that is in a business support capacity, such as Information Technology, Human Resources, Finance or Legal.

CC. Subsidiary means any corporation of which more than 50% of the outstanding shares having ordinary voting power are owned or controlled by the Company, and any other entity that the Board, in its sole discretion, deems to be a Subsidiary.

DD. Target Amount means the Participant's Base Salary multiplied by his or her Participation Rate. The Base Salary and Participation Rate (which is a set percentage based on the Participant's job level) are determined as of August 31 of the Plan Year. Target Amounts are calculated in local currency. See Section 5 for special rules regarding changes in status that may affect the Target Amount.

EE. Target EBIT means an EBIT amount designated by the Company.

FF. Target Net Revenue means a Net Revenue amount designated by the Company.

GG. Target Working Capital means a Working Capital amount designated by the Company.

HH. Working Capital means current assets minus current liabilities, and is used to measure the average number of days to convert working capital into cash over the year.

II. Working Capital Percentage means actual Working Capital for the Plan Year divided by Target Working Capital.

4. Effective Date and Termination Date

The Plan is effective with respect to the 2011 Plan Year only.

5. Eligibility and Participation

The Plan covers each employee of the Company who (i) is in Active Employment during the Plan Year; (ii) is classified by the Company in the Executive, Leader, Management, Professional or Contributor bands; (iii) is on the payroll of the Company on or before August 31 of the Plan Year; and (iv) remains in Active Employment through the payout date, except as provided below. In addition, Eligible Employees must meet individual performance expectations as determined by the head of the Eligible Employee's work group under the Performance Management Development Program.

The following paragraphs address changes in status that occur after the first day of the Plan Year. The following paragraphs are specific to Participants in the United States. Proration rules may vary outside of the United States, based on regional policies and/or legal requirements.

A. New Hires and Rehires. If an individual becomes an Eligible Employee after the beginning of the Plan Year, but on or before August 31 of the Plan Year, the Target Amount will be prorated for the length of time he or she worked as an Eligible Employee. Rehired individuals are not entitled to receive credit for prior periods of employment, unless the Eligible Employee was involuntarily terminated by the Company without Cause and rehired in the same Plan Year.

B. Promotions. If an individual becomes an Eligible Employee after the beginning of the Plan Year, but on or before August 31 of the Plan Year, due to promotion, the Target Amount will be determined based on the Eligible Employee's Base Salary and Participation Rate determined as of August 31 of the Plan Year without proration.

C. Demotions. If an individual ceases to be an Eligible Employee before the end of the Plan Year, other than due to termination of employment, the Target Amount will be prorated for the length of time he or she worked as an Eligible Employee.

D. Funding Source Changes. If an Eligible Employee moves from one Funding Source to another Funding Source during the Plan Year, the Funding Source for the 2011 Plan Year will be based on the Business Unit or Staff Group the Eligible Employee is employed in on August 31 of the Plan Year without proration.

E. Terminations. If a Participant Retires, is terminated without Cause, dies or goes on Long-Term Disability before the end of the Plan Year, the Participant's Target Amount will be prorated for the length of time he or she was an Eligible Employee during the Plan Year. As one of the objectives of the Plan is to encourage continuity of service, in all other cases of termination before the payment date (including voluntary resignation or termination for Cause), a Participant will have no right to any Individual Incentive Allocation.

F. Leaves of Absence. Eligible Employees who are on an approved leave of absence during the Plan Year will have their Target Amount prorated to the whole day to exclude any leave of absence in the Plan Year where the Eligible Employee is on unpaid status, meaning the individual is not receiving regular pay or is under the Time Off With Pay Program ("TOPP"). If an Eligible Employee is using TOPP while on a leave of absence, TOPP must be taken in full day increments except when being used to supplement other forms of leave related income (i.e. short-term disability, state disability insurance, etc.). This includes leaves for FMLA, Workers' Compensation, short-term disability, personal leave and military leave. When there are two or more discontinuous leaves in the same Plan Year, the periods of unpaid leave are summed for purposes of calculating the prorated Target Amount.

6. Plan Funding

With respect to a Participant who is in a Business Unit, the Plan will be funded (or not) based on: (i) the financial performance of the Participant's Business Unit and the next higher organizational level at the Company (i.e., the Funding Sources for the Participant); and (ii) the Participant's Target Amount. If the growth for these Funding Sources meets or exceeds certain target levels, the Funding Sources will allocate funds to create an Incentive Pool to make payments to Participants in the applicable Business Units. The actual amount of funding for each Funding Source under the Plan is based on the formula described below.

A. **Funding Amount**. The **Funding Amount** is determined by the following equation:

Funding Amount *= Business Unit/Staff Group Funding Percentage x Target Amount*

This formula is applied to each Participant in the Funding Source to arrive at the Funding Amount. The total for all Participants in the Funding Source constitutes the final Funding Amount for the Funding Source.

B. Business Unit/Staff Group Funding Percentage. The following steps are used to determine the Funding Percentage for a Participant who is in a Business Unit or Staff Group:

1. Calculate the EBIT Percentage for the Participant's primary Funding Source. Calculate the EBIT Percentage for the next higher Company organizational level for that Participant.[1] If the Participant's primary Funding Source is the Company, use only the EBIT Percentage for the Company.

2. Using the EBIT Percentages**,** determine each of the corresponding EBIT Funding Percentages for the primary Funding Source and the next higher Company organizational level, respectively. Funding for the achievement of the EBIT Target for the 2011 Plan Year is set at 100%.

3. Calculate the Working Capital Percentage for the Participant's primary Funding Source. Calculate the Working Capital Percentage for the next higher Company organizational level. If the Participant's primary Funding Source is the Company, use only the Working Capital Percentage for the Company.

4. Using the Working Capital Percentages, determine each of the corresponding Working Capital Modifiers for the primary Funding Source and the next higher Company organizational level, respectively.

5. Multiply each of the EBIT Funding Percentages by the corresponding Working Capital Modifiers. Each result will be capped at 175%.

---

[1] For example, the applicable Business Unit may be Global Levi's®, with the next higher organizational unit being the Company.

6. Calculate the Net Revenue Percentage for the Participant's primary Funding Source. Calculate the Net Revenue Percentage for the next higher Company organizational level for that Participant. If the Participant's primary Funding Source is the Company, use only the Net Revenue Percentage for the Company.

7. Using the calculated Net Revenue Percentages, if any, determine the corresponding Net Revenue Funding Percentages for the Participant's primary Funding Source and the next higher Company organizational level, respectively. Funding for the achievement of the Net Revenue Target for the 2011 Plan Year is set at 100%. In order for Net Revenue funding to exceed 100%, EBIT Percentages must be achieved at 100% of Target or higher.

8. Add the Net Revenue Funding Percentages, if any, determined under paragraph 7 to the respective percentages calculated under paragraph 5. For purposes of this calculation, the product of the EBIT Funding Percentages and the Working Capital Modifiers is weighed 70% and the Net Revenue Funding Percentage is weighed 30%.

9. Determine the final Funding Percentage by adding together the weighted average of the Funding Percentage for the Funding Source and the Funding Percentage for the next higher Company organizational level. The weighting is typically 70% for the Participant's Funding Source and 30% for the next higher Company organizational level. Funding mix may vary among Regions. This paragraph does not apply if a Participant's Funding Source is the Company only.

C. Incentive Pool. The Incentive Pool for each Business Unit and Staff Group within a Funding Source, as applicable, is determined after the end of the Plan Year. A Business Unit's Incentive Pool is the sum of the Funding Amounts for each Participant within the Business Unit. A Staff Group's Incentive Pool is the sum of the Funding Amounts for each Participant within the Staff Group. After the Incentive Pools have been determined, members of the Worldwide Leadership Team ("WLT") may redistribute funds from one Incentive Pool to another within their respective organizations. The Chief Executive Officer recommends the final Incentive Pool after the end of the Plan Year for Committee approval.

7. Participant Incentive Allocations

A. Performance Management Development Program. Individual Incentive Allocations are determined by the head of the Participant's work group, based on individual performance. If a Participant meets or exceeds certain performance expectations (as determined in the Performance Management Development Program), then he or she will be eligible to receive an Individual Incentive Allocation.

If a Participant does not meet performance expectations (as determined in the Performance Management Development Program), no Individual Incentive Allocation is issued to that Participant. Any money budgeted for a Participant who does not meet performance expectations remains in the Business Unit's or Staff Group's Incentive Pool, as applicable, making it available for other Participants in such Business Unit or Staff Group, as applicable.

B. Individual Allocations. Individual Incentive Allocations are made to a Participant based on annual results as measured against: (i) the Participant's annual objectives, established at the beginning of the Plan Year; and (ii) contributions relative to others. Individual Incentive Allocations are reviewed and approved by the Participant's manager and a WLT member. The Incentive Pool is the limit for incentive awards within a Business Unit or Staff Group, as applicable. The Individual Incentive Allocation for each Participant is equal to:

Target Amount x Allocation Percentage

Each Participant's contributions and performance is measured against the goals and objectives set for him or her for that Plan Year. Based on the evaluation, the Participant is assigned a performance rating. The Participant's performance rating combined with the overall performance of his or her Business Unit or Staff Group, as applicable, establishes the guidelines for the range of his or her Allocation Percentage. Finally, the Participant's Allocation Percentage is approved by the Participant's manager and a WLT member, subject to Incentive Pool limitations.

C. Timing. Incentive payments are made as soon as administratively practicable after the close of the Plan Year, but no later than the end of the following Plan Year. If a Participant dies after the close of the Plan Year and has earned an Individual Incentive Allocation, such amount will be distributed to his or her Beneficiary.

8. No Tax, Financial, Legal or Other Advice

The Company or any Subsidiary has not provided, and will not provide, any tax, financial, legal or other advice related to participation in the Plan, including, but not limited to, tax or financial consequences of participating in the Plan. No provision of the Plan, or any document or presentation about the Plan given to Eligible Employees, will be interpreted as reflecting such advice.

9. Payments and Tax Withholding

The Company will deduct from all payments any and all applicable taxes (e.g., federal, state, local or other taxes of any kind) required by law to be withheld with respect to such payment.

10. Employment Rights

Neither this document nor the existence of the Plan is intended to, nor do they imply, any promise of continued employment by the Company. Employment may be terminated with or without Cause, and with or without notice, at any time, for any reason, at the option of the Company or the employee. No one other than the Board, Chief Executive Officer, President or a Senior Vice President of the Company may approve any agreement with an employee that guarantees his or her employment. Such an agreement must be in writing and signed by such an authorized individual.

A Participant who voluntarily resigns or who has been involuntarily discharged by the Company for Cause loses all of his or her interest, including any right, under the Plan, and is not entitled to receive any payment under the Plan.

11. Other Benefits

No creation of interests or payment of cash under the Plan will be taken into account in determining any benefits under any compensation, pension, retirement, savings, profit sharing, group insurance, welfare or other employee benefit plan of the Company or any Subsidiary. However, an Eligible Employee may be eligible to elect to defer incentive payments under the terms of the Levi Strauss & Co. Deferred Compensation Plan for Executives. Please refer to the terms of such plan for information regarding possible deferral elections.

12. Unfunded Status

The Plan is unfunded. An Eligible Employee's right to receive an Individual Incentive Allocation under the Plan is an unsecured claim against the general assets of the Company, or Subsidiary, as applicable. Although the Company or a Subsidiary may establish a bookkeeping reserve to meet its obligations, any rights acquired by any Eligible Employee are no greater than the right of any unsecured general creditor of the Company or any Subsidiary.

The Company or any Subsidiary is not required to segregate any assets for incentive payments, and neither the Company, nor any Subsidiary, the Board, the Committee nor the Plan Administrator is deemed to be a trustee as to any incentive payment under the Plan. Any liability of the Company or Subsidiary to any Eligible Employee under the Plan is based solely upon any contractual obligations that may be created by the Plan. No provision of the Plan, under any circumstances, gives any Eligible Employee or other person any interest in any particular property or assets of the Company or its Subsidiaries. No incentive payment is deemed to be secured by any pledge of, or other encumbrance or security interest in, any property of the Company, or any Subsidiary. Neither the Company, nor any Subsidiary, the Board, the Committee, nor the Plan Administrator is required to give any security or bond for the performance of any obligation that may be created under the Plan.

13. No Limit on Capital Structure Changes

The establishment and operation of the Plan will not limit the ability of the Company or of any Subsidiary to reclassify, recapitalize or otherwise change its capital or debt structure; to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize; to pay dividends or make other distributions to stockholders; to repurchase stock or to issue stock; or to take any action in respect of its manufacturing, marketing, distribution, merchandising, operations, management or any other aspect of its business.

Notwithstanding the above, the Committee may, in its discretion, adjust the manner in which the performance measures are calculated at any time or from time to time to take into account changes in the Company's business that the Committee believes affect the relationship between the Company's performance and such value.

14. Plan Administration

The Plan is administered by the Committee. The Committee may delegate its authority as Plan Administrator to such other person or persons as the Committee designates from time to time. In administering the Plan, the Committee may, in its discretion, employ compensation consultants, accountants and counsel and other persons to assist or render advice and other services, all at the expense of the Company.

The Committee has the power, in its sole discretion, to interpret the Plan and to adopt rules and procedures it deems appropriate for the administration and implementation of the Plan. The Committee's determinations and interpretations will be conclusive and binding on all individuals. Responsibilities include (but are not limited to) the following:

- design and interpret the Plan (including ambiguous terms);
- approve Participation Rates;
- approve financial performance measures;
- approve Funding Sources and weights;
- approve Company financial objectives;
- approve final Incentive Pool; and
- approve other terms and conditions that may be recommended by the Chairman of the Board or the Chief Executive Officer.

The Committee may delegate its day-to-day administrative responsibilities to Company employees and may delegate to Company management the authority to approve amendments to the Plan.

15. Claims Procedures

A Participant or Beneficiary will have the right to file a claim, inquire if he or she has any right to benefits and amounts thereof or appeal the denial of a claim.

A. A claim will be considered as having been filed when a written communication is made by the Participant, Beneficiary or his or her authorized representative (the "claimant") to the attention of the Plan Administrator. The Plan Administrator will notify the claimant in writing within 90 days after receipt of the claim if the claim is wholly or partially denied. If an extension of time beyond the initial 90-day period for processing the claim is required, written notice of the extension will be provided to the claimant before the expiration of the initial 90-day period. In no event will the period, as extended, exceed 180 days. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render a final decision.

B. Notice of a wholly or partially denied claim for benefits will be made in writing in a manner calculated to be understood by the claimant and will include:

1. the reason or reasons for denial;

2. specific reference to the Plan provisions on which the denial is based;

3. a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

4. an explanation of the Plan's claim appeal procedure.

C. If a claim is wholly or partially denied, the claimant may file an appeal requesting the Plan Administrator to conduct a full and fair review of his or her claim. For purposes of this review, the Plan Administrator may appoint an individual or committee (other than the individual or committee that heard the initial claim) to act on its behalf. An appeal must be made in writing no more than 60 days after the claimant receives written notice of the denial. The claimant may review any documents that apply to the case and may also submit points of disagreement and other comments in writing along with the appeal. The decision of the Plan Administrator regarding the appeal will be given to the claimant in writing no later than 60 days following receipt of the appeal. However, if the Plan Administrator, in its sole discretion, grants a hearing, or there are special circumstances involved, the decision will be given no later than 120 days after receiving the appeal. If such an extension of time for review is required, written notice of the extension will be furnished to the claimant before the commencement of the extension. The decision will be written in a manner calculated to be understood by the claimant and will include specific reasons for the decision, as well as specific references to the pertinent Plan provisions on which the decision is based.

D. Notwithstanding any provision in the Plan to the contrary, no employee, Eligible Employee, Participant, Beneficiary or other person may bring any legal or administrative claim or cause of action against the Plan, the Plan Administrator or the Company in court or any other venue until such person has exhausted the administrative remedies under this Section 15.

E. If the Plan Administrator is in doubt concerning the entitlement of any person to any payment claimed under the Plan, the Plan Administrator may instruct the Company to suspend payment until satisfied as to the person's entitlement to the payment. Notwithstanding the foregoing, no person may bring a claim for Plan benefits to arbitration, court or through any other legal action or process until the administrative claims process of this Section 15 has been exhausted.

16. Amendment, Modification or Termination of Plan

The Committee may modify, amend or terminate any and all provisions of the Plan at any time and for any reason during its existence, and establish rules and procedures for its administration, at its discretion and without notice.

17. Severability

If any provision of the Plan is held to be illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision were not part of the Plan.

18. No Waiver

Failure of the Company to enforce at any time any provision of the Plan will in no way be construed to be a waiver of such provision or any other provision of the Plan.

19. Incorrect Payment of Benefits

If the Plan Administrator determines in its sole discretion that the Plan made any overpayment of the amount of any benefits due any payee under the Plan, the Plan Administrator may require the payee to return the excess to the Plan or take any other action deemed reasonable by the Plan Administrator.

20. Governing Law

The Plan and all incentive payouts hereunder will be governed by the laws of the State of California. In applying the laws of the State of California, its rules on choice of law will be disregarded.

21. All Provisions

This official Plan document represents the exclusive and complete statement of the terms of the Plan, and supersedes any and all prior or contemporaneous understandings, representations, documents and communications between the Company or any Subsidiary and any Eligible Employee, whether oral or written, relating to its subject matters. In the event of any conflict between the provisions of this official Plan document, as amended from time to time, and any other document or presentation describing or otherwise relating to the Plan, this official document will control.

22. Adoption

To record the restatement of the Plan, the Company has caused its duly authorized officer to execute this document on the date indicated herein.

Levi Strauss & Co.

By: **/s/ Cathy Unruh**
Cathy Unruh
SVP, Worldwide HR

Date: 6/28/11

LEVI STRAUSS & CO.
ANNUAL INCENTIVE PLAN

—CONFIDENTIAL—

TABLE OF CONTENTS

1. Introduction

This is the official document for the Levi Strauss & Co. Annual Incentive Plan (the "Plan"), which contains the exclusive and complete description of the Plan terms. For more specific information on how the Plan works, please refer to the Plan Administrative Guidelines. In the event of any inconsistency between the Plan document and the Plan Administrative Guidelines, the Plan document will control. Levi Strauss & Co. (the "Company") and the Committee reserve the right to amend the Plan from time to time or to terminate the Plan at any time and for any reason.

The Plan rewards individual achievement of results toward objectives established by the Company for the 2012 fiscal year beginning November 28, 2011 and ending November 25, 2012 (the "Plan Year"). The amount of the incentive pay earned depends on the financial performance of the Company and the performance of the individual Participant.

2. Purpose of the Plan

The purpose of the Plan is to:

- align Eligible Employees' and shareholders' interests;
- recognize and reward Eligible Employees who make substantial contributions to the Company;
- provide managers with the ability to recognize and reward key contributors and reinforce the Performance Management Development Program;
- tie the incentive opportunity to external competitive practices, and internally to the Company's total compensation objectives; and
- encourage continuation of excellent service.

3. Defined Terms

A. Active Employment means the Eligible Employee is on the active payroll of the Company and has not experienced a voluntary or involuntary termination of employment with the Company, including discharge for any reason, resignation, layoff, death, Retirement or Long-Term Disability.

B. Allocation Percentage means the percentage used to determine an Individual Incentive Allocation. An Allocation Percentage is chosen from a range of percentages based on final year-end Business Unit or Staff Group performance, as applicable, and the Participant's individual performance rating.

C. Base Salary means the Participant's base annual wage rate in effect on August 31 of the Plan Year, excluding bonuses, overtime, shift differential or any other additional pay items.

D. Beneficiary means the Participant's (i) surviving spouse; (ii) living descendents per stirpes; or (iii) duly appointed and qualified executor or personal representative or estate.

E. Board means the Board of Directors of the Company.

F. Business Unit means a category relative to a Participant's position within the Company used to measure the Participant's performance that has a direct impact on EBIT, Working Capital and Net Revenue, such as Levi's®, Dockers® or Denizen™.

G. Cause means a finding by the Plan Administrator that the Participant has:

1. committed any willful, intentional or grossly negligent act materially injuring the interest, business or reputation of the Company;

2. engaged in any willful misconduct, including insubordination, in respect of his or her duties or obligations to the Company;

3. violated or failed to comply in any material respect with the Company's published rules, regulations or policies, as in effect from time to time;

4. committed a felony or misdemeanor involving moral turpitude, fraud, theft or dishonesty (including entry of a nolo contendere plea resulting in conviction of a felony or misdemeanor involving moral turpitude, fraud, theft or dishonesty);

5. misappropriated or embezzled any property of the Company (whether or not a misdemeanor or felony);

6. failed, neglected or refused to perform the employment duties related to his or her position as from time to time assigned to him or her (including, without limitation, the Participant's inability to perform such duties as a result of alcohol or drug abuse, chronic alcoholism or drug addiction); or

7. breached any applicable employment agreement.

"Willful" means an act or omission in bad faith and without reasonable belief that such act or omission was in, or not opposed to, the best interests of the Company.

H. Committee means the Human Resources Committee of the Board.

I. Company means Levi Strauss & Co. and its participating Subsidiaries.

J. EBIT means earnings before interest, and taxes, as determined under the Company's audited financial statements.

K. EBIT Percentage means actual EBIT for the Plan Year divided by Target EBIT.

L. Eligible Employee means each individual who meets the eligibility requirements under Section 5. The term "Eligible Employee" excludes anyone who is classified as an independent contractor or consultant, and anyone who provides services to the Company pursuant to a contract between the Company and a third party organization.

M. Funding Amount means an amount generated to pay incentives based on the Participant's Target Amount and the performance of the Funding Source against Target EBIT, Target Net Revenue and Target Working Capital. The Funding Amount is calculated by multiplying a Participant's Target Amount by the final year-end Business Unit or Staff Group Funding Percentage, as applicable, to determine the Incentive Pool.

N. Funding Percentage means the percentage used to determine the final Incentive Pool for a Business Unit or Staff Group, as applicable. The Funding Percentage is calculated under Section 6.B or 6.C.

O. Funding Source means the organizational unit(s) used to set and measure financial objectives for purposes of determining the size of the final Incentive Pools. For example, the Funding Source may be the Company or a designated Business Unit.

P. Incentive Pool means the sum of the Funding Amounts for all Participants within the Funding Source, determined after the close of the Plan Year. Incentive Pools are established separately for the Company and for each Business Unit and Staff Group, as applicable.

Q. Individual Incentive Allocation means the award made under the Plan to a Participant.

R. Long-Term Disability means the Eligible Employee is disabled within the meaning of, and eligible for benefits under, a long-term disability program or equivalent program maintained by the Company or a Subsidiary employing the Eligible Employee.

S. Net Revenue means gross sales after returns and allowances, plus licensing revenue.

T. Net Revenue Percentage means actual Net Revenue for the Plan Year divided by Target Net Revenue.

U. Participant means an Eligible Employee who meets the participation requirements under Section 5.

V. Participation Rate means the percentage used to determine a Participant's Target Amount. A Participation Rate is based on the Participant's job level and is expressed as a percent of Base Salary. Participation Rates may vary depending on the Participant's location and/or job title.

W. Performance Management Development Program means the program in which performance objectives are set and measured for individual employees.

X. Plan means the Levi Strauss & Co. Annual Incentive Plan, as set forth herein and as amended from time to time.

Y. Plan Administrator means the Committee.

Z. Plan Year means the Company's 2012 fiscal year beginning November 28, 2011 and ending November 25, 2012.

AA. Retirement means a voluntary termination of employment by an Eligible Employee who meets the age and service requirements as defined and determined under the Company retirement plan applicable to the Eligible Employee.

BB. Staff Group means a category relative to a Participant's position within the Company used to measure the performance of a Participant that is in a business support capacity, such as Information Technology, Human Resources, Finance or Legal.

CC. Subsidiary means any corporation of which more than 50% of the outstanding shares having ordinary voting power are owned or controlled by the Company, and any other entity that the Board, in its sole discretion, deems to be a Subsidiary.

DD. Target Amount means the Participant's Base Salary multiplied by his or her Participation Rate. The Base Salary and Participation Rate (which is a set percentage based on the Participant's job level) are determined as of August 31 of the Plan Year. Target Amounts are calculated in local currency. See Section 5 for special rules regarding changes in status that may affect the Target Amount.

EE. Target EBIT means an EBIT amount designated by the Company.

FF. Target Net Revenue means a Net Revenue amount designated by the Company.

GG. Target Working Capital means a Working Capital amount designated by the Company.

HH. Working Capital means current assets minus current liabilities, and is used to measure the average number of days to convert working capital into cash over the year.

II. Working Capital Percentage means actual Working Capital for the Plan Year divided by Target Working Capital.

4. Effective Date and Termination Date

The Plan is effective with respect to the 2012 Plan Year only.

5. Eligibility and Participation

The Plan covers each employee of the Company who (i) is in Active Employment during the Plan Year; (ii) is classified by the Company in the Executive, Leader, Management, Professional or Contributor bands; (iii) is on the payroll of the Company on or before August 31 of the Plan Year; and (iv) remains in Active Employment through the payout date, except as provided below. In addition, Eligible Employees must meet individual performance expectations as determined by the head of the Eligible Employee's work group under the Performance Management Development Program.

The following paragraphs address changes in status that occur after the first day of the Plan Year. The following paragraphs are specific to Participants in the United States. Proration rules may vary outside of the United States, based on regional policies and/or legal requirements.

A. New Hires and Rehires. If an individual becomes an Eligible Employee after the beginning of the Plan Year, but on or before August 31 of the Plan Year, the Target Amount will be prorated for the length of time he or she worked as an Eligible Employee. Rehired individuals are not entitled to receive credit for prior periods of employment, unless the Eligible Employee was involuntarily terminated by the Company without Cause and rehired in the same Plan Year.

B. Promotions. If an individual becomes an Eligible Employee after the beginning of the Plan Year, but on or before August 31 of the Plan Year, due to promotion, the Target Amount will be determined based on the Eligible Employee's Base Salary and Participation Rate determined as of August 31 of the Plan Year without proration.

C. Demotions. If an individual ceases to be an Eligible Employee before the end of the Plan Year, other than due to termination of employment, the Target Amount will be prorated for the length of time he or she worked as an Eligible Employee.

D. Funding Source Changes. If an Eligible Employee moves from one Funding Source to another Funding Source during the Plan Year, the Funding Source for the 2012 Plan Year will be based on the Business Unit or Staff Group the Eligible Employee is employed in on August 31 of the Plan Year without proration.

E. Terminations. If a Participant Retires, is terminated without Cause, dies or goes on Long-Term Disability before the end of the Plan Year, the Participant's Target Amount will be prorated for the length of time he or she was an Eligible Employee during the Plan Year. As one of the objectives of the Plan is to encourage continuity of service, in all other cases of termination before the payment date (including voluntary resignation or termination for Cause), a Participant will have no right to any Individual Incentive Allocation.

F. Leaves of Absence. Eligible Employees who are on an approved leave of absence during the Plan Year will have their Target Amount prorated to the whole day to exclude any leave of absence in the Plan Year where the Eligible Employee is on unpaid status, meaning the individual is not receiving regular pay or is under the Time Off With Pay Program ("TOPP"). If an Eligible Employee is using TOPP while on a leave of absence, TOPP must be taken in full day increments except when being used to supplement other forms of leave related income (i.e. short-term disability, state disability insurance, etc.). This includes leaves for FMLA, Workers' Compensation, short-term disability, personal leave and military leave. When there are two or more discontinuous leaves in the same Plan Year, the periods of unpaid leave are summed for purposes of calculating the prorated Target Amount.

6. Plan Funding

With respect to a Participant who is in a Business Unit, the Plan will be funded (or not) based on: (i) the financial performance of the Participant's Business Unit and the next higher organizational level at the Company (i.e., the Funding Sources for the Participant); and (ii) the Participant's Target Amount. If the growth for these Funding Sources meets or exceeds certain target levels, the Funding Sources will allocate funds to create an Incentive Pool to make payments to Participants in the applicable Business Units. The actual amount of funding for each Funding Source under the Plan is based on the formula described below.

A. **Funding Amount**. The **Funding Amount** is determined by the following equation:

Funding Amount *= Business Unit/Staff Group Funding Percentage x Target Amount*

This formula is applied to each Participant in the Funding Source to arrive at the Funding Amount. The total for all Participants in the Funding Source constitutes the final Funding Amount for the Funding Source.

B. Business Unit/Staff Group Funding Percentage. The following steps are used to determine the Funding Percentage for a Participant who is in a Business Unit or Staff Group:

1. Calculate the EBIT Percentage for the Participant's primary Funding Source. Calculate the EBIT Percentage for the next higher Company organizational level for that Participant.[1] If the Participant's primary Funding Source is the Company, use only the EBIT Percentage for the Company.

2. Using the EBIT Percentages**,** determine each of the corresponding EBIT Funding Percentages for the primary Funding Source and the next higher Company organizational level, respectively. Funding for the achievement of the EBIT Target for the 2012 Plan Year is set at 100%.

3. Calculate the Working Capital Percentage for the Participant's primary Funding Source. Calculate the Working Capital Percentage for the next higher Company organizational level. If the Participant's primary Funding Source is the Company, use only the Working Capital Percentage for the Company.

4. Using the Working Capital Percentages, determine each of the corresponding Working Capital Modifiers for the primary Funding Source and the next higher Company organizational level, respectively.

5. Multiply each of the EBIT Funding Percentages by the corresponding Working Capital Modifiers. Each result will be capped at 175%.

[1] For example, the applicable Business Unit may be Global Levi's®, with the next higher organizational unit being the Company.

6. Calculate the Net Revenue Percentage for the Participant's primary Funding Source. Calculate the Net Revenue Percentage for the next higher Company organizational level for that Participant. If the Participant's primary Funding Source is the Company, use only the Net Revenue Percentage for the Company.

7. Using the calculated Net Revenue Percentages, if any, determine the corresponding Net Revenue Funding Percentages for the Participant's primary Funding Source and the next higher Company organizational level, respectively. Funding for the achievement of the Net Revenue Target for the 2012 Plan Year is set at 100%. In order for Net Revenue funding to exceed 100%, EBIT Percentages must be achieved at 100% of Target or higher.

8. Add the Net Revenue Funding Percentages, if any, determined under paragraph 7 to the respective percentages calculated under paragraph 5. For purposes of this calculation, the product of the EBIT Funding Percentages and the Working Capital Modifiers is weighed 50% and the Net Revenue Funding Percentage is weighed 50%.

9. Determine the final Funding Percentage by adding together the weighted average of the Funding Percentage for the Funding Source and the Funding Percentage for the next higher Company organizational level. The weighting is typically 70% for the Participant's Funding Source and 30% for the next higher Company organizational level. Funding mix may vary among Regions. This paragraph does not apply if a Participant's Funding Source is the Company only.

C. Incentive Pool. The Incentive Pool for each Business Unit and Staff Group within a Funding Source, as applicable, is determined after the end of the Plan Year. A Business Unit's Incentive Pool is the sum of the Funding Amounts for each Participant within the Business Unit. A Staff Group's Incentive Pool is the sum of the Funding Amounts for each Participant within the Staff Group. After the Incentive Pools have been determined, members of the Worldwide Leadership Team ("WLT") may redistribute funds from one Incentive Pool to another within their respective organizations. The Chief Executive Officer recommends the final Incentive Pool after the end of the Plan Year for Committee approval.

7. Participant Incentive Allocations

A. Performance Management Development Program. Individual Incentive Allocations are determined by the head of the Participant's work group, based on individual performance. If a Participant meets or exceeds certain performance expectations (as determined in the Performance Management Development Program), then he or she will be eligible to receive an Individual Incentive Allocation.

If a Participant does not meet performance expectations (as determined in the Performance Management Development Program), no Individual Incentive Allocation is issued to that Participant. Any money budgeted for a Participant who does not meet performance expectations remains in the Business Unit's or Staff Group's Incentive Pool, as applicable, making it available for other Participants in such Business Unit or Staff Group, as applicable.

B. Individual Allocations. Individual Incentive Allocations are made to a Participant based on annual results as measured against: (i) the Participant's annual objectives, established at the beginning of the Plan Year; and (ii) contributions relative to others. Individual Incentive Allocations are reviewed and approved by the Participant's manager and a WLT member. The Incentive Pool is the limit for incentive awards within a Business Unit or Staff Group, as applicable. The Individual Incentive Allocation for each Participant is equal to:

Target Amount x Allocation Percentage

Each Participant's contributions and performance is measured against the goals and objectives set for him or her for that Plan Year. Based on the evaluation, the Participant is assigned a performance rating. The Participant's performance rating combined with the overall performance of his or her Business Unit or Staff Group, as applicable, establishes the guidelines for the range of his or her Allocation Percentage. Finally, the Participant's Allocation Percentage is approved by the Participant's manager and a WLT member, subject to Incentive Pool limitations.

C. Timing. Incentive payments are made as soon as administratively practicable after the close of the Plan Year, but no later than the end of the following Plan Year. If a Participant dies after the close of the Plan Year and has earned an Individual Incentive Allocation, such amount will be distributed to his or her Beneficiary.

8. No Tax, Financial, Legal or Other Advice

The Company or any Subsidiary has not provided, and will not provide, any tax, financial, legal or other advice related to participation in the Plan, including, but not limited to, tax or financial consequences of participating in the Plan. No provision of the Plan, or any document or presentation about the Plan given to Eligible Employees, will be interpreted as reflecting such advice.

9. Payments and Tax Withholding

The Company will deduct from all payments any and all applicable taxes (e.g., federal, state, local or other taxes of any kind) required by law to be withheld with respect to such payment.

10. Employment Rights

Neither this document nor the existence of the Plan is intended to, nor do they imply, any promise of continued employment by the Company. Employment may be terminated with or without Cause, and with or without notice, at any time, for any reason, at the option of the Company or the employee. No one other than the Board, Chief Executive Officer, President or a Senior Vice President of the Company may approve any agreement with an employee that guarantees his or her employment. Such an agreement must be in writing and signed by such an authorized individual.

A Participant who voluntarily resigns or who has been involuntarily discharged by the Company for Cause loses all of his or her interest, including any right, under the Plan, and is not entitled to receive any payment under the Plan.

11. Other Benefits

No creation of interests or payment of cash under the Plan will be taken into account in determining any benefits under any compensation, pension, retirement, savings, profit sharing, group insurance, welfare or other employee benefit plan of the Company or any Subsidiary. However, an Eligible Employee may be eligible to elect to defer incentive payments under the terms of the Levi Strauss & Co. Deferred Compensation Plan for Executives. Please refer to the terms of such plan for information regarding possible deferral elections.

12. Unfunded Status

The Plan is unfunded. An Eligible Employee's right to receive an Individual Incentive Allocation under the Plan is an unsecured claim against the general assets of the Company, or Subsidiary, as applicable. Although the Company or a Subsidiary may establish a bookkeeping reserve to meet its obligations, any rights acquired by any Eligible Employee are no greater than the right of any unsecured general creditor of the Company or any Subsidiary.

The Company or any Subsidiary is not required to segregate any assets for incentive payments, and neither the Company, nor any Subsidiary, the Board, the Committee nor the Plan Administrator is deemed to be a trustee as to any incentive payment under the Plan. Any liability of the Company or Subsidiary to any Eligible Employee under the Plan is based solely upon any contractual obligations that may be created by the Plan. No provision of the Plan, under any circumstances, gives any Eligible Employee or other person any interest in any particular property or assets of the Company or its Subsidiaries. No incentive payment is deemed to be secured by any pledge of, or other encumbrance or security interest in, any property of the Company, or any Subsidiary. Neither the Company, nor any Subsidiary, the Board, the Committee, nor the Plan Administrator is required to give any security or bond for the performance of any obligation that may be created under the Plan.

13. No Limit on Capital Structure Changes

The establishment and operation of the Plan will not limit the ability of the Company or of any Subsidiary to reclassify, recapitalize or otherwise change its capital or debt structure; to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize; to pay dividends or make other distributions to stockholders; to repurchase stock or to issue stock; or to take any action in respect of its manufacturing, marketing, distribution, merchandising, operations, management or any other aspect of its business.

Notwithstanding the above, the Committee may, in its discretion, adjust the manner in which the performance measures are calculated at any time or from time to time to take into account changes in the Company's business that the Committee believes affect the relationship between the Company's performance and such value.

14. Plan Administration

The Plan is administered by the Committee. The Committee may delegate its authority as Plan Administrator to such other person or persons as the Committee designates from time to time. In administering the Plan, the Committee may, in its discretion, employ compensation consultants, accountants and counsel and other persons to assist or render advice and other services, all at the expense of the Company.

The Committee has the power, in its sole discretion, to interpret the Plan and to adopt rules and procedures it deems appropriate for the administration and implementation of the Plan. The Committee's determinations and interpretations will be conclusive and binding on all individuals. Responsibilities include (but are not limited to) the following:

- design and interpret the Plan (including ambiguous terms);
- approve Participation Rates;
- approve financial performance measures;
- approve Funding Sources and weights;
- approve Company financial objectives;
- approve final Incentive Pool; and
- approve other terms and conditions that may be recommended by the Chairman of the Board or the Chief Executive Officer.

The Committee may delegate its day-to-day administrative responsibilities to Company employees and may delegate to Company management the authority to approve amendments to the Plan.

15. Claims Procedures

A Participant or Beneficiary will have the right to file a claim, inquire if he or she has any right to benefits and amounts thereof or appeal the denial of a claim.

A. A claim will be considered as having been filed when a written communication is made by the Participant, Beneficiary or his or her authorized representative (the "claimant") to the attention of the Plan Administrator. The Plan Administrator will notify the claimant in writing within 90 days after receipt of the claim if the claim is wholly or partially denied. If an extension of time beyond the initial 90-day period for processing the claim is required, written notice of the extension will be provided to the claimant before the expiration of the initial 90-day period. In no event will the period, as extended, exceed 180 days. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan Administrator expects to render a final decision.

B. Notice of a wholly or partially denied claim for benefits will be made in writing in a manner calculated to be understood by the claimant and will include:

1. the reason or reasons for denial;

2. specific reference to the Plan provisions on which the denial is based;

3. a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

4. an explanation of the Plan's claim appeal procedure.

C. If a claim is wholly or partially denied, the claimant may file an appeal requesting the Plan Administrator to conduct a full and fair review of his or her claim. For purposes of this review, the Plan Administrator may appoint an individual or committee (other than the individual or committee that heard the initial claim) to act on its behalf. An appeal must be made in writing no more than 60 days after the claimant receives written notice of the denial. The claimant may review any documents that apply to the case and may also submit points of disagreement and other comments in writing along with the appeal. The decision of the Plan Administrator regarding the appeal will be given to the claimant in writing no later than 60 days following receipt of the appeal. However, if the Plan Administrator, in its sole discretion, grants a hearing, or there are special circumstances involved, the decision will be given no later than 120 days after receiving the appeal. If such an extension of time for review is required, written notice of the extension will be furnished to the claimant before the commencement of the extension. The decision will be written in a manner calculated to be understood by the claimant and will include specific reasons for the decision, as well as specific references to the pertinent Plan provisions on which the decision is based.

D. Notwithstanding any provision in the Plan to the contrary, no employee, Eligible Employee, Participant, Beneficiary or other person may bring any legal or administrative claim or cause of action against the Plan, the Plan Administrator or the Company in court or any other venue until such person has exhausted the administrative remedies under this Section 15.

E. If the Plan Administrator is in doubt concerning the entitlement of any person to any payment claimed under the Plan, the Plan Administrator may instruct the Company to suspend payment until satisfied as to the person's entitlement to the payment. Notwithstanding the foregoing, no person may bring a claim for Plan benefits to arbitration, court or through any other legal action or process until the administrative claims process of this Section 15 has been exhausted.

16. Amendment, Modification or Termination of Plan

The Committee may modify, amend or terminate any and all provisions of the Plan at any time and for any reason during its existence, and establish rules and procedures for its administration, at its discretion and without notice.

17. Severability

If any provision of the Plan is held to be illegal or invalid for any reason, the illegality or invalidity will not affect the remaining provisions of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision were not part of the Plan.

18. No Waiver

Failure of the Company to enforce at any time any provision of the Plan will in no way be construed to be a waiver of such provision or any other provision of the Plan.

19. Incorrect Payment of Benefits

If the Plan Administrator determines in its sole discretion that the Plan made any overpayment of the amount of any benefits due any payee under the Plan, the Plan Administrator may require the payee to return the excess to the Plan or take any other action deemed reasonable by the Plan Administrator.

20. Governing Law

The Plan and all incentive payouts hereunder will be governed by the laws of the State of California. In applying the laws of the State of California, its rules on choice of law will be disregarded.

21. All Provisions

This official Plan document represents the exclusive and complete statement of the terms of the Plan, and supersedes any and all prior or contemporaneous understandings, representations, documents and communications between the Company or any Subsidiary and any Eligible Employee, whether oral or written, relating to its subject matters. In the event of any conflict between the provisions of this official Plan document, as amended from time to time, and any other document or presentation describing or otherwise relating to the Plan, this official document will control.

22. Adoption

To record the restatement of the Plan, the Company has caused its duly authorized officer to execute this document on the date indicated herein.

Levi Strauss & Co.

By: /s/ Greg Holmes
Title: Acting Senior Vice President, Human Resources

Date: February 2, 2012

LEVI STRAUSS & CO.
DEFERRED COMPENSATION PLAN FOR EXECUTIVES AND OUTSIDE DIRECTORS
MASTER PLAN DOCUMENT

AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 2011

TABLE OF CONTENTS

LEVI STRAUSS & CO.
DEFERRED COMPENSATION PLAN
FOR
EXECUTIVES AND OUTSIDE DIRECTORS
(Amended and Restated Effective as of January 1, 2011)

PURPOSE

The Company established the Plan effective as of January 1, 2003 to provide a means by which a select group of management or highly compensated employees and directors, who contribute materially to the continued growth, development and future business success of the Company and its participating subsidiaries, may elect to defer receipt of all or a portion of their compensation or bonuses to save for retirement. This Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA.

The Plan was amended and restated effective as of January 1, 2008 to make such modifications as were necessary to comply with Code Section 409A regarding deferred compensation as well as other necessary and desirable changes. Any amounts previously earned and deferred under the Plan which were vested as of December 31, 2004 shall be administered pursuant to the terms of the Plan in effect at that time. From January 1, 2005 through December 31, 2007, the Company operated the Plan in good faith compliance with Code Section 409A and guidance issued thereunder, permitting distribution elections and changes consistent with IRS transition relief. Such elections and changes are documented in materials distributed to participants and completed election forms.

The Plan is hereby amended and restated effective as of January 1, 2011 to make modifications to the Plan and reflect changes in the Company's deferred compensation programs.

The Company reserves the right in its sole discretion to further amend or modify the Plan to comply with regulations or other guidance promulgated by the Department of the Treasury under Code Section 409A.

ARTICLE 1
DEFINITIONS

For purposes of this Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

1.1 **"Account"** shall mean the Participant's Elective Deferral Account, Company Contribution Account, ESIP Deferral Contribution Account, ESIP Make-Up Account and ESIP Matching Contribution Account. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the benefits to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.

1.2 **"Affiliate"** means any member of the group of corporations, trades or businesses or other organizations comprising the "controlled group" with Levi Strauss & Co. under Section 414 of the Code.

1.3 **"Annual Bonus"** shall mean any of the following bonuses payable by the Company during a Plan Year to a Participant while an Employee or Director and a Participant during that Plan Year:

(a) Payments under the Levi Strauss & Co. Annual Incentive Plan, except for such payments in the Plan Year in which the Employee is hired or becomes newly eligible during a Plan Year;

(b) Payments under the Leadership Shares Plan of Levi Strauss & Co.;

(c) Payments under any regularly paid bonus program of Levi Strauss & Co.;

(d) Any retention bonus payable to an Employee;

(e) Any non-recurring special bonus that the Committee designates, in writing, as eligible for deferral under this Plan; or

(f) Payments pursuant to a deferral agreement between the Company and a newly-eligible employee.

1.4 **"Annual Company Contribution"** shall mean, for any one Plan Year, the amount determined in accordance with Section 3.6.

1.5 **"Annual Installment Method"** shall be an annual installment payment payable over the number of years selected by the Participant in accordance with this Plan. Each annual installment shall be calculated by multiplying the applicable vested Account by a fraction, the numerator of which is one (1) and the denominator of which is the remaining number of annual payments due the Participant; provided that the first installment may be further reduced to account for a partial-year payment, if applicable. For the first installment, the vested Account balance of the Participant shall be calculated as of the close of business on, or as soon as practicable after, the Participant's Retirement Date. Remaining annual installments shall be calculated as of the December 31st immediately preceding the Plan Year in which the installment is payable.

1.6 **"Base Annual Salary"** shall mean the annual cash compensation payable by the Company during a Plan Year to a Participant for services rendered while an Employee and a Participant during that Plan Year, excluding bonuses, commissions, overtime, fringe benefits, stock options, relocation expenses, incentive payments, non-monetary awards, directors fees and other fees, and automobile and other allowances paid to a Participant for services rendered (whether or not such allowances are included in the Employee's gross income). Base Annual Salary shall be calculated before reduction for amounts deferred or contributed by the Participant pursuant to all qualified or non-qualified plans of the Company, but shall be calculated to include amounts not otherwise included in the Participant's gross income under Code Sections 125, 132(f), 402(e)(3), 402(h), or 403(b).

1.7 **"Beneficiary" or "Beneficiaries"** shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 6, that are entitled to receive benefits under this Plan upon the death of a Participant.

1.8 **"Board"** shall mean the board of directors of Levi Strauss & Co. The Board may delegate to any committee, subcommittee or any of its members, or to any agent, its authority to perform any act under the Plan, including without limitation those matters involving the exercise of discretion. Any such delegation of discretion will be subject to revocation at any time at the discretion of the Board. Any reference in this Plan document to the Board with respect to such delegated authority will be deemed a reference to its delegate or delegates.

1.9 **"Code"** shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.

1.10 **"Committee"** shall mean the Administrative Committee for Retirement Plans, as described in Article 9.

1.11 **"Company"** shall mean Levi Strauss & Co., a Delaware corporation, or any successor to all or substantially all of the Company's assets or business.

1.12 **"Company Contribution Account"** shall mean (i) the sum of the Participant's Company Contributions, plus (ii) amounts credited or debited in accordance with all the applicable crediting and debiting provisions of this Plan that relate to the Participant's Company Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's Company Contribution Account.

1.13 **"Director"** shall mean an individual who receives remuneration while serving as a member of the board of directors of the Company, provided he or she is also not an Employee while serving in such capacity.

1.14 **"Director Fees"** shall mean the annual fees payable by the Company during a Plan Year to a Participant, including retainer fees and meeting fees, for services performed while a Director and a Participant during that Plan Year.

1.15 **"Disability"** shall mean the Participant is determined to be totally disabled by the Social Security Administration.

1.16 **"Elective Deferral"** shall mean that portion of a Participant's Base Annual Salary, Annual Bonus and Director Fees that a Participant elects to defer in accordance with Article 3 for any one Plan Year. In the event of a Participant's Retirement, Disability, death or Separation from Service prior to the end of a Plan Year, such year's Elective Deferral shall be the actual amount withheld prior to such event.

1.17 **"Elective Deferral Account"** shall mean (i) the sum of all of a Participant's Elective Deferrals, plus (ii) amounts credited or debited in accordance with all the applicable crediting and debiting provisions of this Plan that relate to the Participant's Elective Deferral Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her Elective Deferral Account.

1.18 **"Employee"** shall mean any individual whose remuneration for services rendered to an Employer, as recognized by an Employer, is reported on Federal Income Tax Form W-2. An individual's status as an "Employee" will be determined by the Committee and such determination will be conclusive and binding on all persons notwithstanding any contrary determination of Employee status by any court or governmental agency, including, but not limited to, the Internal Revenue Service. The term Employee excludes an Employee who is designated as ineligible pursuant to a written agreement between the Employee and an Employer.

1.19 **"Employer"** means the Company and/or any of its subsidiaries (now in existence or hereafter formed or acquired) that have adopted the Plan with the written consent of the Board.

1.20 **"ERISA"** shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.21 **"ESIP"** shall mean the Employee Savings and Investment Plan of Levi Strauss & Co., as it may be amended from time to time, or any successor plan.

1.22 **"ESIP Deferral Contribution"** shall mean a percentage of a Participant's compensation, as defined in the ESIP (but without regard to the limit imposed by Section 401(a)(17)), that the Participant elects to defer in accordance with Article 3 for any Plan Year.

1.23 **"ESIP Deferral Contribution Account"** shall mean (i) the sum of all of a Participant's ESIP Deferral Contributions plus (ii) amounts credited or debited in accordance with all the applicable crediting and debiting provisions of this Plan that relate to the Participant's ESIP Deferral Contributions, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her ESIP Deferral Contribution Account.

1.24 **"ESIP Make-Up Account"** shall mean (i) the sum of all of a Participant's ESIP Make-Up Contributions, plus (ii) amounts credited or debited in accordance with all the applicable crediting or debiting provisions of this Plan that related to the Participant's ESIP Make-Up Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to the Participant's ESIP Make-Up Account.

1.25 **"ESIP Make-Up Contribution"** shall mean, for any fiscal year of the Company, the amount of Employer matching contributions under the ESIP that would have been payable to or for an Employee while a participant in ESIP but for the deferral of Base Annual Salary or Annual Bonus under the Plan.

1.26 **"ESIP Matching Contribution"** shall mean an amount equal to 125% of the Participant's ESIP Deferral Contribution and elective deferral contribution under the ESIP up to 6% of the Participant's compensation, as defined in the ESIP (but without regard to the limitation imposed by Code Section 401(a)(17)) reduced by the amount of matching contributions actually made on behalf of the Participant under the ESIP.

1.27 **"ESIP Matching Contribution Account"** shall mean (i) the sum of all of a Participant's ESIP Matching Contributions plus (ii) amounts credited or debited in accordance with all the applicable crediting and debiting provisions of this Plan that relate to the Participant's ESIP Matching Contributions, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to this Plan that relate to his or her ESIP Matching Contribution Account.

1.28 **"HOPP"** shall mean the Revised Home Office Pension Plan of Levi Strauss & Co., as it may be amended from time to time, or any successor plan.

1.29 **"In-Service Distribution"** shall mean a lump sum payment in an amount that is equal to all or a portion of the Elective Deferral the Participant elects to have distributed as an In-Service Distribution under Section 5.2, credited and debited in the manner provided in Section 4.3, and calculated as of the last business day of the month prior to the date distribution occurs.

1.30 **"Investment Committee"** shall mean the Investment Committee for Retirement Plans.

1.31 **"Measurement Vehicles"** shall mean the investment vehicles designated by the Investment Committee, in its sole discretion, and selected by a Participant for purposes of crediting and debiting such Participant's Account, as described in Section 4.3.

1.32 **"Participant"** shall mean any Employee or Director who (i) is selected by the Company to participate in the Plan and (ii) has an Account in the Plan.

1.33 **"Performance-Based Compensation"** means compensation the entitlement to or amount of which is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months, as determined by the Committee in accordance with Treasury Regulation Section 1.409A-1(e).

1.34 **"Plan"** shall mean this Levi Strauss & Co. Deferred Compensation Plan for Executives and Outside Directors, as it may be amended from time to time.

1.35 **"Plan Year"** shall mean a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year.

1.36 **"Retirement," "Retire(s)" or "Retired"** shall mean:

(a) In the case of an Employee, the Participant's Separation From Service with an Employer at or after attaining (i) age 55 with 15 years of service or (ii) age 65 with five years of service.

(b) In the case of a Director, the Director's Separation from Service, for a reason other than death.

1.37 **"Retirement Date"** shall mean the first day of the month coincident with or next following the date a Participant Retires.

1.38 **"Separation from Service Benefit"** shall mean the benefit set forth in Article 5.

1.39 **"Separation from Service"** shall mean the Participant's termination of employment with all Employers and Affiliates, voluntarily or involuntarily, for any reason other than on account of death or Disability, as determined by the Committee in accordance with Treasury Regulations Section 1.409A-1(h). In determining whether a Participant has experienced a Separation from Service, the following provisions shall apply:

(a) For a Participant who provides services to an Employer as an Employee, except as otherwise provided in part (c) of this Section, a Separation from Service shall occur when such Participant has experienced a termination of employment with such Employer. A Participant shall be considered to have experienced a termination of employment when the facts and circumstances indicate that the Participant and his or her Employer reasonably anticipate that either (i) no further services will be performed for the Employer after a certain date, or (ii) that the level of bona fide services the Participant will perform for the Employer after such date (whether as an Employee or as an independent contractor) will permanently decrease to less than 50% of the average level of bona fide services performed by such Participant over the immediately preceding 36 month period (or the full period of services to the Employer if the Participant has been providing services to the Employer less than 36 months.

Notwithstanding the foregoing, the Participant's employment relationship with the Employer shall be treated as continuing intact while the individual is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six months (or longer, if required by statute or contract). If the period of the leave exceeds six months and the Participant's right to reemployment is not provided either by statute or contract, the employment relationship is deemed to terminate on the first date immediately following such six-month period for purposes of Code Section 409A only.

(b) For a Participant who provides services to an Employer as an independent contractor, a Separation from Service shall occur upon the expiration of the contract (or in the case of more than one contract, all contracts) under which services are performed for such Employer, provided that the expiration of such contract(s) is determined by the Committee to constitute a good-faith and complete termination of the contractual relationship between the Participant and such Employer.

1.40 **"Trust"** shall mean one or more trusts established by the Company in its sole discretion.

1.41 **"Trustee"** shall mean the individuals or corporation appointed by the Investment Committee under Section 11.1 to administer the Trust in accordance with the terms of the Plan and trust agreement.

1.42 **"Unforeseeable Financial Emergency"** shall mean a severe financial hardship to the Participant resulting from (a) an illness or accident of the Participant, the Participant's spouse, a Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code Section 152(b)(1), (b)(2), and (d)(1)(B)); (b) loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or (c) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined by the Committee based on the relevant facts and circumstances. In any case, payment may not be made to the extent that such hardship is or may be relieved (x) through reimbursement or compensation by insurance or otherwise, (y) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or (z) by cessation of deferrals under the Plan.

ARTICLE 2
ELIGIBILITY AND PARTICIPATION

2.1 **Eligibility**. Participation in the Plan shall be limited to a select group of management or highly compensated Employees and Directors of the Company, as determined by the Committee in its sole discretion.

2.2 **Enrollment and Participation**. To participate initially, an Employee or Director shall properly complete and timely submit a deferral election form to the Committee. Election forms shall be completed and filed with the Committee by the time periods set forth in Article 3 for the particular type of compensation elected for deferral or during such other enrollment period as the Committee determines in accordance with such Article. If no election form is filed or if submission of an election form is not timely, the amount deferred shall be deemed to be zero. A Participant may change or revoke a deferral election at any time before such election becomes irrevocable, which shall occur as of the applicable deadline specified in Article 3 unless the Committee establishes an earlier deadline. Unless the Committee determines otherwise, a new election form shall be required for each Plan Year in which a Participant wishes to defer a type of compensation eligible for deferral.

2.3 **Cessation of Participation**.

(a) If the Committee determines that a Participant no longer qualifies as a member of a select group of management or highly compensated employees under Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, the Committee shall prevent the Participant from making future deferral elections as of the first day of the next succeeding Plan Year until

the Participant again satisfies the Plan's eligibility requirements. In the event such Participant again satisfies the Plan's eligibility requirements, in order to participate in the Plan, he or she must timely complete and file an election form with the Committee by the time periods set forth in Article 3. Such Participant shall remain a Participant in the Plan until his or her Account balance is paid in full.

(b) Elective Deferrals and/or an ESIP Deferral Contribution commitment made by a Participant who incurs a Disability shall be canceled upon such event. If such Participant returns to active employment and he or she is eligible to participate in the Plan, a deferral election may be made in accordance with Articles 2 and 3. Elective Deferrals and/or ESIP Deferral Contributions made by a Participant who has been determined by the Committee to experience an Unforeseeable Financial Emergency will cease. Any deferral election in a subsequent Plan Year will be subject to the provisions of Articles 2 and 3. In either event, the Participant shall remain a Participant in the Plan until his or her Account is paid in full.

(c) Notwithstanding anything in the Plan to the contrary, a Participant shall cease to be an active Participant (i.e., no deferrals or contributions) upon the earliest to occur of his or her Separation from Service, death or Disability. Any outstanding deferral election shall be given effect to the extent any amounts covered by such election are paid after such event.

ARTICLE 3
DEFERRALS AND CONTRIBUTIONS

3.1 **Base Annual Salary**.

(a) For each Plan Year, a Participant may elect to defer a minimum of 5% and a maximum of 100% of his or her Base Annual Salary. If an election is made for less than 5%, the amount deferred shall be deemed to be zero.

(b) A Participant's election form with respect to the deferral of Base Annual Salary shall be filed with the Committee before the beginning of each Plan Year in which the Base Annual Salary is earned.

(c) Subject to Section 2.2, such deferral elections shall be irrevocable as of the first day of the Plan Year to which the election form relates.

3.2 **Annual Bonus**.

(a) For each Plan Year, a Participant may elect to defer a minimum of 1% and a maximum of 100% of each component of his or her Annual Bonus.

(b) A Participant's election form with respect to the deferral of an Annual Bonus shall be filed with the Committee before the beginning of the Plan Year in which the Annual Bonus is earned. Notwithstanding the foregoing, to the extent the Committee determines that an Annual Bonus constitutes Performance-Based Compensation, the Committee in its sole discretion may permit a Participant to file a deferral election form on or before a date that occurs no later than six months before the end of the performance period. In no event shall an election form for Performance Based Compensation be filed when such compensation is readily ascertainable (within the meaning of Code Section 409A and regulations issued thereunder).

(c) Subject to Section 2.2, such deferral election shall be irrevocable as of the first day of the Plan Year to which the deferral election form relates or the deadline established by the Committee for Performance-Based Compensation, as the case may be.

3.3 **ESIP Deferral Contribution**.

(a) For each Plan Year, a Participant may make an ESIP Deferral Contribution as a percentage (1% minimum and 75% maximum) of the Participant's compensation, as defined under the ESIP, but without regard to the limitation imposed by Code Section 401(a)(17). Such election shall not take effect until the Participant is no longer eligible to make elective deferrals (other than catch-up contributions) under the ESIP because he or she has reached the maximum amount allowed under either Code Section 402(g) or Code Section 401(a)(17).

(b) A Participant's election form with respect to an ESIP Deferral Contribution shall be filed with the Committee before the beginning of each Plan Year in which the ESIP Deferral Contribution is earned.

(c) Subject to Section 2.2, such deferral election shall be irrevocable as of the first day of the Plan Year to which the deferral election form relates.

3.4 **Director Fees**.

(a) For each Plan Year, a Participant may elect to defer a minimum of 5% and a maximum of 100% (in a whole percentage) of Director Fees. If an election is made for less than 5%, the amount deferred shall be deemed to be zero.

(b) A Participant's election form with respect to the deferral of Director Fees shall be filed with the Committee before the beginning of each Plan Year in which the Director Fees are earned.

(c) Subject to Section 2.2, such deferral elections shall be irrevocable as of the first day of the Plan Year to which the election form relates.

3.5 **Newly-Eligible Employees or Directors**. Notwithstanding anything in the Plan to the contrary, a newly-eligible Employee or Director shall be given thirty days from the date he becomes eligible to participate in the Plan (as determined in accordance with Treasury Regulation Section 1.409A-2(a)(7)(ii) and the "plan aggregation" rules provided in Treasury Regulation Section 1.409A-1(c)(2)) to complete and submit an election form with respect to Base Annual Salary, an Annual Bonus or Director Fees, and such election shall apply only to amounts paid for services performed after the date on which the election is effective. If an election made in accordance with this Section 3.5 relates to compensation earned based upon a specified performance period, the amount eligible for deferral shall be equal to (i) the total amount of compensation for the performance period, multiplied by (ii) a fraction, the numerator of which is the number of days remaining in the service period after the Participant's deferral election is made, and the denominator of which is the total number of days in the performance period. Subject to Section 2.2, any deferral election made in accordance with this Section 3.5 shall be irrevocable as of the thirtieth day after the date the Employee or Director becomes eligible to participate in the Plan.

3.6 **Company Contribution.**

(a) During any Plan Year, an Employer may, in its discretion, credit an amount to a Participant's Company Contribution Account. The Participant must be employed on the date the contribution is made in order to receive such contribution. The Participant's distribution and Measurement Vehicle elections for the year in which the Company Contribution is made will apply to the amount credited to the Participant's Company Contribution Account. If the Participant does not have a distribution or Measurement Vehicle election for the year in which the Company Contribution is made, such amount will be invested in the default Measurement Vehicle and paid in accordance with Sections 5.4, 5.5, 5.6, 5.7 and 5.8.

(b) For any Plan Year in which an Employer makes a profit-sharing contribution under the ESIP, an Employer may, in its discretion, credit an amount to a Participant's Company Contribution Account equal to the difference which would have been allocated under the ESIP without regard to the Code Section 415 limit and the aggregate amount actually allocated to the ESIP. No contribution will be made under this subsection unless the employee is eligible to participate in the ESIP as of the last working day of such Plan Year.

3.7 **ESIP Make-Up Contribution**. A Participant's ESIP Make-Up Account shall be credited an ESIP Make-Up Contribution, if applicable.

3.8 **ESIP Matching Contribution**. An Employer, in its sole and absolute discretion, may credit a Participant's ESIP Matching Contribution Account with an ESIP Matching Contribution if such Participant elected to make an ESIP Deferral Contribution.

ARTICLE 4
ACCOUNTS

4.1 **Establishment of Accounts**. Bookkeeping accounts shall be established for each Participant to reflect the deferrals of amounts made for the Participant's benefit, together with adjustments for income, gains or losses attributable thereto. Accounts are established solely for the purpose of tracking deferrals made by Participants or contributions made by an Employer and any income or adjustments thereto. Unless the Committee determines otherwise, the Plan shall maintain and credit the following sub-Accounts:

(a) Company Contribution Account. The Company Contribution amount, if any, shall be credited to the Company Contribution Account as of the date determined by the Employer in its sole discretion.

(b) Elective Deferral Account. The Participant's Elective Deferral Account shall reflect a Participant's Elective Deferrals credited on his or her behalf. The Base Annual Salary portion of the Elective Deferral shall be withheld from payroll according to the Participant's election. The Annual Bonus and/or Director Fees portion of the Elective Deferral shall be withheld at the time the Annual Bonus and/or Director Fees are, or otherwise would be, paid to the Participant. Elective Deferrals shall be credited to a Participant's Elective Deferral Account at the time such amounts would otherwise have been paid to the Participant, or as soon as practicable thereafter.

(c) ESIP Deferral Account. A Participant's ESIP Deferral Contribution shall be withheld from payroll and credited to his or her ESIP Deferral Account according to the Participant's election.

(d) ESIP Make-Up Account. ESIP Make-Up Contributions shall be credited to a Participant's ESIP Make-Up Account in accordance with the Company's payroll practice.

(e) ESIP Matching Contribution Account. ESIP Matching Contributions, if any, shall be credited to a Participant's ESIP Matching Contribution Account for each period during a Plan Year, as determined by the Board of Directors.

4.2 **Vesting**. Subject to Section 12.2:

(a) A Participant shall at all times be 100% vested in his or her Elective Deferral Account, ESIP Deferral Contribution Account, ESIP Make-Up Account and ESIP Matching Contribution Account;

(b) Except as provided in subsection (c), a Participant shall be vested in his or her Company Contribution Account in accordance with the vesting schedule(s) set forth in his or her employment agreement or any other agreement entered into between the Participant and the Employer. If not addressed in such an agreement, a Participant shall vest in his or her Company Contribution Account in accordance with a schedule established by the Company; and

(c) Upon Retirement a Participant's Company Contribution Account shall immediately become 100% vested.

4.3 **Crediting/Debiting of Accounts**. A Participant shall be permitted to allocate his or her Account among Measurement Vehicles. The Investment Committee may discontinue, substitute or add a Measurement Vehicle. The Investment Committee or its delegate shall give the Participant ample advance notice of such a change. The Measurement Vehicles are used solely to credit or debit amounts to a Participant's Account.

(a) Election of Measurement Vehicles. The Participant shall specify on the election form the percentage of his or her Account to be allocated to a Measurement Vehicle in 1% increments. A Participant may change the percentage allocation among Measurement Vehicles by submitting a new election form. Any change will take effect as soon as reasonably practicable after the Form is submitted.

(b) Failure to Elect Measurement Vehicles. If a Participant fails to make an election to allocate his or her Account under this Section 4.3, the Committee will apply a default Measurement Vehicle until the Participant submits an election form selecting one or more Measurement Vehicle(s).

(c) Crediting or Debiting Method. A Participant's Account shall be credited or debited on a daily basis based on the performance of each Measurement Vehicle selected by the Participant. The performance of each elected Measurement Vehicle (either positive or negative) will be based on the performance of the underlying measurement standard (e.g., underlying mutual fund or the Company's performance).

(d) No Actual Investment. The Measurement Vehicles are to be used for measurement purposes only, and the crediting or debiting of such amounts to a Participant's Account

shall not be construed as an actual investment of the Account in any investment vehicle underlying such Measurement Vehicle. In the event that an Employer or the Trustee, in its own discretion, decides to invest funds in any or all of the investment vehicles underlying any Measurement Vehicles, no Participant shall have any rights in or to such investments themselves. A Participant's Account shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Trust; the Participant shall at all times remain an unsecured creditor of the Company as to his or her Account balance.

(e) Distributions. Upon distribution, the Committee or its delegate shall determine the value of the Participant's Account based on the applicable Measurement Vehicle(s). If the Participant elected to receive his or her benefit in the Annual Installment Method and the Account is allocated among two or more Measurement Vehicles, the Committee shall reduce the balance of each Measurement Vehicle on a pro-rata basis to make each installment payment.

4.4 **FICA and Other Taxes**.

(a) Elective Deferrals. The Participant's Employer shall withhold the Participant's share of FICA and other employment taxes that apply to the Elective Deferral from that portion of the Participant's Base Annual Salary and/or Annual Bonus that is not deferred hereunder. If necessary, the Committee may make a distribution from the Participant's Elective Deferral Account pursuant to Section 5.8 in order to comply with this Section 4.4.

(b) ESIP Make-Up Contributions. The Participant's Employer shall withhold the Participant's share of FICA and other employment taxes that apply to the ESIP Make-Up Contribution from such ESIP Make-Up Contribution. If necessary, the Committee may reduce the Participant's Base Annual Salary and/or Annual Bonus that is not deferred hereunder in order to comply with this Section 4.4.

(c) ESIP Deferral Contributions and ESIP Matching Contributions. The Participant's Employer shall withhold the Participant's share of FICA and other employment taxes that may apply to the ESIP Deferral Contribution and ESIP Matching Contribution. If necessary, the Participant's Base Annual Salary and/or Annual Bonus that is not deferred hereunder may be reduced in order to comply with this Section 4.4.

(d) Company Contribution Account. When a Participant becomes vested in a portion of his or her Company Contribution Account, the Participant's Employer shall withhold from the Participant's Base Annual Salary and/or Annual Bonus that is not deferred, in a manner determined by the Employer, the Participant's share of FICA and other employment taxes. If necessary, the Committee may make a distribution from the vested portion of the Participant's Company Contribution Account pursuant to Section 5.8 in order to comply with this Section 4.4.

(e) Distributions. The Participant's Employer, or the Trustee, shall withhold from any payments made to a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer, or the Trustee, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer and the Trustee to the extent permissible under Code Section 409A and regulations issued thereunder.

ARTICLE 5
DISTRIBUTION OF ACCOUNT

5.1 **Time for Distribution**. Except as otherwise provided in this Article 5 and Sections 8.1, 12.4 and 12.12, distribution of a Participant's Account shall be made on the earliest to occur of:

(a) The date elected by a Participant under Section 5.2 with respect to an In-Service Distribution;

(b) The date set forth in Section 5.3 with respect to the Participant's Retirement;

(c) The date set forth in Section 5.4 with respect to the Participant's Separation from Service;

(d) The date set forth in Section 5.5 with respect to the Participant's death; or

(e) The date set forth in Section 5.6 with respect to the Participant's Disability.

Notwithstanding any other provision of the Plan to the contrary, in no event shall the distribution of any Account be accelerated to a time earlier than which it would otherwise have been paid, whether by amendment of the Plan, exercise of the Committee's discretion or otherwise, except as permitted by Section 5.8 or Treasury Regulations issued pursuant to Code Section 409A.

5.2 **In-Service Distribution**. A Participant may irrevocably elect to receive all or a portion of an Elective Deferral in the form of a future lump sum In-Service Distribution while an Employee or a Director. Subject to the other terms and conditions of this Plan, each In-Service Distribution shall be paid out during the first 60 days of any Plan Year designated by the Participant that is at least three Plan Years after the Plan Year in which the Elective Deferral was deferred. For example, if a three-year In-Service Distribution is elected for Elective Deferrals that are deferred in the Plan Year commencing January 1, 2008, the In-Service Distribution would become payable during a 60 day period commencing January 1, 2012.

(a) Election to Further Defer In-Service Distribution. A Participant may submit a written request to the Committee to postpone (up to two (2) times with respect to each In-Service Distribution election) his or her In-Service Distribution election up to a minimum of five additional years, provided that such request is received by the Committee at least 12 months prior to the date on which the particular In-Service Distribution election would have expired.

(b) Other Benefits Take Precedence Over In-Service Distribution. Should an event occur that triggers a benefit under Sections 5.3, 5.4, 5.5, or 5.6, any Elective Deferral or ESIP Deferral Contribution, subject to credits or debits, as applicable, that is subject to an In-Service Distribution election under this Section 5.2 shall not be paid in accordance with Section 5.2 but shall be paid in accordance with the other applicable Section.

5.3 **Benefits Upon Retirement**. Upon a Participant's Retirement, the Participant's vested Account calculated as of the close of business on, or as soon as practicable after, his or her Retirement Date shall be paid or begin to be paid within 60 days after the Participant's Retirement Date. Remaining installments, if any, shall be paid during each January following his or her Retirement Date.

Payment shall be made in such form as determined below, taking into account any changes to an elected form of payment pursuant to paragraph (c).

(a) A Participant's remaining Account balance shall be paid in a lump sum if:

(i) timely elected by the Participant pursuant to the Plan; or

(ii) the Participant's remaining Account balance at the time of Retirement is less than $25,000 even if the Participant elected an installment payment form.

(b) Subject to paragraph (a)(ii), a Participant may elect to receive payment of his or her Account balance pursuant to the Annual Installment Method over a period of two, five, 10, 15 or 20 years.

(c) The Participant may change his or her election to an allowable alternative payout form (lump sum or alternative installment period) by submitting a new election form to the Committee, provided that (i) any such election form is received at least 12 months before the Participant's Retirement Date and (ii) payment is delayed for a minimum of five (5) years after the date the initial payment would otherwise have been paid or commenced. If the Participant's Retirement Date occurs before such 12 month period has elapsed, then the election to change the payment form shall not take effect.

5.4 **Separation from Service Benefit**. Upon a Participant's Separation from Service for any reason other than Retirement, death or Disability, the Participant's vested Account calculated as of the close of business on, or as soon as practicable after, the date the Participant experiences a Separation from Service shall be paid in a lump sum within 60 days after the date of Separation from Service.

5.5 **Benefits Upon Death**. If a Participant dies (i) after Retirement but before the retirement benefit is paid in full or (ii) before he Retires, experiences a Separation from Service, or suffers a Disability, the Participant's Beneficiary shall receive a lump sum payment equal to the remaining vested balance in the Participant's Account calculated as soon as practicable after the Participant's death. The lump sum payment shall be made by the end of the year in which the Participant dies or, if later, by the 15th day of the third month following the Participant's death.

5.6 **Disability Benefit**. A Participant who incurs a Disability shall receive a lump sum payment equal to his or her vested Account balance calculated as soon as practicable after the Participant incurs the Disability. Such lump sum payment shall be made within 60 days of the Committee's determination of the Participant's Disability.

5.7 **Unforeseeable Financial Emergency**. A Participant who experiences an Unforeseeable Financial Emergency may petition the Committee in writing to receive a partial or full payout from the Plan upon demonstration that he has suffered an Unforeseeable Financial Emergency, and that the distribution is necessary to alleviate the financial hardship created by the Unforeseeable Financial Emergency. The payout shall not exceed the lesser of (i) the sum of the Participant's Elective Deferral Account, ESIP Deferral Contribution Account, ESIP-Make Up Account or ESIP Matching Contribution Account, plus the vested portion of his or her Company Contribution Account, calculated as if such Participant were receiving a Separation from Service Benefit, or (ii) the amount reasonably needed to satisfy the Unforeseeable Financial Emergency. If the petition for a payout is approved by the Committee payout shall be made within 60 days of the date of approval. Upon the Committee's determination that a Participant has experienced an

Unforeseeable Financial Emergency, the Participant's existing deferral election shall be cancelled pursuant to Section 2.3(b).

5.8 **Discretion to Accelerate Payment**.

(a) The Committee shall have the discretion to make a distribution, or accelerate the time or schedule of payment from a Participant's Account if payment is required for:

(i) FICA, FUTA and/or the corresponding withholding provisions of applicable state and local taxes with respect to compensation deferred under the Plan. Any such distribution shall not exceed the aggregate of such tax withholding and shall reduce the Participant's account balance to the extent of such distributions; or

(ii) Payment of state, local or foreign tax obligations arising from participation in the Plan that apply to an amount deferred under the Plan and FUTA resulting from such payment. Any such payment shall not exceed the amount of such taxes due as a result of Plan participation.

(b) The Committee is authorized to accelerate the time or schedule of a payment under the Plan to an individual other than the Participant, or to make a payment under the Plan to an individual other than the Participant, to the extent necessary to fulfill a domestic relations order (as defined in Code Section 414(p)(1)(B)). Payment to an alternate payee under a domestic relations order shall be made in a lump sum within 60 days after the Committee approves such order.

(c) The Committee shall have the discretion to accelerate the time or schedule of a payment under the Plan if the Plan fails to meet the requirements of Code Section 409A and regulations promulgated thereunder, provided that any such payment does not exceed the amount required to be included in income as a result of such failure.

ARTICLE 6
BENEFICIARY DESIGNATION

6.1 **Beneficiary**. Each Participant shall have the right, at any time, to designate a Beneficiary(ies) (both primary and contingent) to receive his or her vested Account upon death. A Participant may designate or change a Beneficiary by completing and signing a Beneficiary designation form. Upon the Committee's receipt of a Participant's new Beneficiary designation form, all prior Beneficiary designations filed by that Participant shall be canceled. The Committee shall be entitled to rely on the last Beneficiary designation form filed by the Participant and received by the Committee prior to his or her death.

6.2 **No Beneficiary Designation**. If a Participant fails to designate a Beneficiary or if all designated Beneficiaries predecease the Participant, then payment of a Participant's vested Account shall be made in the following order:

(a) To the Participant's surviving spouse, if any;

(b) If the Participant has no surviving spouse, then to his or her living children;

(c) If the Participant has no living children, then to his or her living parents;

(d) If the Participant has no living parents, then to his or her living brothers and sisters; or

(e) If the Participant has no living brothers or sisters, then to his or her estate.

6.3 **Doubt as to Beneficiary**. If the Committee has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Committee shall have the right, exercisable in its discretion, to cause the Company to either withhold such payments until this matter is resolved to the Committee's satisfaction, or pay such amount into any court of appropriate jurisdiction, with such court ordered payment completely discharging the liability of the Plan, the Company, and the Committee.

6.4 **Discharge of Obligations**. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge the Plan, the Company and the Committee from all further obligations under this Plan with respect to that Beneficiary.

ARTICLE 7
LEAVE OF ABSENCE

If a Participant is authorized by an Employer to take a paid or unpaid bona fide leave of absence for any reason, the employment relationship is treated as continuing intact and deferral elections shall remain in force if the period of such leave does not exceed six months, or longer, so long as the Participant retains a right to reemployment under an applicable statute or by contract. If the Participant is on a leave of absence during the time for filing deferral election forms, the Participant shall be permitted to complete a deferral election form for the upcoming Plan Year. Upon return from leave, deferrals shall occur pursuant to the election form in effect for that Plan Year. If no election was made for the Plan Year in which the Participant returns from leave, no deferral shall be withheld.

ARTICLE 8
TERMINATION, AMENDMENT OR MODIFICATION

8.1 **Termination**. Although the Company anticipates that it will continue the Plan for an indefinite period of time, the Company reserves the right to discontinue its sponsorship of the Plan and/or to terminate the Plan in full or in part at any time with respect to any or all of its participating Employees, Directors, and adopting subsidiaries, regardless of any resulting income tax or other consequences to Participants and their Beneficiaries.

(a) Partial Termination. The Company may partially terminate the Plan by instructing the Committee not to accept any additional deferral elections. If such a partial termination occurs, the Plan shall continue to operate and be effective with regard to deferral elections entered into prior to the effective date of such partial termination.

(b) Complete Termination. The Company may completely terminate the Plan by instructing the Committee not to accept any additional deferral elections, and by terminating all ongoing deferral elections effective as of the end of the Plan Year during which the Plan termination occurs. In the event of complete termination, the Company reserves the discretion to accelerate distribution of Participants' Accounts (including those Participants in pay status pursuant to an installment election) in accordance with Treasury Regulation Section 1.409A-3(j)(4)(ix).

8.2 **Amendment**. The Company reserves the right, at any time, to amend or modify the Plan in whole or in part, regardless of any resulting income tax or other consequences to Participants and their Beneficiaries. However, no amendment or modification shall decrease or restrict the value of a Participant's vested Account in existence at the time the amendment or modification is made,

calculated as if the Participant had Retired or experienced a Separation from Service, as appropriate, as of the effective date of the amendment or modification. The amendment or modification of the Plan shall not affect any Participant or Beneficiary who has become entitled to the payment of benefits under the Plan as of the date of the amendment or modification. The Company's power to amend or modify the Plan includes the power to suspend or freeze participation in the Plan, provided such suspension or freeze does not cause a prohibited acceleration of compensation under Code Section 409A. In such circumstance, the Company may, in its sole discretion, re-institute the ability of any Participant or group of Participants to make deferrals under Article 3 at any time, provided such action is taken consistent with Code Section 409A.

8.3 **Effect of Payment**. The full payment of a Participant's benefit under the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries.

ARTICLE 9
ADMINISTRATION

9.1 **Committee Duties**. Except as otherwise provided in this Article 9, this Plan shall be administered by the Committee. Members of the Committee may be Participants under this Plan. The Committee shall also have the discretion and authority to establish, amend, interpret, and enforce all appropriate rules and procedures for the administration of the Plan and to resolve any and all questions including interpretations of this Plan. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant or the Company.

9.2 **Agents**. In the administration of this Plan, the Committee may, from time to time, employ agents, including Employees, and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to the Company. Any such delegation will be subject to revocation at any time at the discretion of the Committee. Any reference in this Plan document to the Committee with respect to such delegated authority will be deemed a reference to its delegate or delegates.

9.3 **Binding Effect of Decisions**. Any decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and procedures established hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

9.4 **Indemnity of Committee**. The Company shall indemnify and hold harmless the Committee, the members of the Committee, and any Employee to whom the duties of the Committee may be delegated, against any and all claims, losses, damages, expenses or liabilities incurred by the Company arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct by the Committee, any of its members, or any such Employee.

ARTICLE 10
CLAIMS PROCEDURES

10.1 **Presentation of Claim**. Any Participant may submit to the Committee a written claim for a determination with respect to the amounts distributable to him or her from the Plan. If such claim relates to the contents of a notice received by the Participant, the claim must be made within

60 days after such notice was received by the Participant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Participant.

10.2 **Notification of Decision**. The Committee shall consider a Participant's claim within 90 days of receiving the claim; provided that if the Committee determines that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Participant prior to the termination of the initial 90 day period. In no event shall such extension exceed a period of 90 days from the end of the initial 90 day period. The extension notice shall indicate the special circumstances requiring an extension of time. The Committee shall notify the Participant in writing:

(a) That the Participant's requested determination has been made, and that the claim has been allowed in full; or

(b) That the Committee has reached a conclusion contrary, in whole or in part, to the Participant's requested determination. In such case, the notice shall set forth in a manner calculated to be understood by the Participant:

(i) The specific reason(s) for the denial of the claim, or any part of it;

(i) Specific reference(s) to pertinent provisions of the Plan upon which such denial was based;

(ii) A description of any additional material or information necessary for the Participant to perfect the claim, and an explanation of why such material or information is necessary;

(iii) An explanation of the claim review procedure set forth in Section 10.3 below; and

(iv) A statement of the Participant's right to bring a civil action under ERISA following an adverse benefit determination on review.

10.3 **Review of a Denied Claim**. On or before 60 days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Participant (or the Participant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. The Participant (or the Participant's duly authorized representative) may:

(a) Upon request and free of charge, have reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Participant's claim for benefits;

(b) Submit written comments or other documents; and/or

(c) Request a hearing, which the Committee, in its sole discretion, may grant.

10.4 **Decision on Review**. The Committee shall render its decision on review no later than 60 days after the Committee receives the Participant's written request for a review of the denial of the claim; provided that if the Committee determines that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the

Participant prior to the termination of the initial 60 day period. In no event shall such extension exceed a period of 60 days from the end of the initial 60 day period. The extension notice shall indicate the special circumstances requiring an extension of time. In rendering its decision, the Committee shall take into account all comments, documents, records and other information submitted by the Participant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision shall be written in a manner calculated to be understood by the Participant, and shall contain:

(a) Specific reasons for the decision;

(b) Specific reference(s) to the pertinent Plan provisions upon which the decision was based;

(c) A statement that the Participant is entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Participant's claim for benefits; and

(d) A statement of the Participant's right to bring a civil action under ERISA.

10.5 **Legal Action**. A Participant's compliance with the foregoing provisions of this Article 10 is a mandatory prerequisite to a Participant's right to commence any legal or equitable action with respect to any claim for benefits under this Plan.

ARTICLE 11
TRUST

11.1 **Establishment of the Trust**. In order to provide assets from which to fulfill the obligations of the Participants and their Beneficiaries under the Plan, the Company may establish a Trust by a trust agreement with a third party, the Trustee, to which the Company may, in its discretion, contribute cash or other property, including securities issued by the Company. The Trustee shall be authorized, upon written instructions received from the Committee or investment manager appointed by the Committee, to invest and reinvest the assets of the Trust in accordance with the applicable trust agreement, including the disposition of Trust assets and reinvestment of the proceeds in one or more investment vehicles designated by the Committee or investment manager appointed by the Committee.

11.2 **Interrelationship of the Plan and the Trust**. The provisions of the Plan shall govern the rights of a Participant or Beneficiary to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Company, Participants, Beneficiaries and the creditors of the Company to the assets transferred to the Trust.

11.3 **Distributions From the Trust**. The Company's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Company's obligations under this Plan.

ARTICLE 12
MISCELLANEOUS PROVISIONS

12.1 **Status of Plan**. The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted in a manner consistent with that intent.

12.2 **Unsecured General Creditor**. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Company. For purposes of the payment of benefits under this Plan, any and all of the Company's assets shall be, and remain, the general assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

12.3 **Nonassignability**. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, any amounts payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, non-assignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law, including, but not limited to, a Participant's or any other person's bankruptcy or insolvency.

12.4 **Right to Offset.** Notwithstanding any Plan provision to the contrary, payment under the Plan may be accelerated or a payment may be made under the Plan as satisfaction of a debt of the Participant to an Employer where such debt is incurred in the ordinary course of the service relationship between the Participant and Employer, provided that the entire amount of reduction in any of the Participant's taxable years does not exceed $5,000 and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

12.5 **Not a Contract of Employment**. Nothing contained in the Plan will give any Employee or Director the right to be retained in the employment of the Company or affect the right of the Company to dismiss any Employee or Director. The adoption and maintenance of the Plan will neither constitute a contract between the Company and any Employee or Director nor consideration for, or an inducement to or condition of, the employment or services of any Employee or Director.

12.6 **Governing Law**. Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of California without regard to its conflicts of laws principles.

12.7 **Notice**. Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail or private delivery service to the following address: Administrative Committee, c/o U.S. Retirement Benefits, Manager, Human Resources, Levi Strauss & Co., P.O. Box 7215, San Francisco, CA 94120.

Alternatively, any notice or filing required or permitted to be given to the Committee under this Plan may be given in writing by facsimile or other electronic media, as determined to be acceptable by the Committee. Notice to the Committee shall be deemed given as of the date of actual receipt by the Committee.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail or private delivery service to the last known address of such Participant appearing on the records of the Company, or sent by facsimile or other electronic media, as determined to be acceptable by the Committee. Notice to a Participant shall be deemed given when personally delivered, when sent by mail or private delivery service, or when successfully transmitted using facsimile or other electronic means.

12.8 **Successors**. The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns and the Participant and the Participant's designated Beneficiaries.

12.9 **Spouse's Interest**. The interest in the benefits hereunder of a Participant's spouse who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable prior to or upon death by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

12.10 **Validity**. In case any provision of this Plan shall be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

12.11 **Incompetent**. If the Committee determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared legally incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

12.12 **Distribution in the Event of Taxation**. If, for any reason, all or any portion of a Participant's benefits under this Plan becomes taxable to the Participant prior to receipt, a Participant may petition the Committee or Trustee for a distribution of that portion of his or her benefit that has become taxable. Upon the grant of such a petition, which grant shall not be unreasonably withheld, the Company shall distribute to the Participant immediately available funds in an amount equal to the taxable portion of his or her benefit (which amount shall not exceed a Participant's unpaid vested Account under the Plan). If the petition is granted, the tax liability distribution shall be made within 90 days of the date when the Participant's petition is granted. Such a distribution shall affect and reduce the benefits to be paid under this Plan.

12.13 **Insurance**. The Company, on its own behalf or on behalf of the Trustee, and, in its sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Trust may choose. The Company or the Trustee, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Company shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Company has applied for insurance.

12.14 **Effect on Other Plans**. The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Company. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

* * *

IN WITNESS WHEREOF, the Company has adopted this Plan document as of 12/29, 2010.

LEVI STRAUSS & CO.

By: /s/ Cathy Unruh
Cathy Unruh

Title: Senior Vice President, Human Resources

FIRST AMENDMENT

LEVI STRAUSS & CO.
DEFERRED COMPENSATION PLAN FOR
EXECUTIVES AND OUTSIDE DIRECTORS

WHEREAS, Levi Strauss & Co. ("LS&Co.") maintains the Levi Strauss & Co. Deferred Compensation Plan for Executives and Outside Directors, amended and restated as of January 1, 2011 (the "Plan") to provide a deferred compensation program for a select group of management, highly compensated employees or directors;

WHEREAS, Section 8.2 of the Plan provides that LS&Co. may amend the Plan at any time and for any reason; and

WHEREAS, the amendment herein is within the delegated authority of Cathy Unruh.

WHEREAS, LS&Co. desires to amend the Plan, effective as of the execution date of this First Amendment, to allow newly-eligible employees to elect to make ESIP deferral contributions.

NOW THEREFORE, the Plan is hereby amended, effective as of the date this First Amendment is executed below, in the following respects:

1. Section 3.3(b) of the Plan is hereby amended in its entirety to read as follows:

"(b) A Participant's election form with respect to an ESIP Deferral Contribution shall be filed with the Committee before the beginning of each Plan Year in which the ESIP Deferral Contribution is earned; provided, however, that for newly-eligible Employees, such election shall be filed with the Committee in accordance with Section 3.5 below."

2. Section 3.3(c) of the Plan is hereby amended in its entirety to read as follows:

"(c) Subject to Section 2.2, such deferral elections shall be irrevocable as of the first day of the Plan Year to which the election form relates or for newly-eligible Employees, and in accordance with Section 3.5 below, as of the thirtieth day after the date the Employee or Director becomes eligible to participate in the Plan."

3. Section 3.5 of the Plan is hereby amended in its entirety to read as follows:

"**3.5** **Newly-Eligible Employees or Directors.** Notwithstanding anything in the Plan to the contrary, a newly-eligible Employee or Director shall be given thirty days from the date he becomes eligible to participate in the Plan (as determined in accordance with Treasury Regulation Section 1.409A-2(a)(7)(ii) and the "plan aggregation" rules provided in Treasury Regulation Section 1.409A-1(c)(2)) to complete and submit an election form with respect to Base Annual Salary, an Annual Bonus, ESIP Deferral Contribution or Director Fees, as applicable, and such election shall apply only to amounts paid for

services performed after the date on which the election is effective. If an election made in accordance with this Section 3.5 relates to compensation earned based upon a specified performance period, the amount eligible for deferral shall be equal to (i) the total amount of compensation for the performance period, multiplied by (ii) a fraction, the numerator of which is the number of days remaining in the service period after the Participant's deferral election is made, and the denominator of which is the total number of days in the performance period. Subject to Section 2.2, any deferral election made in accordance with this Section 3.5 shall be irrevocable as of the thirtieth day after the date the Employee or Director becomes eligible to participate in the Plan."

* * *

IN WITNESS WHEREOF, the undersigned has caused this First Amendment to be executed this 26th day of August, 2011.

LEVI STRAUSS & CO.

By: /s/ Cathy Unruh
Cathy Unruh
Senior Vice President, Human Resources

LEVI STRAUSS & Co.

2006 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD: JULY 13, 2006
APPROVED BY THE STOCKHOLDERS: JULY 13, 2006
AMENDED BY THE BOARD: DECEMBER 8, 2011
TERMINATION DATE: JULY 12, 2016

1. GENERAL.

(a) Eligible Award Recipients. The persons eligible to receive discretionary Awards are Employees, Directors and Consultants.

(b) Available Awards. The Plan provides for the grant of the following Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) Restricted Stock Awards, (iv) Restricted Stock Unit Awards, (v) Stock Appreciation Rights, (vi) Performance Stock Awards, and (vii) Other Stock Awards. The Plan also provides for the grant of Performance Cash Awards.

(c) Purpose. The Company, by means of the Plan, seeks to secure and retain the services of the group of persons eligible to receive Awards as set forth in Section 1(a), to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such eligible recipients may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

2. DEFINITIONS.

As used in the Plan, the following definitions shall apply to the capitalized terms indicated below:

(a) *"Affiliate"* means (i) any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, provided each corporation in the unbroken chain (other than the Company) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain, and (ii) any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. The Board, in its sole discretion, shall have the authority to determine (i) the time or times at which the foregoing ownership tests are applied, and (ii) whether "Affiliate" includes entities other than corporations within the foregoing definition.

(b) *"Award"* means a Stock Award or a Performance Cash Award.

(c) *"Board"* means the Board of Directors of the Company.

(d) ***"Capitalization Adjustment"*** has the meaning ascribed to that term in Section 11(a).

(e) ***"Cause"*** means that the Participant has: (i) committed any willful, intentional or grossly negligent act materially injuring the interest, business or reputation of the Company or an Affiliate; (ii) engaged in any willful misconduct, including insubordination, in respect of his or her duties or obligations to the Company or an Affiliate; (iii) violated or failed to comply in any material respect with the Company's or any Affiliate's published rules, regulations or policies (including, without limitation, the Company's Worldwide Code of Business Conduct), as in effect from time to time; (iv) committed a felony or misdemeanor involving moral turpitude, fraud, theft or dishonesty (including entry of a *nolo contendere* plea resulting in conviction of a felony or misdemeanor involving moral turpitude, fraud, theft or dishonesty); (v) misappropriated or embezzled any property of the Company or an Affiliate (whether or not a misdemeanor or felony); (vi) failed, neglected or refused to perform the employment or Board duties, as applicable, related to his or her position as from time to time assigned to him or her (including, without limitation, the Participant's inability to perform such duties as a result of alcohol or drug abuse, chronic alcoholism or drug addiction); or (vii) breached any applicable employment agreement. For purposes of this Section 2(e), "willful" means an act or omission in bad faith and without reasonable belief that such act or omission was in, or not opposed to, the best interests of the Company.

(f) ***"Code"*** means the Internal Revenue Code of 1986, as amended.

(g) ***"Committee"*** means a committee of one (1) or more members of the Board to whom authority has been delegated by the Board in accordance with Section 3(c).

(h) ***"Common Stock"*** means the common stock of the Company; *provided, however,* that after an IPO Date, such term shall mean the class of common stock of the Company that was sold to the public in the initial public offering.

(i) ***"Company"*** means Levi Strauss & Co., a Delaware corporation.

(j) ***"Consultant"*** means any person, including an advisor, who is engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services.

(k) ***"Continuous Service"*** means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, shall not terminate a Participant's Continuous Service; *provided, however*, if the corporation for which a Participant is rendering service ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant's Continuous Service shall be considered to have terminated on the date such corporation ceases to qualify as an Affiliate. For example, a change in status from an employee of the Company to a consultant of an Affiliate or to a Director shall not constitute an interruption of Continuous

Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the Company's leave of absence policy or in the written terms of the Participant's leave of absence or, in the case of a Director, as determined by the Board.

(l) ***"Corporate Transaction"*** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least ninety percent (90%) of the outstanding voting securities of the Company;

(iii) the consummation of a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) the consummation of a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

The foregoing definition shall not include transfers of shares by one Permitted Holder to another Permitted Holder.

(m) ***"Covered Employee"*** means the chief executive officer and the four (4) other highest compensated officers of the Company for whom total compensation is required to be reported to stockholders under the Exchange Act, as determined for purposes of Section 162(m) of the Code.

(n) ***"Director"*** means a member of the Board.

(o) ***"Disability"*** means the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code or, in the case of a Director, as determined by Board.

(p) ***"Employee"*** means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, shall not cause a Director to be considered an "Employee" for purposes of the Plan.

(q) ***"Entity"*** means a corporation, partnership or other entity.

(r) ***"Exchange Act"*** means the Securities Exchange Act of 1934, as amended.

(s) ***"Fair Market Value"*** means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on the Nasdaq National Market or the Nasdaq SmallCap Market, the Fair Market Value of a share of Common Stock shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in *The Wall Street Journal* or such other source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price (or closing bid if no sales were reported) for the Common Stock on the date of determination, then the Fair Market Value shall be the closing selling price (or closing bid if no sales were reported) on the last preceding date for which such quotation exists.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value shall be determined by the Board based upon an independent appraisal in compliance with Section 409A of the Code or, in the case of an Incentive Stock Option, in compliance with Section 422 of the Code.

(t) ***"Incentive Stock Option"*** means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(u) ***"IPO Date"*** means the date of completion of the Company's initial underwritten public offering, if any, of the Common Stock pursuant to a registration statement.

(v) ***"Non-Employee Director"*** means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(w) ***"Nonstatutory Stock Option"*** means an Option not intended to qualify as an Incentive Stock Option.

(x) ***"Officer"*** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(y) ***"Option"*** means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(z) ***"Option Agreement"*** means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an Option grant. Each Option Agreement shall be subject to the terms and conditions of the Plan.

(aa) ***"Optionholder"*** means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(bb) ***"Other Stock Award"*** means an award based in whole or in part by reference to the Common Stock which is granted pursuant to Section 7(d).

(cc) ***"Other Stock Award Agreement"*** means a written agreement between the Company and a holder of an Other Stock Award evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(dd) ***"Outside Director"*** means a Director who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of Treasury Regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year, has not been an officer of the Company or an "affiliated corporation," and does not receive remuneration from the Company or an "affiliated corporation," either directly or indirectly, in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code.

(ee) ***"Own," "Owned," "Owner," "Ownership"*** A person or Entity shall be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(ff) ***"Participant"*** means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(gg) ***"Performance Cash Award"*** means an award of cash granted pursuant to Section 7(d)(ii).

(hh) ***"Performance Criteria"*** means the one or more criteria that the Board shall select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that shall be used to establish such Performance Goals may be based on any one of, or combination of, the following: (i) earnings before interest, taxes, depreciation, amortization, and rent ("EBITDAR"); (ii) earnings before interest, taxes, depreciation and amortization ("EBITDA"); (iii) earnings before interest and taxes ("EBIT"); (iv) EBITDAR, EBITDA, EBIT or earnings before taxes and unusual or nonrecurring items as measured either against the annual budget or as a ratio to revenue or return on total capital; (v) net earnings; (vi) earnings per share; (vii) net income; (viii) gross profit margin; (ix) operating margin; (x) operating income; (xi) net worth; (xii) cash flow; (xiii) cash flow per share; (xiv) total stockholder return; (xv) return on capital; (xvi) stock price performance; (xvii) revenues; (xviii) costs; (xix) working capital; (xx) capital expenditures; (xxi) changes in capital structure; (xxii) economic value added; (xxiii) industry indices; (xxiv) expenses and expense ratio management; (xxv) debt reduction; (xxvi) profitability of an identifiable business unit or product; (xxvii) levels of expense, cost or liability by category, operating unit or any other delineation; and (xxviii) implementation or completion

of projects or processes. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Agreement or the written terms of a Performance Cash Award. The Board shall, in its sole discretion, define the manner of calculating the Performance Criteria it selects to use for a Performance Period.

(ii) ***"Performance Goals"*** means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be set on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to internally generated business plans, approved by the Board, the performance of one or more comparable companies or a relevant index. The Board is authorized to make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated net sales and operating earnings; (iii) to exclude the effects of changes to generally accepted accounting standards required by the Financial Accounting Standards Board; (iv) to exclude the effects of any statutory adjustments to corporate tax rates; (v) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (vi) to exclude any other unusual, non-recurring gain or loss or other extraordinary item; (vii) to respond to, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development; (viii) to respond to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions; (ix) to exclude the dilutive effects of acquisitions or joint ventures; (x) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (xi) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common shareholders other than regular cash dividends; (xii) to reflect a corporate transaction, such as a merger, consolidation, separation (including a spinoff or other distribution of stock or property by a corporation), or reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code); and (xiii) to reflect any partial or complete corporate liquidation. The Board also retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals.

(jj) ***"Performance Period"*** means the one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Performance Stock Award or a Performance Cash Award.

(kk) ***"Performance Stock Award"*** means a Stock Award granted pursuant to Section 7(d)(i).

(ll) ***"Permitted Holders"*** means the holders of Voting Stock as of the date of adoption of this Plan by the Board, together with any Person who is a "Permitted Transferee," as that term is defined in the Stockholders' Agreement, except that transferees under Section 2.2(a)(x) of the Stockholders' Agreement (which includes, without limitation, Participants) shall not be Permitted Holders for purposes of this Plan.

(mm) ***"Person"*** means any individual, corporation, company (including any limited liability company), association, partnership, joint venture, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

(nn) ***"Plan"*** means this Levi Strauss & Co. 2006 Equity Incentive Plan.

(oo) ***"Restricted Stock Award"*** means an award of shares of Common Stock which is granted pursuant to Section 7(a).

(pp) ***"Restricted Stock Award Agreement"*** means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(qq) ***"Restricted Stock Unit Award"*** means a right to receive shares of Common Stock which is granted pursuant to Section 7(b).

(rr) ***"Restricted Stock Unit Award Agreement"*** means a written agreement between the Company and a holder of a Restricted Stock Unit Award evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Agreement shall be subject to the terms and conditions of the Plan.

(ss) ***"Retirement"*** means the termination of a Participant's Continuous Service on or after the date on which such Participant has met the age and service requirements as defined and determined under the Company retirement plan applicable to the Participant.

(tt) ***"Rule 16b-3"*** means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(uu) ***"Securities Act"*** means the Securities Act of 1933, as amended.

(vv) ***"Stock Appreciation Right"*** means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 7(c).

(ww) ***"Stock Appreciation Right Agreement"*** means a written agreement between the Company and a holder of a Stock Appreciation Right evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Agreement shall be subject to the terms and conditions of the Plan.

(xx) ***"Stock Award"*** means any right granted under the Plan, including an Option, a Restricted Stock Award, a Stock Appreciation Right, a Restricted Stock Unit Award, an Other Stock Award, or a Performance Stock Award.

(yy) ***"Stock Award Agreement"*** means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of the Plan.

(zz) ***"Stockholders' Agreement"*** means the Stockholders' Agreement dated as of April 15, 1996 between the Company and the stockholders of the Company party thereto.

(aaa) ***"Subsidiary"*** means, with respect to the Company, (i) any corporation of which more than fifty percent (50%) of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%).

(bbb) ***"Ten Percent Stockholder"*** means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.

(ccc) ***"Voting Stock"*** means all classes of the Company's capital stock (including Common Stock) outstanding at the time of reference and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors of the Company.

3. Administration.

(a) Administration by Board. The Board shall administer the Plan unless and until the Board delegates administration of the Plan to a Committee, as provided in Section 3(c).

(b) Powers of Board. The Board or the Committee, to the extent delegated to the Committee pursuant to Section 3(c), shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award Agreement or in the written terms of a Performance Cash Award, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(ii) To determine from time to time (1) which of the persons eligible under the Plan shall be granted Awards; (2) when and how each Award shall be granted; (3) what type or combination of types of Awards shall be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person shall be permitted to receive cash or Common Stock pursuant to an Award; (5) the number of shares of Common Stock with respect to which a Stock Award shall be granted to each such person; and (6) the Fair Market Value applicable to a Stock Award.

(iii) To accelerate the time at which a Stock Award may first be exercised or the time during which a Stock Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Stock Award stating the time at which it may first be exercised or the time during which it will vest.

(iv) To effect, at any time and from time to time, (1) the reduction of the exercise price of any outstanding Option or the strike price of any outstanding Stock Appreciation Right under the Plan; or (2) the cancellation of any outstanding Option or Stock Appreciation Right under the Plan and the grant in substitution therefor of (a) a new Option or Stock Appreciation Right under the Plan or another equity plan of the Company covering the same or a different number of shares of Common Stock, (b) a Restricted Stock Award, (c) a Restricted Stock Unit Award, (d) an Other Stock Award, (e) cash, and/or (f) other valuable consideration (as determined by the Board, in its sole discretion); *provided, however*, that no such reduction or cancellation may be effected if it is determined, in the Company's sole discretion, that such reduction or cancellation would result in any such outstanding Option or Stock Appreciation Right becoming subject to the requirements of Section 409A of the Code.

(v) Prior to an IPO Date, to cancel an Award, to the extent not vested, with or without substitution of consideration pursuant to Section 3(b)(iv).

(vi) To amend the Plan or an Award as provided in Section 12.

(vii) To terminate or suspend the Plan as provided in Section 13.

(viii) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company which are not in conflict with the provisions of the Plan.

(ix) To adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by individuals who are foreign nationals or employed outside the United States.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. In the sole discretion of the Board and whether or not such statutes or rules are applicable to the Company, the Committee may consist solely of two or more Outside Directors, in accordance with Section

162(m) of the Code, and/or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3. In addition, the Board or the Committee, in its sole discretion, may (1) delegate to a committee of one or more members of the Board who need not be Outside Directors the authority to grant Awards to eligible persons who are either (a) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Award, or (b) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code, and/or (2) delegate to a committee of one or more members of the Board who need not be Non-Employee Directors the authority to grant Stock Awards to eligible persons who are not then subject to Section 16 of the Exchange Act.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

4. Shares Subject to the Plan.

(a) Share Reserve. Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the number of shares of Common Stock that may be issued pursuant to Stock Awards shall not exceed, in the aggregate, 700,000 shares of Common Stock; *provided, however,* that such number shall be increased automatically to the extent necessary to satisfy the exercise of Stock Awards that were granted or authorized on July 13, 2006, February 8, 2007, February 26, 2007 and August 1, 2007.

(b) Reversion of Shares to the Share Reserve. If any (i) Stock Award shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, (ii) shares of Common Stock issued to a Participant pursuant to a Stock Award are forfeited to or repurchased by the Company pursuant to the Company's reacquisition or repurchase rights under the Plan, including any forfeiture or repurchase caused by the failure to meet a contingency or condition required for the vesting of such shares, (iii) Stock Award is settled in cash, or (iv) shares of Common Stock are cancelled in accordance with the cancellation and regrant provisions of Section 3(b)(iv), then the shares of Common Stock not issued under such Stock Award, or forfeited to or repurchased by the Company, shall revert to and again become available for issuance under the Plan. If any shares subject to a Stock Award are not delivered to a Participant because the Stock Award is exercised through a reduction of shares subject to the Stock Award (*i.e.*, "net exercised") or an appreciation distribution in respect of a Stock Appreciation Right is paid in shares of Common Stock, the number of shares subject to the Stock Award that are not delivered to the Participant shall remain available for subsequent issuance under the Plan. If any shares subject to a Stock Award are not delivered to a Participant because such shares are withheld in satisfaction of the withholding of taxes incurred in connection with the exercise of an Option or Stock Appreciation Right or the issuance of shares under a Restricted Stock Award, Restricted Stock Unit Award or Other Stock Award, the number of shares that are not delivered to the Participant shall remain available for subsequent issuance under the Plan. If the exercise price of any Stock Award is satisfied by tendering shares of Common Stock held by the Participant (either by actual delivery or attestation), then the number of shares so tendered shall remain available for subsequent issuance under the Plan.

(c) Incentive Stock Option Limit. Notwithstanding anything to the contrary in this Section 4(c), subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options shall be 700,000 shares of Common Stock.

(d) Source of Shares. The stock issuable under the Plan shall be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

5. Eligibility.

(a) Eligibility for Specific Awards. Incentive Stock Options may be granted only to Employees. Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants. Performance Cash Awards may be granted to Employees, Directors and Consultants.

(b) Ten Percent Stockholders. A Ten Percent Stockholder shall not be granted an Incentive Stock Option unless the exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

6. Option Provisions.

Each Option shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates shall be issued for shares of Common Stock purchased on exercise of each type of Option. The provisions of separate Options need not be identical; *provided, however*, that each Option Agreement shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(a) Term. No Option shall be exercisable after the expiration of ten (10) years from the date of grant, or such shorter period specified in the Option Agreement; *provided, however,* that an Incentive Stock Option granted to a Ten Percent Stockholder shall be subject to the provisions of Section 5(b).

(b) Exercise Price of an Incentive Stock Option. Subject to the provisions of Section 5(b) regarding Ten Percent Stockholders, the exercise price of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner consistent with the provisions of Section 424(a) of the Code.

(c) Exercise Price of a Nonstatutory Stock Option. The exercise price of each Nonstatutory Stock Option shall be not less than one hundred percent (100%) of the Fair Market

Value of the Common Stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, a Nonstatutory Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner consistent with the provisions of Section 424(a) of the Code.

(d) Consideration. The purchase price of Common Stock acquired pursuant to the exercise of an Option shall be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board shall have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The methods of payment permitted by this Section 6(d) are:

(i) by cash or check;

(ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; *provided, however,* the Company shall accept a cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; *provided further, however,* that shares of Common Stock will no longer be outstanding under an Option and will not be exercisable thereafter to the extent that (i) shares are used to pay the exercise price pursuant to the "net exercise," (ii) shares are delivered to the Participant as a result of such exercise, and (iii) shares are withheld to satisfy tax withholding obligations; or

(v) in any other form of legal consideration that may be acceptable to the Board.

(e) Transferability of Options. The Board may, in its sole discretion, impose such limitations on the transferability of Options as the Board shall determine. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options shall apply:

(i) Restrictions on Transfer. An Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, an Option may be transferred pursuant to a domestic relations order; *provided, however*, that if an Option is an Incentive Stock Option, such Option shall be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option. In the absence of such a designation, the executor or administrator of the Optionholder's estate shall be entitled to exercise the Option.

(f) Vesting of Options Generally. The total number of shares of Common Stock subject to an Option may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on performance or other criteria) as the Board may deem appropriate, including, without limitation, the provisions of Section 9(a). The vesting provisions of individual Options may vary. The provisions of this Section 6(f) are subject to any Option provisions governing the minimum number of shares of Common Stock as to which an Option may be exercised.

(g) Termination of Continuous Service. Subject to the provisions of Section 8(a), if an Optionholder's Continuous Service terminates (other than for Cause or upon the Optionholder's death, Retirement or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Optionholder's Continuous Service (or such longer or shorter period specified in the Option Agreement), or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination of Continuous Service, the Optionholder does not exercise his or her Option within the time specified herein or in the Option Agreement (as applicable), the Option shall terminate.

(h) Extension of Termination Date. An Optionholder's Option Agreement may provide that if the exercise of the Option following the termination of the Optionholder's Continuous Service (other than upon the Optionholder's death, Retirement or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of (i) the expiration of a period of three (3) months after the termination of the Optionholder's Continuous Service during which the exercise of the Option would not be in violation of such registration requirements, or (ii) the expiration of the term of the Option as set forth in the Option Agreement.

(i) Retirement or Disability of Optionholder. Subject to the provisions of Section 8(a), if an Optionholder's Continuous Service terminates as a result of the Optionholder's Retirement or Disability, the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the

expiration of the term of the Option as set forth in the Option Agreement or (ii) the date eighteen (18) months following such termination of Continuous Service (or such longer or shorter period specified in the Option Agreement); *provided, however* that if the conclusion of such eighteen-month period occurs at a time when such Optionholder's final opportunity to exercise the Option is during a period of less than two (2) weeks due to the limitations set forth in Section 8(a) (and some or all of Optionholder's Options were not previously exercised during the 18 month period), then such Optionholder (or permitted transferee) may exercise the Option Right during the next following 2-month permitted exercise period; *provided further, however,* that such exercise in no event shall be permitted following the expiration date of the Option. If, after termination of Continuous Service, the Optionholder does not exercise his or her Option within the time specified herein or in the Option Agreement (as applicable), the Option shall terminate.

(j) Death of Optionholder. Subject to the provisions of Section 8(a), if (i) an Optionholder's Continuous Service terminates as a result of the Optionholder's death, or (ii) the Optionholder dies within the period (if any) specified in the Option Agreement after the termination of the Optionholder's Continuous Service for a reason other than death, the Option may be exercised (to the extent that the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the option upon the Optionholder's death, but only within the period ending on the earlier of (i) (i) the expiration of the term of such Option as set forth in the Option Agreement, or (ii) the date eighteen (18) months following the date of death (or such longer or shorter period specified in the Option Agreement); *provided, however* that if the conclusion of such eighteen-month period occurs at a time when the final opportunity to exercise the Option by the Optionholder's estate or other beneficiary is during a period of less than two (2) weeks due to the limitations set forth in Section 8(a) (and some or all of Optionholder's Options were not previously exercised during the 18 month period), then such estate or other beneficiary may exercise the Option Right during the next following 2-month permitted exercise period; *provided further, however,* that such exercise in no event shall be permitted following the expiration date of the Option. If, after the Optionholder's death, the Option is not exercised within the time specified herein or in the Option Agreement (as applicable), the Option shall terminate.

(k) Termination for Cause. If an Optionholder's Continuous Service is terminated for Cause, (i) the Option shall terminate upon the termination date of such Optionholder's Continuous Service, and the Optionholder shall be prohibited from exercising the Option from and after the time of such termination of Continuous Service; and (ii) the Company may rescind any transfer of Common Stock to the Optionholder that occurred within six (6) months prior to such termination of Continuous Service or demand that the Optionholder pay over to the Company the proceeds received by the Optionholder upon the sale, transfer or other transaction involving the Common Stock in such manner and on such terms and conditions as the Company may require, and the Company shall be entitled to set-off against the amount of such proceeds any amount owed to the Company by the Optionholder to the fullest extent permitted by law.

(l) Early Exercise. The Option may include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. Any unvested shares of Common Stock so purchased may be subject to a

repurchase option in favor of the Company or to any other restriction the Board determines to be appropriate. The Company shall not be required to exercise its repurchase option until at least six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Option.

7. Provisions of Awards other than Options.

(a) Restricted Stock Award. Each Restricted Stock Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (ii) evidenced by a certificate, which certificate shall be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Award Agreements need not be identical; *provided, however*, that each Restricted Stock Award Agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (i) past or future services rendered to the Company or an Affiliate, or (ii) any other form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under a Restricted Stock Award Agreement may be subject to forfeiture to the Company in accordance with a vesting schedule to be determined by the Board.

(iii) Termination of Continuous Service. If Participant's Continuous Service terminates, the Company may receive, pursuant to a forfeiture condition, any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Agreement. If such termination is for Cause, the Company may rescind the transfer of shares of Common Stock awarded to a Participant that ceased to be subject to a forfeiture condition within six (6) months prior to such termination of Continuous Service or demand that the Participant pay over to the Company the proceeds received by the Participant upon the sale, transfer or other transaction involving the Common Stock in such manner and on such terms and conditions as the Company may require, and the Company shall be entitled to set-off against the amount of such proceeds any amount owed to the Company by the Optionholder to the fullest extent permitted by law.

(iv) Transferability. Rights to acquire shares of Common Stock under the Restricted Stock Award Agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Agreement, as the Board shall determine in its sole discretion, so long as Common Stock awarded under the Restricted Stock Award Agreement remains subject to the terms of the Restricted Stock Award Agreement.

(b) Restricted Stock Unit Awards. Each Restricted Stock Unit Award Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of Restricted Stock Unit Award Agreements may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Agreements need not be identical; *provided, however,* that each Restricted Stock Unit Award Agreement shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board in its sole discretion and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Agreement.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Agreement. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all the terms and conditions of the underlying Restricted Stock Unit Award Agreement to which they relate.

(vi) Termination of Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Agreement, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service. If such termination is for Cause, the Company may rescind the transfer of any shares of Common Stock (or their cash equivalent) in respect of Restricted Stock Units that vested within six (6) months prior to such termination of Continuous Service or demand that the Participant pay over to the Company the proceeds received by the Participant upon the sale, transfer or other transaction involving the Common Stock in such manner and on such terms and conditions as the Company may require, and the Company shall be entitled to set-off against the amount of such proceeds any amount owed to the Company by the Participant to the fullest extent permitted by law.

(c) Stock Appreciation Rights. Each Stock Appreciation Right Agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. Stock Appreciation Rights may be granted as stand-alone Stock Awards or in tandem with other Stock Awards; *provided, however*, that a Stock Appreciation Right shall not be granted in tandem with any other Stock Award if it is determined, in the Company's sole discretion, that such grant would be subject to the requirements of Section 409A of the Code. The terms and conditions of Stock Appreciation Right Agreements may change from time to time, and the terms and conditions of separate Stock Appreciation Right Agreements need not be identical; *provided, however*, that each Stock Appreciation Right Agreement shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Term. No Stock Appreciation Right shall be exercisable after the expiration of ten (10) years from the date of grant, or such shorter period specified in the Stock Appreciation Right Agreement.

(ii) Strike Price. Each Stock Appreciation Right will be denominated in shares of Common Stock equivalents. The strike price of each Stock Appreciation Right granted as a stand-alone or tandem Stock Award shall not be less than one hundred percent (100%) of the Fair Market Value of the Common Stock equivalents subject to the Stock Appreciation Right on the date of grant.

(iii) Calculation of Appreciation. The appreciation distribution payable on the exercise of a Stock Appreciation Right will be not greater than an amount equal to the excess of (i) the aggregate Fair Market Value (on the date of the exercise of the Stock Appreciation Right) of a number of shares of Common Stock equal to the number of share of Common Stock equivalents in which the Participant is vested under such Stock Appreciation Right, and with respect to which the Participant is exercising the Stock Appreciation Right on such date, over (ii) the strike price that will be determined by the Board at the time of grant of the Stock Appreciation Right.

(iv) Vesting. At the time of the grant of a Stock Appreciation Right, the Board may impose such restrictions or conditions to the vesting of such Stock Appreciation Right as it, in its sole discretion, deems appropriate.

(v) Exercise. To exercise any outstanding Stock Appreciation Right, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Agreement evidencing such Stock Appreciation Right, which provisions may include, without limitation, a restriction on the periods during which a vested Stock Appreciation Right may be exercised pursuant to Section 8(a).

(vi) Payment. The appreciation distribution in respect of a Stock Appreciation Right may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and set forth in the Stock Appreciation Right Agreement evidencing such Stock Appreciation Right.

(vii) Termination of Continuous Service. Subject to the provisions of Section 8(a), if a Participant's Continuous Service terminates (other than for Cause or upon the Participant's death, Retirement or Disability), the Participant may exercise his or her Stock Appreciation Right (to the extent that the Participant was entitled to exercise such Stock Appreciation Right as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date three (3) months following the termination of the Participant's Continuous Service (or such longer or shorter period specified in the Stock Appreciation Right Agreement), or (ii) the expiration of the term of the Stock Appreciation Right as set forth in the Stock Appreciation Right Agreement. If, after termination of Continuous Service, the Participant does not exercise his or her Stock Appreciation Right within the time specified herein or in the Stock Appreciation Right Agreement (as applicable), the Stock Appreciation Right shall terminate.

(viii) Extension of Termination Date. A Participant's Stock Appreciation Right Agreement may provide that if the exercise of the Stock Appreciation Right following the termination of the Participant's Continuous Service (other than upon the Participant's death, Retirement or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Stock Appreciation Right shall terminate on the earlier of (i) the expiration of a period of three (3) months after the termination of the Participant's Continuous Service during which the exercise of the Stock Appreciation Right would not be in violation of such registration requirements, or (ii) the expiration of the term of the Stock Appreciation Right as set forth in the Stock Appreciation Right Agreement.

(ix) Retirement or Disability of Participant. Subject to the provisions of Section 8(a), if a Participant's Continuous Service terminates as a result of the Participant's Retirement or Disability, the Participant may exercise his or her Stock Appreciation Right (to the extent that the Participant was entitled to exercise such Stock Appreciation Right as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the expiration of the term of the Stock Appreciation Right as set forth in the Stock Appreciation Right Agreement or (ii) the date eighteen (18) months following such termination of Continuous Service (or such longer or shorter period specified in the Stock Appreciation Right Agreement), *provided, however* that if the conclusion of such eighteen-month period occurs at a time when such Participant's final opportunity to exercise the Stock Appreciation Right is during a period of less than two (2) weeks due to the limitations set forth in Section 8(a) (and some or all of Participant's Stock Appreciation Rights were not previously exercised during the 18 month period), then such Participant (or permitted transferee) may also exercise the Stock Appreciation Right during the next following 2-month permitted exercise period; *provided further, however,* that such exercise in no event shall be permitted following the expiration date of the Stock Appreciation Right. If, after termination of Continuous Service, the Participant does not exercise his or her Stock Appreciation Right within the time specified herein or in the Stock Appreciation Right Agreement (as applicable), the Stock Appreciation Right shall terminate.

(x) Death of Participant. Subject to the provisions of Section 8(a), if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Stock Appreciation Right Agreement after the termination of the Participant's Continuous Service for a reason other than death, the Stock Appreciation Right may be exercised (to the extent that the Participant was entitled to exercise such Stock Appreciation Right as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Stock Appreciation Right by bequest or inheritance or by a person designated to exercise the option upon the Participant's death, but only within the period ending on the earlier of (i) the expiration of the term of such Stock Appreciation Right as set forth in the Stock Appreciation Right Agreement, or (ii) the date eighteen (18) months following the date of death (or such longer or shorter period specified in the Stock Appreciation Right Agreement); *provided, however* that if the conclusion of such eighteen-month period occurs at a time when the final opportunity to exercise the Stock Appreciation Right by the Participant's estate or other beneficiary is during a period of less than two (2) weeks due to the limitations set forth in Section 8(a) (and some or all of Participant's Stock Appreciation Rights were not previously exercised during the 18 month period),, then such estate or other beneficiary may also exercise the Stock Appreciation Right during the next following 2-month permitted exercise period; *provided further, however,* that such exercise in no event shall be permitted following the expiration date of the Stock Appreciation Right. If, after the Participant's death, the Stock Appreciation Right is not exercised within the time specified herein or in the Stock Appreciation Right Agreement (as applicable), the Stock Appreciation Right shall terminate.

(xi) Termination for Cause. If a Participant's Continuous Service is terminated for Cause, (i) the Stock Appreciation Right shall terminate upon the termination date of such Participant's Continuous Service, and the Participant shall be prohibited from exercising the Stock Appreciation Right from and after the time of such termination of Continuous Service; and (ii) the Company may rescind any transfer of Common Stock (or its cash equivalent) to the Participant that occurred within six (6) months prior to such termination of Continuous Service or demand that the Participant pay over to the Company the proceeds received by the Participant upon the sale, transfer or other transaction involving the Common Stock in such manner and on such terms and conditions as the Company may require, and the Company shall be entitled to set-off against the amount of such proceeds any amount owed to the Company by the Participant to the fullest extent permitted by law.

(d) Performance Awards.

(i) Performance Stock Awards. A Performance Stock Award is either a Restricted Stock Award or Restricted Stock Unit Award that may be granted, may vest, or may be exercised based upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may, but need not, require the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained shall be conclusively determined by the Committee, in its sole discretion.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award that may be granted upon the attainment during a Performance Period of certain Performance

Goals. A Performance Cash Award may, but need not, require the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained shall be conclusively determined by the Committee, in its sole discretion.

(e) Other Stock Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock may be granted either alone or in addition to Stock Awards provided for under Section 6 and the preceding provisions of this Section 7. Subject to the provisions of the Plan, the Board shall have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

8. Exercise Procedures Prior to IPO Date; Participant Put Rights; Company Call Rights; Agreements Relating to Common Stock.

(a) Limitation on Exercise of Options and Stock Appreciation Rights Prior to IPO Date. Prior to an IPO Date, a Participant shall be permitted to exercise an Option or a Stock Appreciation Right, to the extent vested, as provided in the applicable provisions of Section 6 or Section 7(c), but the period during which such exercise shall be permitted shall be further limited to the period or periods, as the case may be, of (i) two (2) months following the later of (A) the Company's receipt of the independent appraisal as of December 31 referred to in Section 2(s)(ii), and (B) the date of the most recent filing of the Company's Form 10-K following such December 31; and (ii) two (2) months following the later of (A) the Company's receipt of the independent appraisal as of June 30 referred to in Section 2(s)(ii), and (B) the date of the most recent filing of the Company's Form 10-Q following such June 30. If the termination of a Participant's Continuous Service for a reason other than Retirement, Disability or death occurs at a time when, as a result of the foregoing limitation, exercise thereafter would not be permitted for a period of at least two (2) weeks during the three (3) months following such termination, then such Participant (or such Participant's estate or other beneficiary in the event of death, or other permitted transferee) may also exercise the Option or Stock Appreciation Right during the next following 2-month permitted exercise period; *provided, however,* that such exercise in no event shall be permitted following the expiration date of the Option or Stock Appreciation Right.

(b) Participant Put Rights. Prior to an IPO Date, a Participant (or such Participant's estate or other beneficiary in the event of death) shall have the right to require the Company to repurchase shares of Common Stock acquired pursuant to a Stock Award in accordance with the following provisions:

(i) Defined Terms. For purposes of this Section 8(b), the following definitions shall apply to the capitalized terms indicated below:

(1) *"Put Period"* means each of the periods of (i) two (2) months following the later of (A) the Company's receipt of the independent appraisal as of December 31

referred to in Section 2(s)(ii), and (B) the date of the most recent filing of the Company's Form 10-K following such December 31; and (ii) two (2) months following the later of (A) the Company's receipt of the independent appraisal as of June 30 referred to in Section 2(s)(ii), and (B) the date of the most recent filing of the Company's Form 10-Q following such June 30.

(2) ***"Put Notice"*** means the written notice (which may be delivered electronically) by which a Participant (or such Participant's estate or other beneficiary in the event of death) indicates a decision to require the Company to purchase shares of Common Stock pursuant to the provisions of this Section 8(b).

(ii) Application of Put Period. During a Put Period, a Participant (or such Participant's estate or other beneficiary in the event of death) may require the Company to, and the Company will be obligated to, repurchase shares of Common Stock then held by such person; *provided, however,* that only shares of Common Stock that have been held by a Participant for at least six (6) months following their date of issuance (including, for this purpose, the period during which such shares were held by such Participant's estate or other beneficiary in the event of death) shall be subject to such put right.

(iii) Purchase Price. The purchase price in all of the transactions described in this Section 8(b) shall be Fair Market Value, determined pursuant to Section 2(s)(ii) based on the independent appraisal most recently received by the Company before the commencement of the applicable Put Period.

(iv) Put Right Mechanics. The Participant (or such Participant's estate or other beneficiary in the event of death) may exercise a put right pursuant to this Section 8(b) by delivering to the Company, during any of the Put Periods provided in this Section 8(b), a Put Notice, signed by such holder; the stock certificate(s) representing the shares of Common Stock subject to the Put Notice, properly endorsed for transfer; and any other documents that the Company may reasonably request. Following the Company's receipt and approval of such documents, the Company shall issue to such Participant, estate or other beneficiary its check in payment of the purchase price for the shares of Common Stock. Once submitted to the Company, a Put Notice is irrevocable.

(v) Put Rights Personal. Except as described below in this Section 8(b)(v), the put rights created by the Plan are personal to a Participant; that is, they do not run with the Stock Awards or with the shares of Common Stock acquired pursuant thereto. In general, if a Stock Award or shares of Common Stock acquired pursuant thereto are transferred to another person, as permitted by the Stockholders' Agreement or any other agreement that may relate to the transfer of such shares, that person will not be entitled to exercise the put rights and to sell the shares of Common Stock under this Section 8(b). Notwithstanding the foregoing limitation, the estate or other beneficiary of a deceased Participant shall be permitted to exercise put rights to the same extent as the Participant, and in selling shares of Common Stock pursuant to this Section 8(b), all limitations and document delivery conditions shall apply to the estate or other beneficiary of a deceased Participant.

(vi) Termination for Cause. If a Participant's Continuous Service is terminated for Cause, all put rights shall terminate.

(c) Company Call Rights. Prior to an IPO Date, the Company shall have the right, but not the obligation, to repurchase all shares of Common Stock acquired pursuant to a Stock Award, in accordance with the following provisions:

(i) Defined Terms. For purposes of this Section 8(c), the following definitions shall apply to the capitalized terms indicated below:

(1) *"Call Period"* means each of the periods of (i) three (3) months following the later of (A) the Company's receipt of the independent appraisal as of December 31 referred to in Section 2(s)(ii), and (B) the date of the most recent filing of the Company's Form 10-K following such December 31; and (ii) three (3) months following the later of (A) the Company's receipt of the independent appraisal as of June 30 referred to in Section 2(s)(ii), and (B) the date of the most recent filing of the Company's Form 10-Q following such June 30.

(2) *"Call Notice"* means the written notice (which may be delivered in electronic form) by which the Company indicates its decision to repurchase shares of Common Stock pursuant to the provisions of this Section 8(c).

(ii) Application of Call Period. During a Call Period, the Company, subject to the rules set forth herein, shall be entitled to repurchase any or all of the shares of Common Stock then held by a Participant (or such Participant's estate or other beneficiary in the event of death, or other permitted transferee); *provided, however,* that only shares that have been held for at least six (6) months following their date of issuance (including, for this purpose, the period such shares were held by the estate or other beneficiary of a deceased Participant, or other permitted transferee) may be repurchased.

(iii) Unilateral Right. The Company may exercise its call rights under this Section 8(c) whether or not the Participant (or such Participant's estate or other beneficiary in the event of death, or other permitted transferee) wishes to sell, and such holders of Common Stock will be obligated to sell on delivery of a Call Notice. The Company may make its decision in its sole discretion, without regard to the tax or other financial consequences to the holder of the Common Stock and without regard to decisions it may make with respect to other holders of Common Stock who are subject to the provisions of this Section 8(c).

(**iv) Purchase Price.** The purchase price in all of the transactions described in this Section 8(c) shall be Fair Market Value, determined pursuant to Section 2(s)(ii) based on the independent appraisal most recently received by the Company before the commencement of the applicable Call Period.

(v) Call Right Mechanics. The Company may exercise a call right pursuant to this Section 8(c) by delivering, during any of the Call Periods provided in this Section 8(c), to the Participant (or such Participant's estate or other beneficiary in the event of death, or other permitted transferee) a Call Notice. Within fifteen (15) business days after receiving such Call Notice, such holder of Common Stock shall deliver to the Company the stock certificate(s) representing the shares of Common Stock subject to the Call Notice, properly endorsed for transfer, a copy of the Call Notice signed by such holder and any other documents that the Company may reasonably request. Following the Company's receipt and approval of such

documents, the Company shall issue and deliver to such Participant, estate, other beneficiary, or other permitted transferee its check in payment of the purchase price for the shares of Common Stock. The Company shall be free to complete such purchase transaction even if the Participant, estate, other beneficiary, or other permitted transferee fails to deliver the stock certificate(s) for the shares of Common Stock to be purchased; in that case, the Participant, estate, other beneficiary, or other permitted transferee shall supply the Company, at its request, with the "lost certificate" assurance contemplated by the Company's Bylaws.

(vi) Waiver. The Company may waive any of the limitations on the exercise of its call rights under this Section 8(c), other than those relating to the time such rights may be exercised and the purchase price for Common Stock.

(vii) Future Transferees Bound. The call rights created by this Plan shall bind any transferee of the Common Stock; that is, they will run with the Stock Awards and with the shares of Common Stock acquired pursuant thereto. Should a Participant transfer Common Stock to another person (whether before or after a termination of Continuous Service), the Company will be entitled to exercise the call rights and purchase the Common Stock from such transferee (or any subsequent transferees of such transferee) under this Section 8(c). For example, if a Participant transfers Common Stock to his or her children, the Company would be entitled to purchase the Common Stock from such children (or their transferees) as provided in this Section 8(c). Certificates representing the Common Stock will bear a conspicuous legend describing the Company's call right, and a Participant may not transfer Common Stock without first providing to the Company a document, in a form satisfactory to the Company, signed by the transferee and confirming the continuing effectiveness of the Company's call rights after the transfer and the transferee's obligations to provide the documents described in Section 8(f).

(d) Interrelationship of Put Rights and Call Rights. A Participant's put right and the Company's call right shall both be exercisable concurrently; *provided, however,* that put rights and call rights exercised during a Put Period and Call Period that commence on the same date shall be given effect as to the total number of shares of Common Stock (not to exceed the total number then held by the Participant, such Participant's estate or other beneficiary in the event of death, or other permitted transferee) subject to the Put Notice and the Call Notice.

(e) Limitation on Repurchases of Common Stock. The Company shall not be obligated to complete a repurchase of its Common Stock from any person, whether pursuant to a put right or a call right, if:

(i) the repurchase would, as determined by the Company in its sole discretion: (A) result in the violation of any applicable law, including, without limitation, those laws limiting the Company's ability to repurchase its capital stock, fraudulent conveyance laws and securities laws, or (B) violate or conflict with the provisions of the certificate of incorporation of the Company or of any agreement or instrument to which the Company or any Affiliate is a party or by which it is bound (including, without limitation, any credit agreement or bond indenture with respect to the debt securities of the Company or an Affiliate), whether now or in the future, it being understood that the Company is free to create or bind itself to any provision that limits or restricts its ability to purchase shares of Common Stock pursuant to the Plan;

(ii) there shall have been threatened, instituted, or pending any action or proceeding by any governmental, regulatory, or administrative agency or authority or tribunal, domestic or foreign, or by any other person, domestic or foreign, before any court or governmental, regulatory, or administrative authority or agency or tribunal, domestic or foreign, which challenges or seeks to make illegal, or to delay or otherwise directly or indirectly to restrain, prohibit, or otherwise affect the repurchase, or in the Company's sole discretion, and irrespective of whether it is directed at or affects the repurchase as such, could materially affect the Company's business, financial condition, income, operations, or prospects or otherwise materially impair in any way the contemplated future conduct of the Company's business;

(iii) there shall have been any action threatened, pending, or taken, or any approval withheld, or any statute, rule, regulation, judgment, order, or injunction threatened, invoked, proposed, sought, promulgated, enacted, entered, amended, enforced, or considered to apply to the repurchase, the Plan or the Company, by any court or any government or governmental, regulatory, or administrative agency or authority or tribunal, domestic or foreign, which, in the Company's sole discretion, would or might directly or indirectly result in any of the consequences referred to in this Section 8(e);

(iv) there shall have occurred or be continuing: (A) the declaration of any banking moratorium or suspension of payments in respect of banks in the United States (whether or not mandatory); (B) any general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market; (C) the commencement of a war, armed hostilities, or any other national or international crisis directly or indirectly involving the United States; (D) any limitation (whether or not mandatory) by any governmental, regulatory, or administrative agency or authority on, or any event which, in the Company's sole discretion, might affect, the extension of credit by banks or other lending institutions in the United States; or (E) any change in the general political, market, economic, or financial conditions in the United States or abroad that could have a material adverse effect on the business, condition (financial or otherwise), income, operations, or prospects of the Company;

(v) a tender or exchange offer for any or all of the shares of Common Stock, or any merger, business combination, or other similar transaction with or involving the Company, shall have been proposed, announced, or made by any person;

(vi) the person fails to deliver the documents contemplated by Sections 8(b)(iv) or 8(c)(v), as the case may be;

(vii) the Company concludes, in its sole discretion, that the repurchase will be treated as a dividend, rather than as an exchange, under Section 302(b)(2) or 302(b)(3) of the Code;

(viii) the Company concludes, in its sole discretion, that the repurchase would be inadvisable in view of (A) a pending or planned initial underwritten public offering of the Common Stock or other financing transaction, (B) pending or planned dividends, redemptions or other distributions to the Company's stockholders or (C) any change that has occurred or has been threatened in the business, condition (financial or otherwise), income, operations, liquidity, stock ownership, or prospects of the Company; or

(ix) an IPO Date shall have occurred prior to the completion of such repurchase.

The Company in its sole discretion shall decide whether any of the foregoing events or circumstances has occurred or is occurring. If it so concludes, then, in its sole discretion, it may reject, in whole or in part, a pending or later-issued Put Notice or revoke, in whole or in part, a pending Call Notice, as the case may be. These rules are for the Company's sole benefit. It may assert them regardless of the circumstances giving rise to the event (including its own action or inaction), or it may ignore them and proceed with the repurchase. In addition, the Company may assert or ignore them with respect to a repurchase, regardless of whether it makes the same decision with respect to repurchases (contemporaneous or not) involving other persons.

The Company's exercise of certain of its rights under this Section 8(e) shall have the following consequences:

(i) If the Company has rejected a Put Notice and the person otherwise would have no further opportunities to exercise that put right, then the person (again subject to this Section 8(e)) shall be entitled to exercise the put right during the next Put Period. If the person does not exercise the put right at that time, then it shall expire.

(ii) If the Company has rejected a Put Notice and the person otherwise would have later opportunities to exercise that put right, then the rejection shall have no special effect.

(iii) If the Company has revoked a Call Notice and the Company otherwise would not have further opportunities to exercise that call right, then the Company (again subject to this Section 8(e)) shall be entitled to exercise the call right during the next Call Period.

(iv) If the Company has revoked a Call Notice and the Company otherwise would have later opportunities to exercise the call right, then the revocation shall have no special effect.

(f) Agreements Relating to Common Stock. The Company may require a Participant (or such Participant's estate or other beneficiary in the event of death, or other permitted transferee), as a condition to exercising or acquiring Common Stock under any Stock Award, (i) to enter into the Stockholders' Agreement (or any successor to that agreement) or any other agreement relating to stock transfers or voting as the Company may determine in its sole discretion; and (ii) to enter into a written understanding and acknowledgement that the Participant (or such Participant's estate or other beneficiary in the event of death, or other permitted transferee) will have no entitlement to: (A) participate in any secondary offering or other share sale that may be executed as part of an initial public offering, private equity issuance or other transaction; (B) obtain registration or qualification of shares of Common Stock under the Securities Act or any state securities laws; (C) participate in any registration rights, stock transfer, right of first offer, right of first refusal or other agreement that may be entered into by Permitted Holders in connection with an initial public offering, private equity issuance, other transaction or otherwise; or (D) receive any right to have such Common Stock repurchased by the Company upon termination of Continuous Service for any reason or at any other time.

9. Covenants of the Company.

(a) Availability of Shares. During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards.

(b) Securities Law Compliance. The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; *provided, however,* that this undertaking shall not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained.

10. Miscellaneous.

(a) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Stock Awards shall constitute general funds of the Company.

(b) Stockholder Rights. No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of the Stock Award pursuant to its terms, (ii) such Participant has paid any amount that may be owed in connection with such exercise and (iii) shares of Common Stock shall have been issued to such Participant.

(c) No Employment or Other Service Rights. Nothing in the Plan, any Stock Award Agreement or other instrument executed thereunder or in connection with any Award granted thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or shall affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(d) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds one hundred thousand dollars ($100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(e) Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares upon the exercise or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (ii) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(f) Withholding Obligations. To the extent provided by the terms of a Stock Award Agreement, the Company may, in its sole discretion, satisfy any federal, state or local tax withholding obligation relating to a Stock Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Stock Award; or (iii) by such other method as may be set forth in the Stock Award Agreement. For purposes of the foregoing sentence, the Company's withholding obligation and the satisfaction of such obligation through the withholding of shares of Common Stock shall be based upon Fair Market Value.

(g) Electronic Delivery. Any reference herein to a "written" agreement or document shall include any agreement or document delivered electronically or posted on the Company's intranet.

11. Adjustments upon Changes in Common Stock; Corporate Transactions.

(a) **Capitalization Adjustments**. If any change is made in, or other events occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the effective date of the Plan set forth in Section 14 without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company (each a "***Capitalization Adjustment***")), the Board shall

appropriately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 4(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 4(c); and (iii) the class(es) and number of securities and price per share of stock subject to outstanding Stock Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. (Notwithstanding the foregoing, the conversion of any convertible securities of the Company shall not be treated as a transaction "without receipt of consideration" by the Company.)

(b) Dissolution or Liquidation. In the event of a dissolution or liquidation of the Company, all outstanding Stock Awards shall terminate immediately prior to the completion of such dissolution or liquidation; *provided, however,* that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction. The following provisions shall apply to Stock Awards in the event of a Corporate Transaction unless otherwise provided in a written agreement between the Company or any Affiliate and the holder of the Stock Award:

(i) Stock Awards May Be Assumed. In the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar stock awards for Stock Awards outstanding under the Plan (including, but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation may choose to assume or continue only a portion of a Stock Award or substitute a similar stock award for only a portion of a Stock Award. The terms of any assumption, continuation or substitution shall be set by the Board in accordance with the provisions of Section 3(b).

(ii) Stock Awards Held by Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the "***Current Participants***"), the vesting of such Stock Awards (and, if applicable, the time at which such Stock Awards may be exercised) shall (contingent upon the effectiveness of the Corporate Transaction) be accelerated in full to a date prior to the effective time of such Corporate Transaction as the Board shall determine (or, if the Board shall not determine such a date, to the date that is five (5) days prior to the effective time of the Corporate Transaction), and such Stock Awards shall terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company

with respect to such Stock Awards shall lapse (contingent upon the effectiveness of the Corporate Transaction). No vested Restricted Stock Unit Award shall terminate pursuant to this Section 11(c)(ii) without being settled by delivery of shares of Common Stock, their cash equivalent, any combination thereof, or in any other form of consideration, as determined by the Board, prior to the effective time of the Corporate Transaction. Notwithstanding anything in this Section 11(c)(ii) to the contrary, any put rights and call rights pursuant to Section 8 shall survive the Corporate Transaction, unless the shares of Common Stock acquired pursuant to the Stock Award are converted into securities of a surviving corporation or acquiring corporation (or its parent company) that are listed or traded on any established stock exchange or market.

(iii) Stock Awards Held by Others. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue any or all outstanding Stock Awards or substitute similar stock awards for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) shall not be accelerated and such Stock Awards (other than a Stock Award consisting of vested and outstanding shares of Common Stock not subject to the Company's right of repurchase) shall terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction; *provided, however,* that any reacquisition or repurchase rights held by the Company with respect to such Stock Awards shall not terminate and may continue to be exercised notwithstanding the Corporate Transaction. No vested Restricted Stock Unit Award shall terminate pursuant to this Section 11(c)(iii) without being settled by delivery of shares of Common Stock, their cash equivalent, any combination thereof, or in any other form of consideration, as determined by the Board, prior to the effective time of the Corporate Transaction. Notwithstanding anything in this Section 11(c)(iii) to the contrary, any put rights and call rights pursuant to Section 8 shall survive the Corporate Transaction, unless the shares of Common Stock acquired pursuant to the Stock Award are converted into securities of a surviving corporation or acquiring corporation (or its parent company) that are listed or traded on any established stock exchange or market.

(iv) Payment for Stock Awards in Lieu of Exercise. Notwithstanding the foregoing, in the event a Stock Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide, in its sole discretion, that the holder of such Stock Award may not exercise such Stock Award but will receive a payment, in such form as may be determined by the Board, equal in value to the excess, if any, of (i) the value of the property the holder of the Stock Award would have received upon the exercise of the Stock Award, over (ii) any exercise price payable by such holder in connection with such exercise.

(v) Corporate Transactions Not Precluded. Nothing in this Section 11 or elsewhere in the Plan shall preclude the Company from entering into a Corporate Transaction or shall require the Company to enter into a Corporate Transaction or negotiate any particular terms for a Corporate Transaction.

12. Amendment of the Plan and Awards.

(a) Amendment of Plan. Subject to the limitations, if any, of applicable law, the Board at any time, and from time to time, may amend the Plan. However, except as provided in Section 11(a) relating to Capitalization Adjustments, no amendment shall be effective unless approved by the stockholders of the Company to the extent stockholder approval is necessary to satisfy applicable law.

(b) Stockholder Approval. The Board, in its sole discretion, may submit any other amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to Covered Employees.

(c) Contemplated Amendments. It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options and/or to bring the Plan and/or Incentive Stock Options granted under it into compliance therewith.

(d) No Impairment of Rights. With the exception of actions taken pursuant to Section 3(b)(iv)and 3(b)(v), rights under any Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

(e) Amendment of Awards. The Board, at any time and from time to time, may amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable than previously provided in the Stock Award Agreement or the written terms of a Performance Cash Award, subject to any specified limits in the Plan that are not subject to Board discretion; *provided, however,* that with the exception of actions taken pursuant to Section 3(b)(iv) and 3(b)(v), the rights under any Award shall not be impaired by any such amendment unless (i) the Company requests the consent of the affected Participant, and (ii) such Participant consents in writing.

13. Termination or Suspension of the Plan.

(a) Plan Term. The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on the day before the tenth (10th) anniversary of the effective date specified in Section 14. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) No Impairment of Rights. Suspension or termination of the Plan shall not impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

14. Effective Date of Plan.

The Plan shall become effective on July 13, 2006, but no Stock Award shall be exercised (or, in the case of a Restricted Stock Award, Restricted Stock Unit Award, or Other Stock Award shall be granted) unless and until the Plan has been approved by the stockholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board.

15. Choice of Law.

The law of the State of Delaware shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

CREDIT AGREEMENT

dated as of

September 30, 2011

among

LEVI STRAUSS & CO.,
as U.S. Borrower

LEVI STRAUSS & CO. (CANADA), INC.,
as Canadian Borrower

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as Multicurrency Administrative Agent

BANK OF AMERICA, N.A.,
as Syndication Agent

WELLS FARGO CAPITAL FINANCE, LLC,
and
HSBC BANK USA, NATIONAL ASSOCIATION,
as Co-Documentation Agents

J.P. MORGAN SECURITIES LLC,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
and
WELLS FARGO CAPITAL FINANCE, LLC,
as Joint Bookrunners and Joint Lead Arrangers

TABLE OF CONTENTS

SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT dated as of September 30, 2011 (as it may be amended or modified from time to time, this "Agreement") among LEVI STRAUSS & CO., a Delaware corporation (the "U.S. Borrower"), LEVI STRAUSS & CO. (CANADA) INC., an Ontario corporation (the "Canadian Borrower" and together with the U.S. Borrower, the "Borrowers"), the other Loan Parties party hereto, the Lenders party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, and JPMORGAN CHASE BANK, N.A. TORONTO BRANCH, as Multicurrency Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Account" has the meaning assigned to such term in the U.S. Security Agreement.

"Account Debtor" means any Person obligated on an Account.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period or for any ABR Borrowing, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder, and its successors in such capacity.

"Administrative Agents" means the Administrative Agent and the Canadian Administrative Agent, collectively.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person.

"Agents" means, individually and collectively as the context may require, the Administrative Agent, the Multicurrency Administrative Agent, the Joint Lead Arrangers, the Joint Bookrunners, the Syndication Agent and the Co-Documentation Agents.

"Aggregate Credit Exposure" means, at any time, the aggregate Credit Exposure of all Lenders.

"Aggregate Revolving Exposure" means, at any time, the aggregate Revolving Exposure of all the Lenders.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Adjusted LIBO Rate for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding). Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, respectively.

"AML Legislation" has the meaning assigned to such term in Section 9.20.

"Applicable Administrative Agent" means (i) with respect to the Multicurrency Facility and Multicurrency Letters of Credit, the Multicurrency Administrative Agent and (ii) otherwise, the Administrative Agent.

"Applicable Pension Laws" means the *Pension Benefits Act* (Ontario) or the similar pension standards statute of Canada or other applicable Canadian jurisdictions, and the ITA, and the regulations of each, as amended from time to time (or any successor statute).

"Applicable Percentage" means, for any Revolving Lender:

(a) with respect to payments, computations and other matters relating to the U.S. Commitments or U.S. Revolving Loans, U.S. LC Exposure, Swingline Loans or U.S. Protective Advances, a percentage equal to a fraction, the numerator of which is (i) the U.S. Commitment of such Revolving Lender and the denominator of which is (ii) the aggregate U.S. Commitments of all the U.S. Revolving Lenders (or, if the U.S. Commitments have terminated or expired, the Applicable Percentage shall be determined based upon such Revolving Lender's share of the aggregate U.S. Credit Exposure at that time); and

(b) with respect to payments, computations and other matters relating to the Multicurrency Commitments or Multicurrency Revolving Loans, Multicurrency LC Exposure or Multicurrency Protective Advances, a percentage equal to a fraction, the numerator of which is the Multicurrency Commitment of such Revolving Lender and the denominator of which is the aggregate Multicurrency Commitments of all the Multicurrency Revolving Lenders (or, if the Multicurrency Commitments have terminated or expired, the Applicable Percentage shall be determined based upon such Revolving Lender's share of the aggregate Multicurrency Credit Exposure at that time);

provided that, in accordance with Section 2.20, so long as any Lender shall be a Defaulting Lender, such Defaulting Lender's Commitment shall be disregarded in the calculations under clauses (a) and (b) above.

"Applicable Rate" means, for any day, with respect to any Loan, as the case may be, the applicable rate per annum set forth in the pricing grid below under the caption "Adjusted LIBO Rate/CDOR Rate Loans" or "ABR/Canadian Prime Rate Loans," as the case may be, based upon the daily average Availability for the most recent Fiscal Quarter for which the Administrative Agent has received a Borrowing Base Certificate (the "Average Availability"):

		APPLICABLE TO TRADEMARK LOAN AMOUNT OF REVOLVING LOANS		APPLICABLE TO REVOLVING LOANS (OTHER THAN THE TRADEMARK LOAN AMOUNT) AND LETTERS OF CREDIT	
LEVEL	AVERAGE AVAILABILITY	ADJUSTED LIBO RATE/CDOR RATE LOANS	ABR/ CANADIAN PRIME RATE LOANS	ADJUSTED LIBO RATE/CDOR RATE LOANS	ABR/ CANADIAN PRIME RATE LOANS
I	≥ 65% of the Line Cap	1.50%	0.50%	1.50%	0.50%
II	< 65% of the Line Cap but ≥ 40% of the Line Cap	1.75%	0.75%	1.75%	0.75%
III	< 40% of the Line Cap but ≥ 20% of the Line Cap	2.25%	1.25%	2.00%	1.00%
IV	< 20% of the Line Cap	2.75%	1.75%	2.25%	1.25%

; provided that until the end of the date that is five Business Days after the date the Administrative Agent has received a Borrowing Base Certificate as of the last day of the first full Fiscal Quarter commencing after the Effective Date, the Applicable Rate will be determined based on Level II.

For purposes of the foregoing, except to the extent that Revolving Loans and Swingline Loans outstanding on any day exceed the Trademark Amount on such day, such Revolving Loans and Swingline Loans shall be deemed to be included in the "Trademark Loan Amount of Revolving Loans" for purposes of the Applicable Rate.

Adjustments, if any, to the Applicable Rate shall be made on a quarterly basis and shall be effective five Business Days after the Administrative Agent has received the applicable Borrowing Base Certificate. If the U.S. Borrower fails to deliver the Borrowing Base Certificate to the Administrative Agent at the time required pursuant to this Agreement (taking into account all applicable grace periods), then the Applicable Rate shall be based on Level IV until five days after such Borrowing Base Certificate is so delivered.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Attorney" has the meaning assigned to such term in Article VIII.

"Availability" means, at any time, an amount equal to (i) the lesser of (x) the aggregate Commitments of all Lenders at such time and (y) the sum of (A) the U.S. Borrowing Base at such time plus (B) the lesser of (I) the Canadian Borrowing Base at such time and (II) the aggregate Multicurrency Commitments at such time (such lesser amount between clauses (x) and (y) above at any time, the "Line Cap") minus (ii) the Aggregate Revolving Exposure on such date minus (iii) Reserves against Availability established by the Administrative Agent in its Permitted Discretion.

"Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

"Average Availability" has the meaning assigned to such term in the definition of "Applicable Rate".

"Banking Services" means each and any of the following bank services provided to any Loan Party or LSIFCS by any Lender or any of its Affiliates (each, a "Bank Product Provider"): (a) credit cards for commercial customers (including, without limitation, "commercial credit cards" and purchasing cards), (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Obligations" of the Loan Parties or LSIFCS means any and all obligations of the Loan Parties or LSIFCS, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"Banking Services Reserves" means all Reserves which the Administrative Agent from time to time establishes in its Permitted Discretion for Banking Services then provided or outstanding.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding under applicable laws or otherwise, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business, appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or Canada or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality), to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Banks" has the meaning assigned to such term in Section 9.21.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" or "Borrowers" means, individually or collectively, the U.S. Borrower and the Canadian Borrower.

"Borrower Representative" has the meaning assigned to such term in Section 12.01.

"Borrowing" means (a) Revolving Loans of the same Class and Type, made, converted or continued on the same date and in the same currency and, in the case of Eurodollar Loans and CDOR Rate Loans, as to which a single Interest Period is in effect, (b) a Swingline Loan, (c) a U.S. Protective Advance and (d) a Multicurrency Protective Advance.

"Borrowing Base" means the Canadian Borrowing Base or the U.S. Borrowing Base, as applicable.

"Borrowing Base Cash Collateral Account" means each U.S. Borrowing Base Cash Collateral Account or Canadian Borrowing Base Cash Collateral Account.

"Borrowing Base Certificate" means a certificate, signed and certified as accurate and complete by a Financial Officer of the Borrower Representative, in substantially the form of Exhibit C or another form proposed by the Borrower Representative which is reasonably acceptable to the Administrative Agent in its sole discretion.

"Borrowing Request" means a request by the Borrower Representative for a Revolving Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City or San Francisco are authorized or required by law to remain closed; provided that, (a) when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market and (b) when used in connection with any Multicurrency Loan or any Multicurrency Letter of Credit, the term "Business Day" shall also exclude any day in which commercial banks in Toronto, Canada are authorized or required by law to remain closed.

"CAM" has the meaning assigned to such term in Section 9.18.

"CAM Exchange" has the meaning assigned to such term in Section 9.18.

"CAM Exchange Date" has the meaning assigned to such term in Section 9.18.

"CAM Percentage" has the meaning assigned to such term in Section 9.18.

"Canada" means the country of Canada.

"Canadian Availability Cash Collateral Account" means an account of a Canadian Loan Party held with the Administrative Agent or Multicurrency Administrative Agent (or Bank of America, N.A., The Bank of Nova Scotia or one of their respective affiliates, or another financial institution approved by the Multicurrency Administrative Agent in its reasonable discretion) designated by the Borrower Representative as a "Canadian Availability Cash Collateral Account" and subject to a blocked account agreement in form and substance reasonably satisfactory to the Administrative Agent.

"Canadian Benefit Plans" means any plan, fund, program, or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which any Canadian Loan Party or any Canadian Subsidiary of any Loan Party has any liability with respect to any employee or former employee, but excluding any Canadian Pension Plans.

"Canadian Borrower" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"Canadian Borrower Outstandings" means, at any time, the sum of (i) the Dollar Amount of the Multicurrency Revolving Loans to the Canadian Borrower outstanding at such time plus (ii) the Multicurrency LC Exposure in respect of Letters of Credit issued for the account of the Canadian Borrower at such time plus (iii) the Dollar Amount of the Multicurrency Protective Advances to the Canadian Borrower outstanding at such time.

"Canadian Borrower Shared Outstandings" means, at any time, the amount by which the Canadian Borrower Outstandings at such time exceeds the Canadian Borrowing Base at such time.

"Canadian Borrowing Base" means, as of any date of determination (without duplication), a Dollar Amount equal to the sum of (i) 100% of cash and Cash Equivalent balances in Dollars or Canadian Dollars of the Canadian Loan Parties in the Canadian Borrowing Base Cash Collateral Account and the Canadian Availability Cash Collateral Account plus (ii) 90% of Eligible Credit Card Receivables of the Canadian Loan Parties plus (iii) 85% of Eligible Accounts of the Canadian Loan Parties plus (iv) following completion of a field examination and Inventory appraisal reasonably satisfactory to the Administrative Agent, 85% of the Net Orderly Liquidation Value of Eligible Inventory of the Canadian Loan Parties minus (v) without duplication, Reserves established by the Administrative Agent in its Permitted Discretion; provided that the Canadian Borrowing Base shall not exceed $10,000,000 until such time as the Loan Parties have provided supporting detail to the Administrative Agent reasonably satisfactory to the Administrative Agent in connection with the field examination of the Accounts and related working capital matters and financial information of the Canadian Loan Parties and of the related data processing and other systems.

"Canadian Borrowing Base Cash Collateral Account" means, collectively, one or more accounts of the Canadian Loan Parties, as designated from time to time by written notice from the Borrower Representative to the Administrative Agent, held with financial institutions and subject to control agreements in form and substance reasonably satisfactory to the Administrative Agent.

"Canadian Collateral" means any and all property owned, leased or operated by a Person covered by the Canadian Collateral Documents and any and all other property of any Canadian Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the Administrative Agent to secure the Canadian Secured Obligations.

"Canadian Collateral Documents" means, collectively, the Canadian Security Agreement and any other documents entered into guaranteeing payment of, or pursuant to which a Canadian Loan Party grants a Lien upon any property as security for payment of the Canadian Secured Obligations.

"Canadian Collection Account" means a "Collection Account" as defined in the Canadian Security Agreement.

"Canadian Dollars" and "Cdn.$" means dollars in the lawful currency of Canada.

"Canadian Guaranteed Obligations" has the meaning assigned to such term in Section 11.01.

"Canadian Guarantors" means the direct or indirect Canadian Subsidiaries of the U.S. Borrower (other than the Canadian Borrower and any Excluded Subsidiary) that become parties to this Agreement.

"Canadian Joinder Agreement" means a joinder agreement in substantially the form of Exhibit E-2.

"Canadian Loan Guaranty" means Article XI of this Agreement.

"Canadian Loan Parties" means the Canadian Borrower and the Canadian Guarantors.

"Canadian Obligated Party" has the meaning assigned to such term in Section 11.02.

"Canadian Obligations" means all unpaid principal of and accrued and unpaid interest on the Multicurrency Loans to the Canadian Borrower, all Multicurrency LC Exposure in respect of Multicurrency Letters of Credit issued for the account of the Canadian Borrower, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Canadian Loan Parties to the Multicurrency Revolving Lenders, the Administrative Agent, the Multicurrency Administrative Agent, the Multicurrency Issuing Banks or any indemnified party arising under the Loan Documents.

"Canadian Pension Plans" means any registered plan, program or arrangement that is a pension plan for the purposes of any applicable Canadian federal or provincial pension legislation, which is maintained or contributed to by, or to which there is or may be an obligation to contribute by, a Loan Party or Subsidiary of a Loan Party operating in Canada in respect of any Person's employment in Canada with such Loan Party or Subsidiary, other than Plans established by statute, but does not include the Canadian Pension Plan maintained by the government of Canada or the Quebec Pension Plan maintained by the Province of Quebec.

"Canadian Prime Rate" means, for any date, the highest of (a) the annual rate of interest announced from time to time by the Multicurrency Administrative Agent as being its reference rate then in effect for determining interest rates on Canadian Dollar-denominated commercial loans made by it in Canada on such date and (b) the CDOR Rate for a 30 day term in effect on such date plus 1% per annum. "Canadian Prime Rate" when used with respect to a Loan or a Borrowing shall refer to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Canadian Prime Rate.

"Canadian Secured Obligations" means all Canadian Obligations, together with all (a) Banking Services Obligations owing by the Canadian Loan Parties to Bank Product Providers; and (b) Swap Obligations of the Canadian Loan Parties owing to one or more Hedging Providers; provided that not later than 30 days after such Hedging Provider becomes a Hedge Provider, the Lender or Affiliate of a Lender party thereto (other than Chase or any of its Affiliates) shall have delivered written notice to the Administrative Agent that such Person is a Hedging Provider.

"Canadian Security Agreement" means that certain Security Agreement, dated as of the date hereof, between the Canadian Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent, and the other Lender Parties, and any other pledge or security agreement entered into, after the date of this Agreement by any other Canadian Loan Party (as required by this Agreement or any other Loan Document.

"Canadian Subsidiary" means any Subsidiary of the U.S. Borrower that is organized under the laws of Canada or any province or territory thereof.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP as in effect on the Effective Date, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with such GAAP.

"Capital Markets Transaction" means an issuance or sale of unsecured Indebtedness by the U.S. Borrower through a public offering or private placement or under any unsecured term facility.

"Cash Collateral" means cash, and any interest or other income earned thereon, that is delivered to the Administrative Agent to Cash Collateralize any Letter of Credit.

"Cash Collateralize" means the delivery of cash to the Administrative Agent, as security for the payment of Obligations in respect of any Letter of Credit, in an amount equal to 103% of the face amount of such Letter of Credit. "Cash Collateralization" has a correlative meaning.

"Cash Collateralized Letter of Credit" means a Letter of Credit requested to be issued as a Cash Collateralized Letter of Credit in accordance with Section 2.06(b) or converted into a Cash Collateralized Letter of Credit pursuant to Section 2.06(l) and otherwise issued in accordance with the conditions hereunder applicable to a Cash Collateralized Letter of Credit, provided that upon effectiveness of the conversion of any Cash Collateralized Letter of Credit in accordance with Section 2.06(l), such Letter of Credit shall no longer be a "Cash Collateralized Letter of Credit" for purposes of this Agreement.

"Cash Equivalents" means, as of any date of determination, (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States government or, in the case of any Canadian Loan Party, the Canadian government or (ii) issued by any agency of the United States or, in the case of any Canadian Loan Party, Canada, in each case maturing within one year after such date; (b) taxable or tax-exempt marketable direct obligations issued by any state of the United States or, in the case of any Canadian Loan Party, any province, commonwealth or territory of Canada or any political subdivision of any such state, province, commonwealth or territory or any public instrumentality thereof, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A- from S&P or the equivalent thereof from another nationally recognized rating agency; (c) commercial paper maturing no more than two hundred seventy (270) days from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or the equivalent thereof from another nationally recognized rating agency; (d) time deposits, certificates of deposit or bankers' acceptances maturing within one year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States, any state thereof or an OECD country having, at such date, a rating of at least A- from S&P or the equivalent thereof from another nationally recognized rating agency (except as otherwise approved by the Treasurer of the U.S. Borrower in a manner consistent with board-approved policy) or by a primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York; (e) repurchase agreements with financial institutions organized under the laws of the United States, any state thereof or an OECD country having, at such date, a rating of at least A- from S&P or the equivalent thereof from another nationally recognized rating agency (except as otherwise approved by the Treasurer of the U.S. Borrower in a manner consistent with board-approved policy) or with a primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York; (f) Dollar denominated fixed or floating rate notes and foreign currency denominated fixed or floating rate notes, in each case maturing within one year after such date and having, at the time of the acquisition thereof, a rating of at least A or A-1 from S&P or the equivalent thereof from another nationally recognized rating agency; (g) variable rate demand notes with interest reset period and related put at par at 7-day intervals and having, at the time of the acquisition thereof, a rating of at least AA from S&P or the equivalent thereof from another nationally recognized rating agency; or (h) money market funds that (i) (x) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940 or (y) in the case of any Canadian Loan Party, are money market mutual funds (as defined in National Instrument 81-102 Mutual Funds) that are reporting issuers (as defined in Ontario securities law) in the Province of Ontario, (ii) are rated at least A- by S&P or the equivalent thereof from another nationally recognized ratings agency and (iii) have portfolio assets of at least $1,000,000,000.

"CDOR Rate" means, for the relevant Interest Period, the Canadian deposit offered rate which, in turn means on any day the annual rate of interest determined with reference to the arithmetic average of the discount rate quotations of all institutions listed in respect of the relevant Interest Period for Canadian Dollar-denominated bankers' acceptances displayed and identified as such on the "Reuters Screen CDOR Page" as defined in the International Swaps and Derivatives Association definitions, as modified and amended from time to time, as of 10:00 a.m. Toronto local time on such day and, if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Administrative Agent after 10:00 a.m. Toronto local time to reflect any error in the posted rate of interest or in the posted average annual rate of interest); provided that if such rates are not available on the Reuters Screen CDOR Page on any particular day, then the Canadian deposit offered rate component of such rate on that day shall be calculated as the cost of funds quoted by the Administrative Agent to raise Canadian Dollars for the applicable Interest Period as of 10:00 a.m. Toronto local time on such day for commercial loans or other extensions of credit to businesses of comparable credit risk; or if such day is not a Business Day, then as quoted by the Administrative Agent on the immediately preceding Business Day. "CDOR Rate" when used with respect to a Loan or a Borrowing shall refer to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the CDOR Rate.

"Change in Law" means (a) the adoption of any law, rule, regulation or treaty (including any rules or regulations issued under or implementing any existing law) after the date of this Agreement, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or the Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that notwithstanding anything herein to the contrary, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted, issued or implemented.

"Change of Control" means:

(a) prior to the first Public Equity Offering that results in a Public Market, the Permitted Transferees cease to be the beneficial owners, directly or indirectly, of a majority of the total voting power of the voting stock of the U.S. Borrower, whether as a result of the issuance of securities of the U.S. Borrower, any merger, consolidation, liquidation or dissolution of the U.S. Borrower, any direct or indirect transfer of securities by the Permitted Transferee or otherwise;

(b) on or after the first Public Equity Offering that results in a Public Market, if any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successor provisions to either of the foregoing), including any group acting for the purpose of acquiring, holding, voting or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act, other than any one or more of the Permitted Transferees, becomes the beneficial owner, directly or indirectly, of thirty-five percent (35%) or more of the total voting power of the voting stock of the U.S. Borrower, provided, however, that the Permitted Transferees are the beneficial owners, directly or indirectly, in the aggregate of a lesser percentage of the total voting power of the voting stock of the U.S. Borrower than that other person or group;

(c) an event or series of events by which during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the U.S. Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period or (ii) whose election or nomination to that board was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or who were nominated by Permitted Transferees; or

(d) the occurrence of any "Change in Control" as defined in any indenture or agreement executed in connection with a Capital Markets Transaction.

For purposes of this definition (i) "beneficial owner" means a beneficial owner as defined in Rule 13d-3 under the Exchange Act, except that (A) a person shall be deemed to be the beneficial owner of all shares that the person has the right to acquire, whether that right is exercisable immediately or only after the passage of time and (B) Permitted Transferees shall be deemed to be the beneficial owners of any voting stock of a corporation or other legal entity held by any other corporation or other legal entity so long as the Permitted Transferees beneficially own, directly or indirectly, in the aggregate a majority of the total voting power of the voting stock of that corporation or other legal entity; and (ii) "voting stock" means all classes of Equity Interests then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors.

"Chase" means JPMorgan Chase Bank, N.A., a national banking association, in its individual capacity, and its successors.

"Class" when used in reference to (i) any Commitment, refers to whether such Commitment is a U.S. Commitment or a Multicurrency Commitment and (ii) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are U.S. Revolving Loans, Multicurrency Revolving Loans, Swingline Loans, Multicurrency Protective Advances or U.S. Protective Advances.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means the U.S. Collateral and the Canadian Collateral.

"Collateral Access Agreement" has the meaning assigned to such term in the Security Agreements.

"Collateral Documents" means, collectively, the U.S. Collateral Documents and the Canadian Collateral Documents.

"Collection Account" means the Canadian Collection Account or the U.S. Collection Account.

"Commitment" means, with respect to each Lender, such Lender's U.S. Commitment and/or Multicurrency Commitment from time to time.

"Commitment Fee Rate" means (i) for each day on which the sum of the Aggregate Revolving Exposure is less than 35% of the Total Commitments, 0.50% and (ii) for any other day, 0.375%.

"Commitment Schedule" means the Schedule attached hereto identified as such.

"Compliance Certificate" means a certificate, signed and certified as accurate and complete by a Financial Officer of the Borrower Representative, in substantially the form of Exhibit D or another form which is mutually acceptable to the Administrative Agent and the Borrower Representative.

"Compliance Period" means each period commencing on the date (which was not part of a previously commenced Compliance Period) when Availability is less than the Minimum Excess Availability Amount and ending on the date when Availability has been at least the Minimum Excess Availability Amount for 30 consecutive days.

"Consolidated Capital Expenditures" means, for any period, the sum of the aggregate of all expenditures (whether paid in cash or other consideration or accrued as a liability and including Capitalized Lease Obligations of the U.S. Borrower and its Subsidiaries) by the U.S. Borrower and its Subsidiaries during that period that, in conformity with GAAP, are included in "additions to property, plant or equipment" or comparable items reflected in the consolidated statement of cash flows of the U.S. Borrower and its Subsidiaries but excluding the aggregate of all expenditures by the U.S. Borrower and its Subsidiaries during that period to acquire (by purchase or otherwise) the business, property or fixed assets of any Person, or the stock or other evidence of beneficial ownership of any Person that, as a result of such acquisition, becomes a Subsidiary of the U.S. Borrower. For purposes of this definition, the purchase price of equipment that is purchased simultaneously with the trade-in of existing equipment or with insurance proceeds shall be included in Consolidated Capital Expenditures only to the extent of the gross amount of such purchase price less the credit granted by the seller of such equipment for the equipment being traded in at such time or the amount of such proceeds, as the case may be.

"Consolidated EBITDA" means, for any period, an amount equal to, for the U.S. Borrower and its consolidated Subsidiaries:

(a) the sum of Consolidated Net Income for that period, plus the following to the extent reducing Consolidated Net Income for that period:

(1) the provision for taxes based on income or profits or utilized in computing net loss,

(2) Consolidated Interest Expense,

(3) depreciation,

(4) amortization of intangibles,

(5) any non-recurring expenses relating to, or arising from, any closures of facilities; any restructuring costs; facilities relocation costs; and integration costs and fees (including cash severance payments) made in connection with acquisitions, in an aggregate amount for all such expenses pursuant to this clause (a)(5) not to exceed 15% of Consolidated EBITDA for such period prior to giving effect to this clause (a)(5),

(6) any non-cash impairment charge or asset write-off (other than any such charge or write-off of Inventory) and the amortization of intangibles,

(7) inventory purchase accounting adjustments and amortization and impairment charges resulting from other purchase accounting adjustments in connection with acquisitions,

(8) fees and expenses related to any offering of securities, Investments permitted hereby, acquisition and incurrence of Indebtedness permitted to be incurred hereunder (whether or not successful), and

(9) any other non-cash items (other than any non-cash item to the extent that it represents an accrual of or reserve for cash expenditures in any future period), minus

(b) all non-cash items increasing Consolidated Net Income for that period (other than any such non-cash item to the extent that it has resulted or will result in the receipt of cash payments in any period).

"Consolidated Fixed Charge Coverage Ratio" means, as of any date of determination, the ratio of (a)(i) Consolidated EBITDA for the twelve Fiscal Months most recently ended minus (ii) the sum of (A) the aggregate amount of all Consolidated Capital Expenditures made by the U.S. Borrower and its Subsidiaries during such period plus (B) federal, state, local and foreign income taxes paid in cash during such period, to (b) the sum, without duplication, of (i) Consolidated Interest Expense for such period, (ii) the amount of Restricted Payments made by the U.S. Borrower during such period in reliance on the proviso to Section 6.08(a) and (iii) the aggregate principal amount (or the equivalent thereto) of all scheduled repayments of Indebtedness (other than (x) intercompany Indebtedness and (y) payments of Existing Term Loans) made by the U.S. Borrower and any other Loan Party during such period (other than to the extent such Indebtedness has been refinanced or defeased, or with respect to which restricted cash has been set aside to repay, during such period from the proceeds of new Indebtedness that is not secured by any Collateral).

"Consolidated Interest Expense" means, for any period, for the U.S. Borrower and its Subsidiaries on a consolidated basis, all interest (net of all interest income), premium, amortization, debt discount, fees, charges and related expenses of the U.S. Borrower and its Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest expense in accordance with GAAP.

"Consolidated Net Income" means, for any period, the net income (loss) of the U.S. Borrower and its consolidated Subsidiaries (excluding any net income (loss) attributable to noncontrolling interests), determined in accordance with GAAP; provided, however, that there shall not be included in such Consolidated Net Income:

(a) any net income (loss) of any Person (other than the U.S. Borrower) if that Person is not a Subsidiary, except that the U.S. Borrower's equity in the net income of any such Person for that period shall be included in such Consolidated Net Income up to the aggregate amount of cash distributed by that Person during that period to the U.S. Borrower or a Subsidiary as a dividend or other distribution,

(b) any gain (or loss) realized upon the sale or other disposition of any Property of the U.S. Borrower or any of its consolidated Subsidiaries (including pursuant to any Sale and Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business,

(c) any gain or loss attributable to the early extinguishment of Indebtedness,

(d) any extraordinary gain or loss or cumulative effect of a change in accounting principles to the extent disclosed separately on the consolidated statement of income,

(e) any unrealized gains or losses of the U.S. Borrower or its consolidated Subsidiaries on any Swap Obligations, and

(f) any non-cash compensation expense realized for grants of performance shares, stock options or other rights to officers, directors and employees of the U.S. Borrower or any Subsidiary, provided, however, that if any such shares, options or other rights are subsequently redeemed for Property other than Equity Interests of the U.S. Borrower that is not Disqualified Stock then the Fair Market Value of such Property shall be treated as a reduction in Consolidated Net Income during the period of such redemption.

"Consolidated Net Tangible Assets" means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (a) all current liabilities (excluding any indebtedness for money borrowed having a maturity of less than twelve (12) months from the date of the most recent consolidated balance sheet of the U.S. Borrower but which by its terms is renewable or extendable beyond twelve (12) months from such date at the option of the U.S. Borrower or any of its Subsidiaries), and (b) all goodwill, trade names, patents, unamortized debt discount and expense and any other like intangibles, all as set forth on the most recent consolidated balance sheet of the U.S. Borrower and computed in accordance with GAAP.

"Contaminant" means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, asbestos in any form or condition, polychlorinated biphenyls (PCBs), or any constituent of any such substance or waste.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"CRA" means Canada Revenue Agency.

"Credit Exposure" means, as to any Lender at any time, the sum of (a) such Lender's U.S. Credit Exposure, plus (b) such Lender's Multicurrency Credit Exposure.

"Credit Party" means the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank, the Swingline Lender or any other Lender.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular Default, if any) has not been satisfied; (b) has notified any Borrower or any Credit Party in writing, or has made a public statement, to the effect that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent to funding a Loan under this Agreement (specifically identified and including the particular Default, if any) cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

"Designated Obligations" has the meaning assigned to such term in Section 9.18.

"Dilution Factors" means, without duplication, with respect to any period, the aggregate amount of all deductions, credit memos, returns, adjustments, allowances, bad debt write-offs and other non-cash credits which are recorded to reduce Accounts in a manner consistent with current and historical accounting practices of the Borrowers.

"Dilution Ratio" means, at any date, the amount (expressed as a percentage) equal to (a) the aggregate amount of the applicable Dilution Factors for the twelve (12) most recently ended fiscal months divided by (b) total gross sales for the twelve (12) most recently ended fiscal months.

"Dilution Reserve" means, at any date, the applicable Dilution Ratio multiplied by the Eligible Accounts.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or Accounts or any rights and claims associated therewith and any grant of any option or rights relating to any such property (other than any property to the extent that the aggregate value of such property sold, transferred, licensed, leased or otherwise disposed of in any single transaction or related series of transactions is less than $2,000,000, individually, and $6,000,000, collectively, during any Fiscal Year of the U.S. Borrower).

"Disqualified Stock" means, with respect to any Person, any Equity Interest that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in either case at the option of the holder thereof) or otherwise:

(a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise,

(b) is or may become redeemable or repurchaseable at the option of the holder thereof, in whole or in part, or

(c) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Disqualified Stock,

on or prior to, in the case of clause (a), (b) or (c), the first anniversary of the Maturity Date.

"Document" has the meaning assigned to such term in the U.S. Security Agreement.

"Dollar Amount" means (a) with regard to any Obligation or calculation denominated in Dollars, the amount thereof, and (b) with regard to any Obligation or calculation denominated in Canadian Dollars or an LC Alternative Currency, the amount of Dollars which is equivalent to the amount so expressed in Canadian Dollars or such LC Alternative Currency at the Spot Rate on the relevant date of determination.

"dollars", "Dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary of the U.S. Borrower that is organized under the laws of the United States, any state thereof or the District of Columbia.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Eligible Accounts" means, at any time, the Accounts of a Loan Party which the Administrative Agent determines in its Permitted Discretion, following consultation with the U.S. Borrower (but without any requirement for the U.S. Borrower's consent), are eligible for inclusion in the applicable Borrowing Base. Without limiting the Administrative Agent's discretion provided herein, Eligible Accounts shall not include any Account of a Loan Party:

(a) which is not subject to a first priority perfected security interest in favor of the Administrative Agent (subject to any Permitted Encumbrance specified in subclause (b)(ii) below that has priority over the security interest in favor of the Administrative Agent by operation of applicable law);

(b) which is subject to any Lien other than (i) a Lien in favor of the Administrative Agent, (ii) a Lien constituting a Permitted Encumbrance pursuant to clause (a), (b), (h) or (i) of the definition thereof and (iii) any other Permitted Encumbrance which does not have priority over the Lien in favor of the Administrative Agent;

(c) (i) which is unpaid more than 97 days after the date of the original invoice therefor or more than 67 days after the original due date therefor, or (ii) which has been written off the books of such Loan Party or otherwise designated as uncollectible;

(d) which is owing by an Account Debtor for which more than 50% of the Accounts owing from such Account Debtor and its Affiliates are ineligible under clause (c) of this definition of "Eligible Accounts";

(e) (i) which is owing by an Account Debtor whose corporate credit ratings are the higher of BBB- or better by S&P or Baa3 or better by Moody's to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to (x) such Loan Party exceeds 30% of the aggregate Eligible Accounts of such Loan Party or (y) all Loan Parties exceed 30% of the aggregate amount of Eligible Accounts of all Loan Parties, or (ii) which is owing by an Account Debtor not described in clause (i) above whose corporate credit ratings are the higher of BB- or better by S&P or Ba3 or better by Moody's to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to (x) such Loan Party exceeds 20% of the aggregate Eligible Accounts of such Loan Party or (y) all Loan Parties exceed 20% of the aggregate amount of Eligible Accounts of all Loan Parties or (iii) which is owing by any other Account Debtor not described in clause (i) or (ii) above to the extent the aggregate amount of Accounts owing from such Account Debtor and its Affiliates to (x) such Loan Party exceeds 15% of the aggregate Eligible Accounts of such Loan Party or (y) all Loan Parties exceed 15% of the aggregate amount of Eligible Accounts of all Loan Parties;

(f) with respect to which any covenant contained in this Agreement or in the applicable Security Agreement has been breached or any representation or warranty contained in this Agreement or in the applicable Security Agreement is not true in any material respect (or with respect to any representation or warranty that is already qualified by materiality, such representation or warranty is not true);

(g) which (i) does not arise from the sale of goods or performance of services in the ordinary course of business, (ii) is not evidenced by an invoice or other documentation satisfactory to the Administrative Agent which has been sent to the Account Debtor, (iii) represents a progress billing, (iv) is contingent upon such Loan Party's completion of any further performance, (v) represents a sale on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment, cash-on-delivery or any other repurchase or return basis or (vi) relates solely to payments of interest;

(h) for which the goods giving rise to such Account have not been shipped to the Account Debtor or for which the services giving rise to such Account have not been performed by such Loan Party;

(i) with respect to which any check or other instrument of payment has been returned uncollected for any reason;

(j) which is owed by an Account Debtor which has (i) applied for, suffered, or consented to the appointment of any receiver, custodian, trustee, or liquidator of its assets or, in the case of any Account Debtor of a Canadian Loan Party, any equivalent of the foregoing in any applicable jurisdiction, (ii) had possession of all or a material part of its property taken by any receiver, custodian, trustee or liquidator or, in the case of any Account Debtor of a Canadian Loan Party, any equivalent of the foregoing in any applicable jurisdiction, (iii) filed, or had filed against it, any request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case under any state or federal bankruptcy laws or other Insolvency Laws (other than post-petition accounts payable of an Account Debtor that is a debtor-in-possession under the Bankruptcy Code and reasonably acceptable to the Administrative Agent), (iv) admitted in writing its inability to pay its debts as they become due, or (v) ceased operation of its business as a going concern;

(k) which is owed by any Account Debtor which has sold all or a substantially all of its assets;

(l) which is owed by an Account Debtor which (i) does not maintain its chief executive office in the U.S. or Canada or (ii) is not organized under applicable law of the U.S., any state of the U.S., Canada, or any province or territory of Canada unless, in either case, such Account is backed by a Letter of Credit acceptable to the Administrative Agent; provided that the Administrative Agent may make up to $10,000,000 of such Accounts eligible in its discretion;

(m) which is owed in any currency other than Dollars or Canadian Dollars;

(n) which is owed by (i) the government (or any department, agency, public corporation, or instrumentality thereof) of any country other than the U.S. or Canada unless such Account is backed by a Letter of Credit acceptable to the Administrative Agent which is in the possession of, and is directly drawable by, the Administrative Agent, or (ii) (1) the government of the U.S., or any department, agency, public corporation, or instrumentality thereof, unless the Federal Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727 et seq. and 41 U.S.C. § 15 et seq.), or (2) the federal government of Canada, unless the Financial Administration Act (Canada), as amended, and any other steps necessary to ensure the enforceability of the Lien of the Administrative Agent in such Account have been complied with to the Administrative Agent's satisfaction; provided that the Administrative Agent may make up to $10,000,000 of such Accounts eligible in its discretion;

(o) which is owed by any Affiliate of any Loan Party or any employee, officer, director, or stockholder of any Loan Party;

(p) which is owed by an Account Debtor or any Affiliate of such Account Debtor to which any Loan Party is indebted, but only to the extent of such indebtedness, or is subject to any security, deposit, progress payment, retainage or other similar advance made by or for the benefit of an Account Debtor, in each case to the extent thereof;

(q) which is subject to any counterclaim, deduction, defense, setoff or dispute (but only to the extent of any such counterclaim, deduction, defense, setoff or dispute);

(r) which is evidenced by any promissory note, chattel paper or instrument;

(s) which is owed by an Account Debtor located in any jurisdiction which requires filing of a "Notice of Business Activities Report" or other similar report in order to permit such Loan Party to seek judicial enforcement in such jurisdiction of payment of such Account, unless (i) such Loan Party has filed such report or qualified to do business in such jurisdiction or (ii) the Administrative Agent is satisfied in its Permitted Discretion that the failure to file such report and inability to seek judicial enforcement can be remedied without material delay or material cost;

(t) with respect to which such Loan Party has made any agreement with the Account Debtor for any reduction thereof, but only to the extent of such reduction, other than discounts and adjustments given in the ordinary course of business, and any Account which was partially paid and such Loan Party created a new receivable for the unpaid portion of such Account;

(u) which the Administrative Agent determines may not be paid by reason of the Account Debtor's inability to pay or which the Administrative Agent otherwise determines is unacceptable for any reason whatsoever; or

(v) which the applicable Loan Party has transferred to a third party pursuant to Section 6.05(g) or which such Loan Party expects to transfer to a third party pursuant to Section 6.05(g).

In determining the amount of an Eligible Account of a Loan Party, the face amount of an Account may, in the Administrative Agent's Permitted Discretion, be reduced by, without duplication, to the extent not reflected in such face amount, (i) the amount of all accrued and actual discounts, claims, credits or credits pending, promotional program allowances, price adjustments, finance charges or other allowances (including any amount that such Loan Party may be obligated to rebate to an Account Debtor pursuant to the terms of any agreement or understanding (written or oral)) and (ii) the aggregate amount of all cash received in respect of such Account but not yet applied by such Loan Party to reduce the amount of such Account.

"Eligible Assignee" has the meaning assigned to such term in Section 9.04.

"Eligible Credit Card Receivables" means, at any time, Accounts due to a Loan Party from major credit card processors (including, but not limited to, VISA, Mastercard, American Express, Diners Club and DiscoverCard) as arise in the ordinary course of business and which have been earned by performance, which the Administrative Agent determines in its Permitted Discretion, following consultation with the U.S. Borrower (but without any requirement for the U.S. Borrower's consent), are eligible for inclusion in the applicable Borrowing Base. Without limiting the Administrative Agent's discretion provided herein, none of the following shall be deemed to be Eligible Credit Card Receivables:

(a) Accounts due from major credit card processors that have been outstanding for more than five Business Days from the date of sale or for such longer period as may approved by the Administrative Agent;

(b) Accounts due from major credit card processors with respect to which a Loan Party does not have good, valid and marketable title thereto;

(c) Accounts due from major credit card processors that are not subject to a first priority perfected Lien in favor of the Administrative Agent (subject to any Permitted Encumbrance specified in subclause (b)(ii) of the definition of Eligible Accounts that has priority over the security interest in favor of the Administrative Agent by operation of applicable law);

(d) Accounts due from major credit card processors which are disputed, or with respect to which a claim, counterclaim, offset or chargeback has been asserted, by the related credit card processor (but only to the extent of such dispute, counterclaim, offset or chargeback) (it being the intent that chargebacks in the ordinary course by the credit card processors shall not be deemed violative of this clause);

(e) Accounts due from major credit card processors (other than VISA, Mastercard, American Express, Diners Club and DiscoverCard) which the Administrative Agent determines in its commercially reasonable discretion acting in good faith to be unlikely to be collected; or

(f) with respect to which any covenant contained in this Agreement or in the applicable Security Agreement has been breached or any representation or warranty contained in this Agreement or in the applicable Security Agreement is not true in any material respect (or with respect to any representation or warranty that is already qualified by materiality, such representation or warranty is not true).

"Eligible Finished Goods" means, at any time, Eligible Inventory consisting of finished goods (other than Eligible Third Party Logistics Goods) which the Administrative Agent determines in its Permitted Discretion, following consultation with the U.S. Borrower (but without any requirement for the U.S. Borrower's consent), is eligible for inclusion in the applicable Borrowing Base.

"Eligible Inventory" means, at any time, the Inventory of a Loan Party which the Administrative Agent determines in its Permitted Discretion, following consultation with the U.S. Borrower (but without any requirement for the U.S. Borrower's consent), is eligible for inclusion in the applicable Borrowing Base. Without limiting the Administrative Agent's discretion provided herein, Eligible Inventory of a Loan Party shall not include any Inventory:

(a) which is not subject to a first priority perfected security interest in favor of the Administrative Agent (subject to any Permitted Encumbrance specified in subclause (b)(ii) below that has priority over the security interest in favor of the Administrative Agent by operation of applicable law);

(b) which is subject to any Lien other than (i) a Lien in favor of the Administrative Agent, (ii) a Lien constituting a Permitted Encumbrance pursuant to clause (a), (b), (f), (h) or (i) of the definition thereof and (iii) any other Permitted Encumbrance which does not have priority over the Lien in favor of the Administrative Agent;

(c) which is, in the Administrative Agent's opinion, slow moving, obsolete, unmerchantable, defective, used, unfit for sale, or not salable at prices approximating at least the cost of such Inventory in the ordinary course of business;

(d) with respect to which any covenant contained in this Agreement or in a Security Agreement has been breached or any representation or warranty contained in this Agreement or in a Security Agreement is not true in any material respect (or with respect to any representation or warranty that is already qualified by materiality, such representation or warranty is untrue) and which does not conform to all standards imposed by any Governmental Authority;

(e) which is not finished goods or raw materials or which constitutes work-in-process, spare or replacement parts, packaging and shipping material, manufacturing supplies, samples, prototypes, bill-and-hold or ship-in-place goods, goods that are returned or marked for return, repossessed goods, defective or damaged goods, or goods held or sold on consignment;

(f) which, in respect of

(1) a U.S. Loan Party. is not located in the U.S. and is in transit with a common carrier from vendors and suppliers, provided that Inventory in transit from vendors and suppliers may be included as Eligible Inventory despite the foregoing provision of this clause (f)(1) so long as:

(i) title to such Inventory has not passed to a third party;

(ii) the U.S. Borrower or a U.S. Guarantor controls the documents of title representing such Inventory;

(iii) the Inventory is in transit within the United States to the U.S. Borrower or any U.S. Guarantor for receipt by the U.S. Borrower or a U.S. Guarantor within sixty (60) days of the date of determination that has not yet been received into a distribution center or store of such Person; and

(iv) such Inventory would otherwise constitute Eligible Inventory;

(2) a Canadian Loan Party, is not located in a province or territory in Canada in which the Administrative Agent has a perfected Lien in such eligible Inventory and is in transit with a common carrier from vendors and suppliers, provided that Inventory in transit from vendors and suppliers may be included as Eligible Inventory despite the foregoing provision of this clause (f)(2) so long as:

(i) title to such Inventory has not passed to a third party;

(ii) the applicable Canadian Loan Party controls the documents of title representing such Inventory;

(iii) the Inventory is in transit within Canada to a Canadian Loan Party for receipt by the Canadian Loan Party within sixty (60) days of the date of determination that has not yet been received into a distribution center or store of such Person; and

(iv) such Inventory would otherwise constitute Eligible Inventory;

(g) which is located in any location leased by such Loan Party unless (i) the lessor has delivered to the Administrative Agent a Collateral Access Agreement or (ii) a Reserve for rent, charges and other amounts due or to become due with respect to such facility has been established by the Administrative Agent in its Permitted Discretion;

(h) which is located in any third party warehouse or is in the possession of a bailee (other than a third party processor) and is not evidenced by a Document, unless (i) such warehouseman or bailee has delivered to the Administrative Agent a Collateral Access Agreement and such other documentation as the Administrative Agent may require or (ii) an appropriate Reserve has been established by the Administrative Agent in its Permitted Discretion;

(i) which contains or bears any intellectual property rights licensed to such Loan Party unless the Administrative Agent is satisfied that it may sell or otherwise dispose of such Inventory without (i) infringing the rights of such licensor, (ii) violating any contract with such licensor, or (iii) incurring any liability with respect to payment of royalties other than royalties incurred pursuant to sale of such Inventory under the current licensing agreement; or

(j) which is not reflected in a current perpetual inventory report of such Loan Party (unless such Inventory is reflected in a report to the Administrative Agent as "in transit" Inventory).

"Eligible Raw Materials" means, at any time, Eligible Inventory consisting of raw materials which the Administrative Agent determines in its Permitted Discretion, following consultation with the U.S. Borrower (but without any requirement for the U.S. Borrower's consent), is eligible for inclusion in the applicable Borrowing Base.

"Eligible Third Party Logistics Goods" means, at any time, finished goods consisting of returns, irregulars, closeouts, seconds, samples and other similar goods owned by the U.S. Borrower or a U.S. Guarantor and held by GENCO I, Inc., a third party logistics provider, or any of its Affiliates or successors or third party logistics providers acceptable to the Administrative Agent providing similar products and services which finished goods the Administrative Agent determines in its Permitted Discretion, following consultation with the U.S. Borrower (but without any requirement for the U.S. Borrower's consent), are eligible for inclusion in the applicable Borrowing Base.

"Eligible Trademark Collateral" means the U.S. Levi's Trademarks, U.S. Levi's Patents, U.S. Levi's Copyrights and Licenses (each as defined in the U.S. Security Agreement) held by the U.S. Borrower.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, orders-in-council, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, presence, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Borrower or Subsidiary directly or indirectly resulting from or based upon (a) any violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) the presence of any exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Lien" means a Lien in favor of any Governmental Authority for (a) any liability under Environmental Laws, or (b) damages arising from, or costs incurred by such Governmental Authority in response to, a Release or threatened Release of a Contaminant into the environment.

"Equipment" means all now owned and hereafter acquired machinery, equipment, furniture, furnishings, fixtures, and other tangible personal property (except Inventory) of the U.S. Borrower or any of its Subsidiaries, including embedded software, dies, tools, jigs, molds and office equipment, as well as all of such types of property leased by the U.S. Borrower or any of its Subsidiaries and all rights and interests of the U.S. Borrower or any of its Subsidiaries with respect thereto under such leases (including, without limitation, options to purchase); together with all present and future additions and accessions thereto, replacements therefor, component and auxiliary parts and supplies used or to be used in connection therewith, and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto; wherever any of the foregoing is located.

"Equipment Financing Transaction" means any financing with any Person of Equipment which will be treated as Indebtedness.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with a Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) any failure to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived; (c) the filing pursuant to Section 412 of the Code or Section 303 of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) a determination that any Plan is, or is expected to be, in "at risk" status (as defined in Section 430(i)(4) of the Code or Section 303(i)(4) of ERISA; (e) the incurrence by any Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) the receipt by any Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (g) the incurrence by any Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; (h) the receipt by any Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA, or in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the withdrawal of any Borrower or any ERISA Affiliate from a Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; or (j) the occurrence of a nonexempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which could result in liability to any Borrower or ERISA Affiliate.

"Eurodollar," when used in reference to any Loan or Borrowing denominated in Dollars and, when so used, refers to whether such Loan bears, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Subsidiaries" means (i) The Great Western Garment Company Limited and (ii) The Great Western Garment Company (N.B.) Limited.

"Excluded Taxes" means, with respect to any payment made by any Loan Party under any Loan Document, any of the following Taxes: (a) income or franchise Taxes imposed on (or measured by) net income or net profits (i) as a result of the recipient being organized in, or having its principal office or, in the case of any Lender, its applicable lending office in, the taxing jurisdiction or (ii) that are Other Connection Taxes; (b) any branch profits Taxes imposed under Section 884(a) of the Code, or any similar Taxes, imposed as a result of the recipient conducting business in the taxing jurisdiction (other than a business arising (or deemed to arise) solely as a result of the Loan Documents or any transactions contemplated thereby); (c) in the case of a Non-U.S. Lender (other than an assignee pursuant to a request by a Borrower under Section 2.19(b)), any U.S. federal withholding Taxes resulting from any law in effect on the date such Non U.S.-Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Non U.S.-Lender (or its assignor, if any) was entitled, immediately prior to the designation of a new lending office (or assignment), to receive additional amounts from the Borrowers with respect to such withholding Taxes pursuant to Section 2.17(a); (d) any withholding Tax attributable to a Lender's failure to comply with Section 2.17(f); (e) any U.S. federal withholding taxes imposed pursuant to FATCA; and (f) in the case of any payment made by a Canadian Loan Party any (i) Canadian federal withholding Taxes imposed on a payment to a Lender, Issuing Bank, recipient or agent thereof who does not deal at arm's length with the relevant Canadian Loan Party for purposes of the ITA and (ii) any Taxes imposed by Canada (or a jurisdiction within Canada) on the capital of any recipient of such payment.

"Existing Letters of Credit" means the letters of credit set forth on the Existing Letters of Credit Schedule as of the Effective Date.

"Existing Letters of Credit Schedule" means the Schedule attached hereto and identified as such.

"Existing Term Loans" means loans under the Term Loan Agreement.

"Facility" means each of the U.S. Facility and the Multicurrency Facility.

"FATCA" means Sections 1471 through 1474 of the Code as of the date of this Agreement and any amended or successor version that is substantively comparable and not materially more onerous to comply with, and, in each case, any regulations or official interpretations thereof.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer, controller or assistant treasurer of the U.S. Borrower, or any other officer or duly delegated employee identified to the Administrative Agent by written notice from time to time having substantially the same authority and responsibility.

"Fiscal Month" means, with respect to the U.S. Borrower or any of its Subsidiaries, the approximately one-month period ending around the end of each month or such other applicable period, as determined from time to time by the U.S. Borrower in the ordinary course of its business, as the context may require, or, if any such Subsidiary was not in existence on the first day of any such period, the period commencing on the date on which such Subsidiary is incorporated, organized, formed or otherwise created and ending on the last day of such period.

"Fiscal Quarter" means, with respect to the U.S. Borrower or any of its Subsidiaries, the approximately three-month period ending on (a) a day at the end of February or the beginning of March, (b) a day at the end of May or the beginning of June, (c) a day at the end of August or the beginning of September or (d) a day at the end of November or the beginning of December, as the case may be, as determined from time to time by the U.S. Borrower in the ordinary course of its business, as the context may require, or, if any such Subsidiary was not in existence on the first day of any such period, the period commencing on the date on which such Subsidiary is incorporated, organized, formed or otherwise created and ending on the last day of such period.

"Fiscal Year" means, with respect to the U.S. Borrower or any of its Subsidiaries, the approximately twelve-month period ending on the last Sunday in November in each year (or, with respect to certain Foreign Subsidiaries due to local statutory requirements, November 30 of each year) or, if any such Subsidiary was not in existence on such day in November in any calendar year, the period commencing on the date on which such Subsidiary is incorporated, organized, formed or otherwise created and ending on the last Sunday (or, if applicable, November 30) of the next succeeding November.

"Foreign Inventory Transaction" means any financing with any Person of Inventory owned by a Foreign Subsidiary (other than a Canadian Subsidiary) which is, upon completion of such financing, treated as Indebtedness.

"Foreign Receivables" means all obligations of any obligor (whether now existing or hereafter arising) under a contract for sale of goods or services by Foreign Subsidiaries (other than a Canadian Subsidiary), which includes any obligation of such obligor (whether now existing or hereafter arising) to pay interest, finance charges or amounts with respect thereto, and, with respect to any of the foregoing receivables or obligations, (a) all of the interest of Foreign Subsidiaries (other than a Canadian Subsidiary) in the goods (including returned goods) the sale of which gave rise to such receivable or obligation after the passage of title thereto to any obligor, (b) all other Liens and property of Foreign Subsidiaries (other than a Canadian Subsidiary) subject thereto from time to time purporting to secure payment of such receivables or obligations, (c) all guaranties, insurance, letters of credit and other agreements or arrangements of whatever character from time to time supporting or securing payment of any such receivables or obligations, (d) all books and records relating to the foregoing, lockbox accounts containing primarily proceeds of the foregoing, and other similar related assets of Foreign Subsidiaries (other than a Canadian Subsidiary) customarily transferred (or in which security interests are customarily granted) to purchasers in receivables purchase transactions that are treated as sales under GAAP, (e) all rights of Foreign Subsidiaries (other than a Canadian Subsidiary) to refunds on account of value added tax in respect of goods sold to an obligor, any receivable from whom is or becomes a defaulted receivable, and (f) proceeds of or judgments relating to any of the foregoing, any debts represented thereby and all rights of action against any Person in connection therewith.

"Foreign Subsidiary" means any Subsidiary of the U.S. Borrower, other than a Domestic Subsidiary.

"Funding Accounts" has the meaning assigned to such term in Section 4.01(h).

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, Canada, any other nation or any political subdivision thereof, whether provincial, territorial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Hedging Provider" means a Lender or an Affiliate of a Lender.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, and (k) all obligations of such Person under any liquidated earn-out. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership

in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by any Loan Party under any Loan Document and (b) Other Taxes.

"Information Memorandum" means the Confidential Information Memorandum dated September, 2011 relating to the Borrowers and the Transactions.

"Insolvency Laws" means each of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), and the *Winding-Up and Restructuring Act* (Canada), each as now and hereafter in effect, any successors to such statutes and any other applicable insolvency or other similar law of any jurisdiction, including any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

"Insolvent" means, when used with respect to any Person, that at the time of determination:

(a) the assets of such Person, at a fair valuation, are less than the total amount of its debts (including contingent liabilities);

(b) the present fair saleable value of its assets is less than its probable liability on its existing debts as such debts become absolute and matured;

(c) it is then unable and does not expect to be able to pay its debts (including contingent debts and other commitments) as they mature; and

(d) it has capital insufficient to carry on its business as conducted and as proposed to be conducted.

For purposes of determining whether a Person is Insolvent, the amount of any contingent liability shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Interest Election Request" means a request by the Borrower Representative to convert or continue a Revolving Borrowing in accordance with Section 2.07.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan) or Canadian Prime Rate Loan, the first Business Day of each calendar quarter and the Maturity Date, (b) with respect to any Eurodollar Loan or CDOR Rate Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part (and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period) and the Maturity Date and (c) with respect to any Swingline Loan, the day that such Swingline Loan is required to be repaid and the Maturity Date.

"Interest Period" means, (a) with respect to any Eurodollar Borrowing, the period commencing on the date of such Eurodollar Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, if available to each applicable Lender, twelve months or fourteen days) thereafter and (b) with respect to any CDOR Rate Borrowing, the period commencing

on the date of such Borrowing and ending on the date which is 30, 60 or 90 days thereafter, in each case, as the Borrower Representative may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Inventory" has the meaning assigned to such term in the U.S. Security Agreement.

"Inventory Reserves" shall mean reserves against Inventory equal to the sum of the following:

(a) a reserve for shrink, or discrepancies that arise pertaining to inventory quantities;

(b) a reserve determined by the Administrative Agent in its Permitted Discretion for Inventory that is discontinued or slow-moving;

(c) a reserve for Inventory which is designated to be returned to vendor or which is recognized as damaged or off quality by a Loan Party;

(d) a lower of the cost or market reserve for any differences between a Borrower's actual cost to produce versus its selling price to third parties, determined on a product line basis; and

(e) any other reserve as deemed appropriate by the Administrative Agent in its Permitted Discretion, from time to time.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit; provided that customary trade credit extended and paid in the ordinary course of business shall not constitute Investments. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment (other than adjustments for the repayment of, or the refund of capital with respect to, the original principal amount of any such Investment).

"Investment Policies" means the U.S. Borrower's Investment Policies, as adopted by the U.S. Borrower and set forth in a writing delivered to the Administrative Agent by a Financial Officer of the U.S. Borrower from time to time.

"IRS" means the United States Internal Revenue Service.

"Issuing Banks" means, individually and collectively as the context may require, each U.S. Issuing Bank and Multicurrency Issuing Bank.

"ITA" means the Income Tax Act (Canada), as amended.

"Joinder Agreement" means a Canadian Joinder Agreement or a U.S. Joinder Agreement.

"LC Alternative Currency" means (a) Sterling, (b) Euro or (c) any other lawful currency (other than Dollars) acceptable to the Administrative Agent and the applicable U.S. Issuing Bank (in the case of U.S. Letters of Credit) or the applicable Multicurrency Issuing Bank (in the case of Multicurrency Letters of Credit) or which, in the case of this clause (c), is freely transferable and convertible into Dollars and is freely available to the applicable U.S. Issuing Bank or Multicurrency Issuing Bank.

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit, including in respect of a time draft presented thereunder; provided that, with respect to any component of any such amount in an LC Alternative Currency under a U.S. Letter of Credit, such amount shall be the Dollar Amount thereof. The date of an LC Disbursement shall be the date of payment by the applicable Issuing Bank under a Letter of Credit or a time draft presented thereunder, as the case may be.

"LC Exposure" means, at any time, the sum of the U.S. LC Exposure and the Multicurrency LC Exposure.

"Lender Parties" means, individually and collectively as the context may require, the U.S. Lender Parties and the Multicurrency Lender Parties.

"Lenders" means the Persons listed on the Commitment Schedule and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Letter of Credit" means (i) any letter of credit (or, to the extent agreed by the relevant Issuing Bank and the Administrative Agent, any other credit support or other credit enhancement instrument or similar document or agreement that an Issuing Bank may from time enter into, including, without limitation, any guaranty, "exposure transmittal memorandum" or other instrument, document or agreement issued or entered into for the purpose of indemnifying any credit exposure of a department, branch or Affiliate of such Issuing Bank or any third party) and or (ii) to provide credit support or other credit enhancement to an Issuing Bank that issues any letter of credit or other instrument described in clause (i) above, in each case, issued (or deemed issued) in accordance with Section 2.06.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest

Period. Notwithstanding the above, to the extent that "LIBO Rate" or "Adjusted LIBO Rate" is used in connection with an ABR Borrowing, such rate shall be determined as modified by the definition of "Alternate Base Rate".

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Line Cap" has the meaning set forth in the definition of "Availability."

"Loan Documents" means this Agreement, any promissory notes issued pursuant to this Agreement, any Letter of Credit applications, the Collateral Documents and all other agreements, instruments, documents and certificates identified in Section 4.01 executed and delivered to, or in favor of, the Administrative Agent, the Multicurrency Administrative Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts and letter of credit agreements whether heretofore, now or hereafter executed by or on behalf of any Loan Party, or any employee of any Loan Party, and delivered to the Administrative Agent, the Multicurrency Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"Loan Guarantor" or "Guarantor" means each Canadian Guarantor or U.S. Guarantor.

"Loan Guaranty" means the Canadian Loan Guaranty and the U.S. Loan Guaranty.

"Loan Parties" means the Canadian Loan Parties and the U.S. Loan Parties.

"Loans" means the loans and advances made by the Lenders pursuant to this Agreement, including Swingline Loans and Protective Advances.

"LOS Business" means the ownership and operation by the U.S. Borrower or a Subsidiary of the U.S. Borrower, whether directly or through joint ventures with third parties in partnership, corporate or other form, of businesses engaged solely in selling apparel and accessories and related products including, without limitation, selling through retail stores, outlet stores, telephone sales, catalog or other mail orders, and electronic sales. LOS Business shall not include any business engaging in manufacturing or in selling and in manufacturing.

"LS&Co. Deferred Compensation Plan" has the meaning specified in Section 6.05(h).

"LS&Co. Trust" has the meaning specified in Section 6.05(h).

"LS&Co. Trust Agreement" has the meaning specified in Section 6.05(h).

"LSIFCS" means Levi Strauss International Group Finance Coordination Services C.V.A./S.C.A., a Belgian corporation, and/or any other Affiliate of the U.S. Borrower providing services similar to the services provided by such entity to the U.S. Borrower in the ordinary course of business, and any of their respective successors.

"Material Adverse Effect" means any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the business, assets, operations or financial condition, of the U.S. Borrower and its Subsidiaries taken as a whole, (b) the ability of any Loan Party to perform any of its obligations under the Loan Documents to which it is a party as and when due, (c) the Collateral, or the Administrative Agent's Liens (on behalf of itself and the Lenders) on the Collateral or the priority of such Liens, or (d) the rights of or benefits available to the Administrative Agent, the Multicurrency Administrative Agent, the Issuing Banks or the Lenders under any of the Loan Documents.

"Material Domestic Subsidiary" means any domestic or Canadian Subsidiary of the U.S. Borrower, (i) the net book value of which is $5,000,000 or more or (ii) the annual gross revenue of which is $15,000,000 or more.

"Material Indebtedness" means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the U.S. Borrower and its Subsidiaries in an aggregate principal amount exceeding $50,000,000. For purposes of determining Material Indebtedness, the "obligations" of any Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Maturity Date" means the fifth anniversary of the date hereof or any earlier date on which the Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof; provided that if any Existing Term Loans are still outstanding on December 26, 2013 (the "Trigger Date"), the Maturity Date shall be automatically amended to be the Trigger Date except to the extent that prior to the repayment in full of the Existing Term Loans (which may, subject to compliance with the Payment Conditions and delivery by the Loan Parties to the Administrative Agent of either a certificate of a Financial Officer (with reasonably detailed calculations) certifying satisfaction of the Payment Conditions or other evidence of the same reasonably satisfactory to the Administrative Agent, occur after the Trigger Date but prior to the maturity date of the Existing Term Loans), the U.S. Borrower would be permitted to repay in full the Existing Term Loans in reliance on the Payment Conditions; provided that, if on any date after the Trigger Date and prior to repayment in full of the Existing Term Loans the U.S. Borrower would no longer be permitted to repay in full the Existing Term Loans in reliance on the Payment Conditions then the Maturity Date shall be automatically amended to be such date.

"Maximum Canadian Liability" has the meaning assigned to such term in Section 11.10.

"Maximum U.S. Liability" has the meaning assigned to such term in Section 10.10.

"Minimum Excess Availability Amount" means the greater of (x) $65,000,000 and (y) 10% of the Line Cap.

"Minimum Intercompany Transaction Requirement" means that after giving effect to any proposed intercompany Investment, intercompany Indebtedness or intercompany Disposition and all other intercompany Investments, intercompany Indebtedness and intercompany Dispositions occurring during each period commencing when Availability falls below the greater of (x) $100,000,000 and (y) 15% of the Line Cap and ending when Availability is at least the greater of (x) $100,000,000 and (y) 15% of the Line Cap, no net transfer of cash and/or property (i) from the U.S. Loan Parties to any Subsidiary that is not a U.S. Loan Party or (ii) from the Canadian Loan Parties to any Subsidiary that is not a Loan Party in excess of $30,000,000 in the aggregate for all such transfers during such period shall have occurred.

"Moody's" means Moody's Investors Service, Inc.

"Multicurrency Administrative Agent" means JPMorgan Chase Bank, N.A., Toronto Branch, in its capacity as administrative agent under the Multicurrency Facility, and its successors in such capacity.

"Multicurrency Commitment" means, with respect to each Multicurrency Revolving Lender, the commitment of such Multicurrency Revolving Lender to make Multicurrency Revolving Loans and to acquire participations in Multicurrency Letters of Credit and Multicurrency Protective Advances hereunder, expressed as an amount representing the maximum possible aggregate amount of such Multicurrency Revolving Lender's Multicurrency Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09 and (b) assignments by or to such Multicurrency Revolving Lender pursuant to Section 9.04. The initial amount of each Multicurrency Revolving Lender's Multicurrency Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such Multicurrency Revolving Lender shall have assumed its Multicurrency Commitment, as applicable. The aggregate initial amount of the Multicurrency Commitments is $50,000,000.

"Multicurrency Credit Exposure" means, as to any Multicurrency Revolving Lender at any time, the sum of (a) such Lender's Multicurrency Revolving Exposure plus (b) a Dollar Amount equal to such Lender's Applicable Percentage of the aggregate amount of Multicurrency Protective Advances outstanding.

"Multicurrency Facility" means, collectively, the Multicurrency Commitments and the extensions of credit made thereunder.

"Multicurrency Issuing Banks" means, individually and collectively as the context may require, JPMorgan Chase Bank, N.A., Toronto Branch, Bank of America, N.A. (acting through its Canada Branch) and any other Lender that has agreed to act as a Multicurrency Issuing Bank and is reasonably acceptable to the Administrative Agent and the Borrower Representative, each in its capacity as an issuer of Multicurrency Letters of Credit hereunder, and its successors and assigns in such capacity as provided in Section 2.06(j). Each Multicurrency Issuing Bank may, in its sole discretion, arrange for one or more Multicurrency Letters of Credit to be issued by Affiliates of such Multicurrency Issuing Bank, in which case the term "Multicurrency Issuing Bank" shall include any such Affiliate with respect to Multicurrency Letters of Credit issued by such Affiliate.

"Multicurrency LC Exposure" means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn amount of all outstanding Multicurrency Letters of Credit plus (b) the aggregate Dollar Amount of all LC Disbursements relating to Multicurrency Letters of Credit that have not yet been reimbursed by or on behalf of the Borrowers. The Multicurrency LC Exposure of any Multicurrency Revolving Lender at any time shall be its Applicable Percentage of the aggregate Multicurrency LC Exposure at such time.

"Multicurrency Lender Parties" means, individually and collectively as the context may require, the Multicurrency Administrative Agent, the Multicurrency Revolving Lenders, the Bank Product Providers, the Hedging Providers and the Multicurrency Issuing Banks.

"Multicurrency Letter of Credit" means any Letter of Credit issued pursuant to the Multicurrency Facility.

"Multicurrency Loans" means, individually and collectively as the context may require, the Multicurrency Revolving Loans and the Multicurrency Protective Advances.

"Multicurrency Protective Advance" has the meaning assigned to such term in Section 2.04(a).

"Multicurrency Revolving Exposure" means, with respect to any Multicurrency Revolving Lender at any time, the sum of (a) the outstanding Dollar Amount of Multicurrency Revolving Loans of such Multicurrency Revolving Lender at such time, plus (b) an amount equal to such Multicurrency Revolving Lender's Applicable Percentage of the Multicurrency LC Exposure at such time

"Multicurrency Revolving Lenders" means the Persons listed on the Commitment Schedule (or an Affiliate or branch of any such Person that is acting on behalf of such Person, in which case the term "Multicurrency Revolving Lenders" shall include any such Affiliate or branch with respect to the Multicurrency Revolving Loans made by such Affiliate or branch) as having a Multicurrency Commitment and any other Person that shall acquire a Multicurrency Commitment, other than any such Person that ceases to be a Multicurrency Revolving Lender pursuant to an Assignment and Assumption.

"Multicurrency Revolving Loan" means a Revolving Loan made by the Multicurrency Revolving Lenders to the Canadian Borrower or U.S. Borrower pursuant to the Multicurrency Commitments.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Orderly Liquidation Value" means, with respect to Inventory or intangibles of any Person, the orderly liquidation value thereof as determined in a manner acceptable to the Administrative Agent by an appraiser acceptable to the Administrative Agent, net of all costs of liquidation thereof.

"Non-Consenting Lender" has the meaning assigned to such term in Section 9.02(d).

"Non-Paying Canadian Guarantor" has the meaning assigned to such term in Section 11.11.

"Non-Paying U.S. Guarantor" has the meaning assigned to such term in Section 10.11.

"Non-U.S. Lender" means a Lender that is not a U.S. Person.

"Obligations" means, individually and collectively as the context may require, the U.S. Obligations and the Canadian Obligations.

"Ordinary Course Swap Agreements" means any and all Swap Agreements (including any options to enter into any Swap Agreement), in each case that are (or were) entered into by any Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated to be held by such Person and not for purposes of speculation; provided that Ordinary Course Swap Agreements shall not include customary spot foreign exchange transactions engaged in solely for the purpose of settling foreign currency denominated trade payables and receivables in the ordinary course of business.

"Organizational Documents" means, as to any Person, the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person.

"Original Currency" has the meaning assigned to such term in Section 9.19.

"Other Connection Taxes" means, with respect to any Person, Taxes imposed as a result of a present or former connection between such Person and the jurisdiction imposing such Taxes (other than a connection arising solely from any Loan Documents or any transactions contemplated thereby).

"Other Excluded Taxes" means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, this Agreement that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 2.19(b)).

"Other Taxes" means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property taxes , except for Other Excluded Taxes.

"Outstanding Receivables Amount" shall mean, at any time of determination, the excess of (i) the face amount of all Accounts and other payment obligations disposed of pursuant to Section 6.05(g) prior to such time minus (ii) any amount included in clause (i) above that is attributable to Accounts and other payment obligations with a stated due date prior to such time.

"Parent" means, with respect to any Lender, the Person as to which such Lender is, directly or indirectly, a subsidiary.

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Patriot Act" has the meaning assigned to such term in Section 9.14.

"Paying Canadian Guarantor" has the meaning assigned to such term in Section 11.11.

"Paying U.S. Guarantor" has the meaning assigned to such term in Section 10.11.

"Payment Conditions" means, at the time of determination with respect to a specified transaction or payment (or declaration of payment), that (a) no Default then exists or would arise as a result of the entering into of such transaction or the making of such payment, and (b) on a pro forma basis after giving effect to such transaction or payment, average Availability for the 30-day period immediately preceding the date of such transaction or payment (or declaration of payment) is equal to or greater than the greater of (x) $125,000,000 and (y) 17.5% of the Line Cap.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Discretion" means a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment.

"Permitted Encumbrances" means:

(a) Liens created pursuant to any Loan Document;

(b) Liens for taxes which are not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted so long as (i) adequate reserves in accordance with GAAP are being maintained on the books of the applicable Person or (ii) if the applicable Person has not yet determined whether reserves are required to be maintained in accordance with GAAP, the amount of all such reserves that may be required if this subclause (ii) is applicable do not exceed $10,000,000 in the aggregate;

(c) Liens consisting of assignments, pledges or deposits in the ordinary course of business in connection with, or securing obligations under, workers' compensation laws, unemployment insurance and similar legislation, or securing surety bonds or other similar bonds which, in turn, secure obligations under the aforementioned laws, insurance and legislation;

(d) Liens consisting of assignments, pledges or deposits in the ordinary course of business, securing the performance of, or payment in respect of, bids, tenders, leases (including a sale-leaseback and associated operating lease) and contracts including rental agreements (other than for the repayment of Indebtedness) or securing guarantees, standby letters of credit, indemnity, performance or other similar bonds which, in turn, secure obligations in respect of bids, tenders, leases and contracts;

(e) Liens consisting of assignments, pledges or deposits securing the performance of, or payment in respect of, statutory obligations (other than Liens arising under ERISA or Environmental Liens), surety and appeal bonds (other than bonds related to judgments or litigation) or indemnity or performance bonds or guarantees or standby letters of credit which, in turn, secure such statutory obligations or bonds;

(f) materialmen's, mechanics', workmen's and repairmen's Liens securing obligations which are not overdue for more than sixty (60) days and carriers' and warehousemen's Liens and other similar Liens arising in the ordinary course of business securing obligations which are not overdue more than sixty (60) days or, in each case, which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves as required by GAAP with respect thereto are maintained on the books of the applicable Person;

(g) easements, rights-of-way, zoning restrictions and other similar encumbrances on title to real property that were not incurred in connection with and do not secure Indebtedness and do not, either individually or in the aggregate, materially interfere with the ordinary conduct of the U.S. Borrower and its Subsidiaries, taken as a whole;

(h) Liens arising from judgments, awards and attachments in connection with court proceedings, provided that the attachment or enforcement of such Liens would not result in an Event of Default under clause (k) of Article VII, such Liens are being contested in good faith by appropriate proceedings, such contested proceedings conclusively operate to stay the sale of any property subject to such Liens and adequate reserves in accordance with GAAP have been set aside;

(i) undetermined or inchoate Liens incidental to current operations which have not yet been filed pursuant to applicable law or which relate to obligations not yet due or delinquent; and

(j) the reservations, limitations, provisos and conditions expressed in any original grants from the Crown of real or immoveable property, which do not materially impair the use of the affected land for the purpose used or intended to be used by that Person;

provided, that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness, except with respect to clauses (a) and (h) above.

"Permitted Foreign Receivables Transaction" means any arrangement of Foreign Subsidiaries (other than Canadian Subsidiaries) providing for sales, transfers or conveyances of, or granting of security interests in, Foreign Receivables that do not provide, directly or indirectly, for recourse against the seller of such Foreign Receivables (or against any of such seller's Affiliates) by way of a guarantee or any other support arrangement, with respect to the amount of such Foreign Receivables (based on the financial condition or circumstances of the obligor thereunder), other than such limited recourse as is reasonable given market standards for receivables purchase transactions that are treated as sales under GAAP, taking into account such factors as historical bad debt loss experience and obligor concentration levels.

"Permitted Refinancing Indebtedness" means, with respect to any Person, any modification, refinancing, refunding, renewal, replacement or extension of any Indebtedness of such Person; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the original principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed, replaced or extended except by an amount equal to unpaid accrued interest and premium thereon plus other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension, (b) such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the earlier of (x) the final maturity date of the Indebtedness so modified, refinanced, refunded, renewed or extended and (y) the date which is six months after the Maturity Date, (c) such modification, refinancing, refunding, renewal or extension has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed or extended, (d) to the extent such Indebtedness being modified, refinanced, refunded, renewed or extended is subordinated in right of payment to the Obligations, such modification, refinancing, refunding, renewal or extension is subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed or extended and (e) such Indebtedness is not secured by Liens on any assets of the Loan Parties other than the assets securing the Indebtedness being modified, refinanced, refunded, renewed or extended and the proceeds thereof.

"Permitted Transferees" has the meaning specified in the Stockholders Agreement dated as of April 15, 1996 between the U.S. Borrower and the stockholders of the U.S. Borrower party thereto as in effect as of the Effective Date, except that transferees pursuant to Section 2.2(a)(x) thereof shall not be deemed to be Permitted Transferees for purposes of this Agreement.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"PPSA" means the *Personal Property Security Act* (Ontario), including the regulations thereto, provided that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder on the Canadian Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction other than Ontario, "PPSA" means the *Personal Property Security Act* or such other applicable legislation in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by Chase as its prime rate at its principal offices in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Prior Claims" shall mean all Liens created by applicable law (in contrast with Liens voluntarily granted) which rank or are capable of ranking prior or pari passu with the Liens created by the Collateral Documents (or interests similar thereto under applicable law) including for amounts owing for employee source deductions, vacation pay, goods and services taxes, sales taxes, harmonized sales taxes, municipal taxes, workers' compensation, pension fund obligations in respect of Canadian Pension Plans, overdue rents and amounts that may become due under the Wage Earner Protection Program Act (Canada), as amended, with respect to the employees of any Loan Party that are employed in Canada, which would give rise to a Lien with priority under applicable law over the Lien granted by the Canadian Loan Parties in favor of the Administrative Agent (for the benefit of the Canadian Loan Parties, securing the Canadian Secured Obligations).

"Projections" has the meaning assigned to such term in Section 5.01(e).

"Protective Advance" means a U.S. Protective Advance or a Multicurrency Protective Advance.

"Public Equity Offering" means an underwritten public offering of common stock of the U.S. Borrower under an effective registration statement under the Securities Act of 1933, as amended.

"Public Market" means any time after a Public Equity Offering has been consummated and at least fifteen percent (15%) of the total issued and outstanding common stock of the U.S. Borrower has been distributed by means of an effective registration statement under the Securities Act of 1933, as amended.

"Real Estate" means all now or hereafter owned or leased estates in real property of the U.S. Borrower, including, without limitation, all fees, leaseholds and future interests, together with all of the U.S. Borrower's now or hereafter owned or leased interests in the improvements thereon, the fixtures attached thereto and the easements appurtenant thereto.

"Real Estate Financing Transactions" means any arrangement with any Person pursuant to which the U.S. Borrower or any of its Subsidiaries incurs Indebtedness secured by a Lien on real property of the U.S. Borrower or any of its Subsidiaries and related personal property (but excluding Collateral).

"Register" has the meaning assigned to such term in Section 9.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, partners, employees, agents and advisors of such Person and such Person's Affiliates.

"Release" means a release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Contaminant into the indoor or outdoor environment or into or out of any Real Estate or other property, including the movement of Contaminants through or in the air, soil, surface water, groundwater or Real Estate or other property.

"Rent Reserve" means, with respect to any store, warehouse distribution center, regional distribution center or depot where any Inventory subject to Liens arising by operation of law is located, a reserve equal to two (2) months' rent at such store, warehouse distribution center, regional distribution center or depot.

"Report" means reports prepared by the Administrative Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the assets of the Loan Parties from information furnished by or on behalf of the Borrowers, after the Administrative Agent has exercised its rights of inspection pursuant to this Agreement, which Reports may be distributed to the Lenders by the Administrative Agent.

"Required Lenders" means, at any time, Lenders (other than Defaulting Lenders) having Credit Exposure and unused Commitments representing more than 50% of the sum of the Aggregate Credit Exposure and unused Commitments.

"Requirement of Law" means, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserves" means Dilution Reserves, Inventory Reserves, Rent Reserves and any other reserves which the Administrative Agent deems necessary, in its Permitted Discretion, to maintain (including, without limitation, an availability reserve, reserves for accrued and unpaid interest on the Secured Obligations, Banking Services Reserves, reserves for consignee's, warehousemen's and bailee's charges, reserves for Swap Obligations, reserves for contingent liabilities of any Loan Party, reserves for uninsured losses of any Loan Party, reserves for uninsured, underinsured, un-indemnified or under-indemnified liabilities or potential liabilities with respect to any litigation and reserves for taxes, fees, assessments, and other governmental charges and Prior Claims) with respect to the Collateral or any Loan Party. For purposes of this Agreement, the parties hereto hereby agree that no Reserve shall be established against the U.S. Borrowing Base in respect of obligations of the Canadian Loan Parties under Canadian Benefit Plans and/or Canadian Pension Plans.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the U.S. Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the U.S. Borrower or any option, warrant or other right to acquire any such Equity Interests in the U.S. Borrower.

"Revolving Exposure" means the Multicurrency Revolving Exposure and the U.S. Revolving Exposure.

"Revolving Exposure Limitations" has the meaning assigned to such term in Section 2.01.

"Revolving Lender" means a U.S. Revolving Lender or Multicurrency Revolving Lender.

"Revolving Loan" means a U.S. Revolving Loan or a Multicurrency Revolving Loan.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Second Currency" has the meaning assigned to such term in Section 9.19.

"Secured Leverage Ratio" means, on any date, the ratio of (a) Total Secured Indebtedness on such date to (b) Consolidated EBITDA for the most recent four Fiscal Quarters ending prior to such date for which financial statements have been delivered pursuant to Section 5.01(a) or (b). In addition, for purposes of calculating the ratio, the Aggregate Commitments shall be deemed to be fully drawn at all times for purposes of determining the ratio. In addition to and without limitation of the foregoing, for purposes of this definition, this ratio shall be calculated after giving effect to the following:

(a) if since the beginning of that period the U.S. Borrower or any Subsidiary shall have made any Disposition outside the ordinary course of business or an Investment (by merger or otherwise) in any Subsidiary (or any Person which becomes a Subsidiary) or an acquisition of property which constitutes all or substantially all of an operating unit of a business,

(b) if the transaction giving rise to the need to calculate the Secured Leverage Ratio involves a Disposition, Investment or acquisition, or

(c) since the beginning of that period any Person (that subsequently became a Subsidiary or was merged with or into the U.S. Borrower or any Restricted Subsidiary since the beginning of the Four Quarter Period) shall have made such a Disposition, Investment or acquisition,

Consolidated EBITDA for that period shall be calculated after giving pro forma effect to the Asset Sale, Investment or acquisition as if the Asset Sale, Investment or acquisition occurred on the first day of the applicable period in accordance with Regulation S-X promulgated under the United States Securities Act of 1933, as amended.

"Secured Obligations" means, individually and collectively as the context may require, the U.S. Secured Obligations and the Canadian Secured Obligations.

"Security Agreements" means, individually and collectively as the context may require, the U.S. Security Agreement and the Canadian Security Agreement.

"Settlement" has the meaning assigned to such term in Section 2.05(c).

"Settlement Date" has the meaning assigned to such term in Section 2.05(c).

"Short-term Investments" means, as of any date of determination, (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States government or, in the case of a Canadian Loan Party, the Canadian government or (ii) issued by any agency of the United States or, in the case of a Canadian Loan Party, Canada, in each case maturing within one year after such date; (b) taxable or tax-exempt marketable direct obligations issued by any state of the United States or, in the case of a Canadian Loan Party, any province, commonwealth or territory or any political subdivision of any such state, province, commonwealth or territory or any public instrumentality thereof, in each case having, at the time of the acquisition thereof, a rating of at least A- from S&P or the equivalent thereof from another nationally recognized rating agency; (c) commercial paper maturing

no more than two hundred seventy (270) days from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or the equivalent thereof from another nationally recognized rating agency; (d) time deposits, certificates of deposit or bankers' acceptances issued or accepted by any Lender or by any commercial bank organized under the laws of the United States, any state thereof or an OECD country, having, at such date, a rating of at least A- from S&P or the equivalent thereof from another nationally recognized rating agency (except as otherwise approved by the Treasurer of the U.S. Borrower in a manner consistent with board-approved policy) or by a primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York; (e) repurchase agreements with financial institutions organized under the laws of the United States, any state thereof or an OECD country, having, at such date, a rating of at least A- from S&P or the equivalent thereof from another nationally recognized rating agency (except as otherwise approved by the Treasurer of the U.S. Borrower in a manner consistent with board-approved policy) or with a primary government securities dealer reporting to the Market Reports Division of the Federal Reserve Bank of New York; (f) Dollar denominated fixed or floating rate notes and foreign currency denominated fixed or floating rate notes, in each case having, at the time of the acquisition thereof, a rating of at least A or A-1 from S&P or the equivalent thereof from another nationally recognized rating agency; (g) variable rate demand notes with interest reset period and related put at par at 7-day intervals and having, at the time of the acquisition thereof, a rating of at least AA from S&P or the equivalent thereof from another nationally recognized rating agency; (h) money market preferred funds with dividend reset period and related put at par at a maximum of 60-day intervals and having, at the time of the acquisition thereof, a rating of at least AA from S&P or the equivalent thereof from another nationally recognized rating agency; and (i) (x) money market funds that (i) (x) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940 or (y) in the case of any Canadian Loan Party, are money market mutual funds (as defined in National Instrument 81-102 Mutual Funds) that are reporting issuers (as defined under Ontario securities law) in the Province of Ontario, (ii) are rated at least A- by S&P or the equivalent thereof from another nationally recognized ratings agency and (iii) have portfolio assets of at least $1,000,000,000.

"Solvent" means, when used with respect to

(A) any Person (other than a Canadian Loan Party), that at the time of determination:

(a) its assets, at a fair valuation, are in excess of the total amount of its debts (including contingent liabilities);

(b) the present fair saleable value of its assets is greater than its probable liability on its existing debts as such debts become absolute and matured;

(c) it is then able and expects to be able to pay its debts (including contingent debts and other commitments) as they mature; and

(d) has capital sufficient to carry on its business as conducted and as proposed to be conducted; and

(B) any Canadian Loan Party, means

(a) the property of such Person, at a fair valuation, is greater than the total amount of its debts and liabilities, subordinated, contingent or otherwise;

(b) such Person's property is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due;

(c) such Person will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities generally become due; and

(d) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due.

For purposes of determining whether a Person is Solvent, the amount of any contingent liability shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Spot Rate" means, on any date, as determined by the Administrative Agent, the spot selling rate posted by Reuters on its website for the sale of the applicable currency for Dollars at approximately 9:00 a.m., Pacific time, on such date (the "Applicable Quotation Date"); provided, that if, for any reason, no such spot rate is being quoted, the spot selling rate shall be determined by reference to such publicly available service for displaying exchange rates as may be reasonably selected by the Administrative Agent, or, in the event no such service is selected, such spot selling rate shall instead be the rate reasonably determined by the Administrative Agent as the spot rate of exchange in the market where its foreign currency exchange operations in respect of the applicable currency are then being conducted, at or about 9:00 a.m., Pacific time, on the Applicable Quotation Date for the purchase of the relevant currency for delivery two Business Days later.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Indebtedness" of a Person means any Indebtedness of such Person the payment of which is subordinated to payment of the Obligations to the written satisfaction of the Administrative Agent in its reasonable discretion.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any direct or indirect subsidiary of the U.S. Borrower.

"Supermajority Revolving Lenders" means, at any time, Lenders (other than Defaulting Lenders) having Credit Exposure and unused Commitments representing at least 66-2/3% of the sum of the Aggregate Credit Exposure and unused Commitments.

"Swap Agreement" means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrowers or the Subsidiaries shall be a Swap Agreement.

"Swap Obligations" of a Loan Party or LSIFCS means any and all obligations of such Loan Party or LSIFCS, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

"Swingline Exposure" means, at any time, the sum of the aggregate outstanding amount of all outstanding Swingline Loans. The Swingline Exposure of any U.S. Revolving Lender at any time shall be its Applicable Percentage of the aggregate Swingline Exposure.

"Swingline Lender" means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" has the meaning assigned to such term in Section 2.05(a).

"Taxes" means any present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, and other similar fees or charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Taxing Authority" means any Governmental Authority responsible for the administration or collection of any Tax.

"Term Loan Agreement" means the Term Loan Agreement, dated as of March 27, 2007, among the U.S. Borrower, the lenders and other financial institutions party thereto and Bank of America, N.A., as administrative agent.

"Third Party Logistics Goods" means finished goods consisting of returns, irregulars, closeouts, seconds, samples and other similar goods owned by the U.S. Loan Parties and held by a third party logistics provider.

"Total Commitment" means the sum of the Commitments of all the Lenders.

"Total Indebtedness" means, at any date, the aggregate principal amount of all Indebtedness of the U.S. Borrower and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

"Total Leverage Ratio" means, on any date, the ratio of (a) Total Indebtedness on such date to (b) Consolidated EBITDA with adjustments (calculated in a manner consistent with the calculation of Consolidated EBITDA set forth in the definition of Secured Leverage Ratio for the most recent

four Fiscal Quarters ending prior to such date for which financial statements have been delivered pursuant to Section 5.01(a) or (b)). In addition, for purposes of calculating the ratio, the Aggregate Commitments shall be deemed to be fully drawn at all times for purposes of determining the ratio.

"Total Secured Indebtedness" means, at any date, the aggregate principal amount of all Indebtedness of the U.S. Borrower and its Subsidiaries at such date that is secured by a Lien on any assets of the U.S. Borrower or any of its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Trademark Amount" means on any day, the Trademark Component of the U.S. Borrowing Base on such day.

"Trademark Component" means (i) prior to the Trademark Release Date, (x) initially $250,000,000 and (y) to the extent an appraisal is required to be obtained for the Eligible Trademark Collateral following the Effective Date pursuant to Section 5.11(a) the lesser of (I) $250,000,000 and (II) 50% of the Net Orderly Liquidation Value of the Eligible Trademark Collateral and (ii) from and after the Trademark Release Date, $0.

"Trademark Release Date" means the date on which the Administrative Agent's Lien on the Eligible Trademark Collateral is released in accordance with Section 9.02(c).

"Transactions" means the execution, delivery and performance by the Borrowers of this Agreement, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Type," when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Alternate Base Rate, the Canadian Prime Rate or the CDOR Rate.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"Unliquidated Obligations" means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

"U.S. Availability Cash Collateral Account" means an account of a U.S. Loan Party held with the Administrative Agent (or Bank of America, N.A. or one of its affiliates) designated by the Borrower Representative as a "U.S. Availability Cash Collateral Account" and, from and after the tenth Business Day following the Effective Date, subject to a blocked account agreement in form and substance reasonably satisfactory to the Administrative Agent.

"U.S. Borrower" has the meaning assigned to such term by the introductory paragraph to this Agreement.

"U.S. Borrowing Base" means, as of any date of determination (without duplication), the sum of (i) 100% of cash and Cash Equivalent balances in Dollars of the U.S. Loan Parties in the U.S. Borrowing Base Cash Collateral Account and the U.S. Availability Cash Collateral Account plus (ii) 90%

of Eligible Credit Card Receivables of the U.S. Loan Parties plus (iii) 85% of Eligible Accounts of the U.S. Loan Parties plus (iv) 50% of the value of Eligible Raw Materials of the U.S. Loan Parties plus (v) the Trademark Component plus (vi) the lesser of (A)(I) 95% of the lower of cost or market value of Eligible Finished Goods of the U.S. Loan Parties plus (II) 50% of the lower of cost or market value of Eligible Third Party Logistics Goods of the U.S. Loan Parties and (B) 85% of the Net Orderly Liquidation Value of Eligible Finished Goods and Eligible Third Party Logistics Goods of the U.S. Loan Parties minus (vii) without duplication, Reserves established by the Administrative Agent in its Permitted Discretion.

"U.S. Borrowing Base Cash Collateral Account" means, collectively, one or more accounts of the U.S. Loan Parties, as designated from time to time by written notice from the Borrower Representative to the Administrative Agent, held with financial institutions, from and after the tenth Business Day following the Effective Date, and subject to control agreements in form and substance reasonably satisfactory to the Administrative Agent.

"U.S. Borrower Multicurrency Facility Outstandings" means, at any time, the Multicurrency Revolving Exposure at such time minus the Canadian Borrower Outstandings at such time.

"U.S. Collateral" means any and all property owned, leased or operated by a Person covered by the U.S. Collateral Documents and any and all other property of any U.S. Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the Administrative Agent to secure the Secured Obligations.

"U.S. Collateral Documents" means, collectively, the U.S. Security Agreement and any other documents pursuant to which any U.S. Loan Party grants a Lien upon any property as security for payment of the U.S. Secured Obligations.

"U.S. Collection Account" means a "Collection Account" as defined in the U.S. Security Agreement.

"U.S. Commitment" means, with respect to each U.S. Revolving Lender, the commitment, if any, of such U.S. Revolving Lender to make U.S. Revolving Loans and to acquire participations in U.S. Letters of Credit, Swingline Loans and U.S. Protective Advances hereunder, expressed as an amount representing the maximum possible aggregate amount of such U.S. Revolving Lender's U.S. Revolving Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09 and (b) assignments by or to such U.S. Revolving Lender pursuant to Section 9.04. The initial amount of each U.S. Revolving Lender's U.S. Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such U.S. Revolving Lender shall have assumed its U.S. Commitment, as applicable. The aggregate initial amount of the U.S. Commitments is $800,000,000.

"U.S. Credit Exposure" means, as to any U.S. Revolving Lender at any time, the sum of (a) such Lender's U.S. Revolving Exposure plus (b) such Lender's Applicable Percentage of the aggregate amount of U.S. Protective Advances outstanding.

"U.S. Facility" means, collectively, the U.S. Commitments and the extensions of credit made thereunder.

"U.S. Guaranteed Obligations" has the meaning assigned to such term in Section 10.01.

"U.S. Guarantor" means each U.S. Loan Party.

"U.S. Issuing Bank" means individually and collectively as the context may require, Chase, Bank of America, N.A. or any other Lender that has agreed to act as U.S. Issuing Bank and is reasonably acceptable to the Administrative Agent and the U.S. Borrower, each in its capacity as an issuer of U.S. Letters of Credit hereunder, and its successors and assigns in such capacity as provided in Section 2.06(i). Each U.S. Issuing Bank may, in its sole discretion, arrange for one or more U.S. Letters of Credit to be issued by Affiliates of such U.S. Issuing Bank, in which case the term "U.S. Issuing Bank" shall include any such Affiliate with respect to U.S. Letters of Credit issued by such Affiliate.

"U.S. Joinder Agreement" means a joinder agreement in substantially the form of Exhibit E-1.

"U.S. LC Exposure" means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn amount of all outstanding U.S. Letters of Credit plus (b) the aggregate Dollar Amount of all LC Disbursements relating to U.S. Letters of Credit that have not yet been reimbursed by or on behalf of the U.S. Borrower. The U.S. LC Exposure of any U.S. Revolving Lender at any time shall be its Applicable Percentage of the aggregate U.S. LC Exposure at such time.

"U.S. Lender Parties" means, individually and collectively as the context may require, the Administrative Agent, the U.S. Revolving Lenders, the U.S. Issuing Banks, the Bank Product Providers, the Hedging Providers and the other Agents.

"U.S. Letter of Credit" means any Letter of Credit issued under the U.S. Facility (including, without limitation, each Existing Letter of Credit).

"U.S. Loan Guaranty" means the provisions of Article X of this Agreement.

"U.S. Loan Parties" means, individually and collectively as the context may require, the U.S. Borrower and any direct or indirect Domestic Subsidiary of the U.S. Borrower who becomes a party to a Loan Document.

"U.S. Loans" means, individually and collectively as the context may require, the U.S. Revolving Loans, the Swingline Loans and the U.S. Protective Advances.

"U.S. Obligated Party" has the meaning assigned to such term in Section 10.02.

"U.S. Obligations" means, with respect to the U.S. Loan Parties, all unpaid principal of and accrued and unpaid interest on the U.S. Loans, all U.S. LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the U.S. Loan Parties to the Lenders or to any Lender, the Administrative Agent, any U.S. Issuing Bank or any indemnified party arising under the Loan Documents.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Protective Advance" has the meaning assigned to such term in Section 2.04(a).

"U.S. Revolving Exposure" means, with respect to any U.S. Revolving Lender at any time, the sum of (a) the outstanding principal amount of U.S. Revolving Loans of such U.S. Revolving Lender at such time, plus (b) an amount equal to such U.S. Revolving Lender's Applicable Percentage of the aggregate principal amount of the Swingline Loans at such time, plus (c) an amount equal to such U.S. Revolving Lender's Applicable Percentage of the U.S. LC Exposure at such time.

"U.S. Revolving Lenders" means the Persons listed on the Commitment Schedule as having a U.S. Commitment and any other Person that shall acquire a U.S. Commitment pursuant to an Assignment and Assumption, other than any such Person that ceases to be such a Person hereto pursuant to an Assignment and Assumption.

"U.S. Revolving Loan" means a Revolving Loan made to the U.S. Borrower by the U.S. Revolving Lenders.

"U.S. Secured Obligations" means all U.S. Obligations, together with all (a) Banking Services Obligations owing by a U.S. Loan Party or LSIFCS; and (b) Swap Obligations of the U.S. Loan Parties and LSIFCS owing to one or more Hedging Providers; provided that not later than 30 days after such Hedging Provider becomes a Hedge Provider, the Lender or Affiliate of a Lender party thereto (other than Chase or any of its Affiliates) shall have delivered written notice to the Administrative Agent that such Person is a Hedging Provider.

"U.S. Security Agreement" means that certain Security Agreement, dated as of the date hereof, between the U.S. Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent, and the other Lender Parties, and any other pledge or security agreement entered into, after the date of this Agreement by any other U.S. Loan Party (as required by this Agreement or any other Loan Document.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding aggregate principal amount of such Indebtedness into (b) the sum of the total of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required payment of principal including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurodollar Borrowing") or by Class and Type (e.g., a "Eurodollar Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference in

any definition to the phrase "at any time" or "for any period" shall refer to the same time or period for all calculations or determinations within such definition, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if after the date hereof there occurs any change in GAAP or in the application thereof on the operation of any provision hereof and the Borrower Representative notifies the Administrative Agent that the Borrowers request an amendment to any provision hereof to eliminate the effect of, or to account for, such change in GAAP or in the application thereof (or if the Administrative Agent notifies the Borrower Representative that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the U.S. Borrower or any Subsidiary at "fair value," as defined therein. In the event that historical accounting practices, systems or reserves relating to the components of the U.S. Borrowing Base or Canadian Borrowing Base are modified in a manner that is adverse to the Lenders in any material respect, without limitation of the Administrative Agent's right to establish Reserves as otherwise provided hereunder, the Administrative Agent may maintain additional reserves in respect of the components of the U.S. Borrowing Base or Canadian Borrowing Base, as applicable, and make such other adjustments (which may include maintaining additional reserves, modifying the advance rates or modifying the eligibility criteria for the components of the U.S. Borrowing Base or Canadian Borrowing Base, as applicable) as may be required to eliminate the effects of such changes.

SECTION 1.05. Currency Matters. For purposes of this Agreement and the other Loan Documents, where the permissibility of a transaction or determinations of required actions or circumstances depend upon compliance with, or are determined by reference to amounts stated in Dollars, such amounts shall be deemed to refer to the amount in Dollars or the equivalent at par Dollar Amount. For purposes of any determination under Section 6.04 or 6.08, the amount of each Investment, disposition or other applicable transaction denominated in a currency other than Dollars shall be converted into Dollars at par Dollar Amount on the date such Investment, disposition or other transaction is consummated. Principal, interest, reimbursement obligations, fees and all other amounts payable under this Agreement or any Loan Document to any Lender Parties shall be payable in the currency in which such Obligations are denominated, unless expressly stated otherwise.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each U.S. Revolving Lender severally agrees to make U.S. Revolving Loans to the U.S. Borrower from time to time during the Availability Period and each Multicurrency Revolving Lender severally agrees to make Multicurrency Revolving Loans to either of the Borrowers from time to time during the Availability Period in an aggregate principal amount that will not result in:

(i) the U.S. Revolving Exposure of any U.S. Revolving Lender exceeding such U.S. Revolving Lender's U.S. Commitment;

(ii) the Multicurrency Revolving Exposure of any Multicurrency Revolving Lender exceeding such Multicurrency Revolving Lender's Multicurrency Commitment;

(iii) the sum of (x) the U.S. Revolving Exposure plus (y) the U.S. Borrower Multicurrency Facility Outstandings plus (z) the Canadian Borrower Shared Outstandings exceeding the U.S. Borrowing Base; or

(iv) the Aggregate Revolving Exposure exceeding the sum of (x) the U.S. Borrowing Base plus (y) the lesser of (I) the aggregate Multicurrency Commitment and (II) the Canadian Borrowing Base;

subject to the Administrative Agent's and Multicurrency Administrative Agent's authority, in their sole discretion, to make Protective Advances pursuant to the terms of Section 2.04. The limitations on Borrowings referred to in clauses (i) through (iv) are referred to collectively as the "Revolving Exposure Limitations." Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings.

(a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. Any Protective Advance and any Swingline Loan shall be made in accordance with the procedures set forth in Sections 2.04 and 2.05.

(b) All Borrowings under the U.S. Commitment shall be denominated in Dollars. Borrowings under the Multicurrency Commitment may be in Dollars or Canadian Dollars. Subject to Section 2.14, (i) each Borrowing that is denominated in Dollars shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower Representative may request in accordance herewith, provided that all Borrowings made on the Effective Date must be made as ABR Borrowings but may be converted into Eurodollar Borrowings in accordance with Section 2.08 and (ii) each Borrowing that is denominated in Canadian Dollars shall be comprised entirely of Canadian Prime Rate Loans or CDOR Rate Loans as the Borrower Representative may request in accordance herewith. Each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. At the commencement of each Interest Period for any CDOR Rate Borrowing, such Borrowing shall be in an aggregate that is an integral multiple of Cdn.$1,000,000 and not less than Cdn.$5,000,000. ABR Revolving Borrowings shall be in an integral multiple of $1,000,000 and not less than $2,000,000. Canadian Prime Rate Borrowings shall be in an integral multiple of Cdn.$1,000,000 and not less than Cdn.$2,000,000. Each Swingline Loan shall be in an amount that is an integral multiple of $25,000 and not less than $100,000. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 15 Eurodollar Borrowings and/or CDOR Rate Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower Representative shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the Borrower Representative shall notify the Administrative Agent (in the case of a requested Borrowing under the U.S. Facility) or the Multicurrency Administrative Agent with a copy to the Administrative Agent (in the case of a requested Borrowing under the Multicurrency Facility), of such request either in writing (delivered by hand or facsimile) in a form approved by the Applicable Administrative Agent and signed by the Borrower Representative or by telephone (i) with respect to U.S. Revolving Loans, not later than (a) in the case of a Eurodollar Borrowing, 12:00 noon, Pacific time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, 10:00 a.m., Pacific time (or, in the case of a request for a Swingline Loan, 12:00 noon Pacific time), on the date of the proposed Borrowing and (ii) with respect to Multicurrency Revolving Loans, not later than (a) in the case of CDOR Rate Borrowings, 1:00 p.m., Toronto time, three Business Days prior to the date of the proposed Borrowing and (b) in the case of Canadian Prime Rate Borrowings or ABR Borrowings, 1:00 p.m., Toronto time, one Business Day before the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent (if a U.S. Revolving Loan) or the Multicurrency Administrative Agent with a copy to the Administrative Agent (if a Multicurrency Revolving Loan), of a written Borrowing Request in a form approved by the Applicable Administrative Agent and signed by the Borrower Representative. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01:

(i) the name of the applicable Borrower;

(ii) whether such Borrowing is to be a Borrowing under the U.S. Facility or the Multicurrency Facility;

(iii) the aggregate amount of the requested Borrowing and a breakdown of the separate wires comprising such Borrowing;

(iv) the date of such Borrowing, which shall be a Business Day;

(v) whether such Borrowing is to be an ABR Borrowing, a Eurodollar Borrowing, a Canadian Prime Rate Borrowing or a CDOR Rate Borrowing; and

(vi) in the case of a Eurodollar Borrowing or CDOR Rate Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period."

If no election as to the Type of Borrowing is specified, then (A) a Borrowing of U.S. Revolving Loans or Multicurrency Revolving Loans requested in Dollars shall be an ABR Borrowing and (B) a Borrowing of Multicurrency Revolving Loans requested in Canadian Dollars shall be a Canadian Prime Rate Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing or CDOR Rate Borrowing, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's or 30 days', as applicable, duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Applicable Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Protective Advances.

(a) Subject to the limitations set forth below, the Applicable Administrative Agent is authorized by the Borrowers and the Lenders, from time to time in the Applicable Administrative Agent's sole discretion (but shall have absolutely no obligation), to make (i) in the case of the Administrative Agent, Loans to the U.S. Borrower in Dollars on behalf of the U.S. Revolving Lenders (each such Loan, a "U.S. Protective Advance") or (ii) in the case of the Multicurrency Administrative Agent, Loans to either of the Borrowers in Canadian Dollars or Dollars on behalf of the Multicurrency Revolving Lenders (each such Loan, a "Multicurrency Protective Advance") which the Applicable Administrative Agent, in its Permitted Discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations, or (iii) to pay any other amount chargeable to or required to be paid by the applicable Borrower pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in Section 9.03) and other sums payable under the Loan Documents; provided that (1) the aggregate amount of outstanding U.S. Protective Advances shall not, at any time, exceed $50,000,000; provided further that the aggregate amount of outstanding U.S. Protective Advances plus the U.S. Revolving Exposure shall not exceed the aggregate U.S. Commitments; and (2) the aggregate Dollar Amount of outstanding Multicurrency Protective Advances shall not, at any time, exceed $5,000,000; provided further that the aggregate amount of outstanding Multicurrency Protective Advances plus the Multicurrency Revolving Exposure shall not exceed the aggregate Multicurrency Commitments. Protective Advances may be made even if the conditions precedent set forth in Section 4.02 have not been satisfied. The Protective Advances shall be secured by the Liens in favor of the Administrative Agent in and to the applicable Collateral and shall constitute Obligations hereunder. All Protective Advances shall be ABR Borrowings (in the case of Dollar denominated amounts) or Canadian Prime Rate Borrowings (in the case of Canadian Dollar denominated amounts). The Applicable Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Applicable Administrative Agent's receipt thereof. At any time that the making of such U.S. Revolving Loan would not violate the Revolving Exposure Limitations and the conditions precedent set forth in Section 4.02 have been satisfied, the Administrative Agent may request the U.S. Revolving Lenders to make a U.S. Revolving Loan in Dollars to repay a U.S. Protective Advance. At any other time the Administrative Agent may require the U.S. Revolving Lenders to fund in Dollars their risk participations described in Section 2.04(b). At any time the making of such Multicurrency Revolving Loan would not violate the Revolving Exposure Limitations and the conditions precedent set forth in Section 4.02 have been satisfied, the Multicurrency Administrative Agent may request the Multicurrency Revolving Lenders to make a Multicurrency Revolving Loan in the currency in which any Multicurrency Protective Advance is denominated to repay such Multicurrency Protective Advance. At any other time the Multicurrency Administrative Agent may require the Multicurrency Revolving Lenders to fund their risk participations described in Section 2.04(b) in any Multicurrency Protective Advance in the currency in which such Multicurrency Protective Advance is denominated.

(b) Upon the making of a U.S. Protective Advance by the Administrative Agent (whether before or after the occurrence of a Default), each U.S. Revolving Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent, without recourse or warranty, an undivided interest and participation in such U.S. Protective Advance in proportion to its Applicable Percentage. Upon the making of a Multicurrency Protective Advance by the Multicurrency Administrative Agent (whether before or after the occurrence of a Default), each Multicurrency Revolving Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Multicurrency Administrative Agent, without recourse or warranty, an undivided interest and participation in such Multicurrency Protective Advance in proportion to its Applicable Percentage. From and after the date, if any, on which any Lender is required

to fund its participation in any Protective Advance purchased hereunder, the Applicable Administrative Agent shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Applicable Administrative Agent in respect of such Protective Advance.

SECTION 2.05. Swingline Loans.

(a) The Administrative Agent, the Swingline Lender and the U.S. Revolving Lenders agree that in order to facilitate the administration of this Agreement and the other Loan Documents, promptly after the Borrower Representative requests an ABR Borrowing under the U.S. Facility, the Swingline Lender may elect to have the terms of this Section 2.05(a) apply to such Borrowing Request by advancing, on behalf of the U.S. Revolving Lenders and in the amount requested, same day funds to the U.S. Borrower, on the applicable Borrowing date to the Funding Account(s) (each such Loan made solely by the Swingline Lender pursuant to this Section 2.05(a) is referred to in this Agreement as a "Swingline Loan"), with settlement among them as to the Swingline Loans to take place on a periodic basis as set forth in Section 2.05(c). Each Swingline Loan shall be subject to all the terms and conditions applicable to other ABR Revolving Loans funded by the U.S. Revolving Lenders, except that all payments thereon shall be payable to the Swingline Lender solely for its own account. The aggregate amount of Swingline Loans outstanding at any time shall not exceed $35,000,000. The Swingline Lender shall not make any Swingline Loan if the requested Swingline Loan would result in a violation of the Revolving Exposure Limitations. All Swingline Loans shall be ABR Borrowings.

(b) Upon the making of a Swingline Loan (whether before or after the occurrence of a Default (unless the Administrative Agent shall have received written notice thereof from the Borrower Representative or any Lender) and regardless of whether a Settlement has been requested with respect to such Swingline Loan), each U.S. Revolving Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Swingline Lender, without recourse or warranty, an undivided interest and participation in such Swingline Loan in proportion to its Applicable Percentage. The Swingline Lender may, at any time, require the U.S. Revolving Lenders to fund their participations. From and after the date, if any, on which any U.S. Revolving Lender is required to fund its participation in any Swingline Loan purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, such Lender's Applicable Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent or Swingline Lender in respect of such Loan.

(c) The Administrative Agent, on behalf of the Swingline Lender, shall request settlement (a "Settlement") with the U.S. Revolving Lenders on at least a weekly basis or on any more frequent date that the Administrative Agent elects, by notifying the U.S. Revolving Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 11:00 a.m., Pacific time on the date of such requested Settlement (the "Settlement Date"). Each U.S. Revolving Lender (other than the Swingline Lender, in the case of the Swingline Loans) shall transfer the amount of such U.S. Revolving Lender's Applicable Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to the Administrative Agent, to such account of the Administrative Agent as the Administrative Agent may designate, not later than 1:00 p.m., Pacific time, on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 4.02 have then been satisfied. Such amounts transferred to the Administrative Agent shall be applied against the amounts of the Swingline Lender's Swingline Loans and, together with the Swingline Lender's Applicable Percentage of such Swingline Loan, shall constitute U.S. Revolving Loans of such U.S. Revolving Lenders, respectively. If any such amount is not transferred to the Administrative Agent by any U.S. Revolving Lender on such Settlement Date, the Swingline Lender shall be entitled to recover from such Lender on demand such amount, together with interest thereon, as specified in Section 2.07.

SECTION 2.06. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower Representative may request the issuance of Letters of Credit denominated in Dollars (in the case of U.S. Letters of Credit), denominated in Dollars or Canadian Dollars (in the case of Multicurrency Letters of Credit) or denominated in an LC Alternative Currency (in the case of any Letter of Credit) for its own account or for the account of any Subsidiary, in a form reasonably acceptable to the Administrative Agent and the applicable U.S. Issuing Bank (in the case of U.S. Letters of Credit) or the applicable Multicurrency Issuing Bank (in the case of Multicurrency Letters of Credit), at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by any Borrower to, or entered into by any Borrower or any Subsidiary with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower Representative shall deliver by hand or facsimile (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable U.S. Issuing Bank (in the case of U.S. Letters of Credit) or the applicable Multicurrency Issuing Bank (in the case of Multicurrency Letters of Credit)) to (1) the applicable U.S. Issuing Bank (in the case of U.S. Letters of Credit) or the applicable Multicurrency Issuing Bank (in the case of Multicurrency Letters of Credit) and (2) the Administrative Agent (in the case of U.S. Letters of Credit) or the Multicurrency Administrative Agent with a copy to the Administrative Agent (in the case of Multicurrency Letters of Credit) (in each case, prior to 9:00 am, Pacific time, at least two Business Days prior to the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying whether such Letter of Credit is to be a U.S. Letter of Credit or a Multicurrency Letter of Credit (and, if such Letter of Credit is to be a Multicurrency Letter of Credit, whether such Letter of Credit is to be issued for the account of the U.S. Borrower or for the account of the Canadian Borrower), whether such Letter of Credit is to be a Cash Collateralized Letter of Credit, the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof the currency in which such Letter of Credit will be denominated (which (x) shall be Dollars or an LC Alternative Currency in the case of U.S. Letters of Credit and (y) shall be Dollars, Canadian Dollars or an LC Alternative Currency in the case of Multicurrency Letters of Credit) and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the applicable Borrower also shall submit a letter of credit application on the applicable Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed $350,000,000, (ii) the Revolving Exposure Limitations shall not be exceeded and (iii) in the case of a Cash Collateralized Letter of Credit (I) issued for the account of the U.S. Borrower, the aggregate amount of all Cash Collateralized Letters of Credit issued for the account of the U.S. Borrower does not exceed the amount of cash and Cash Equivalents in the U.S. Availability Cash Collateral Account or (II) issued for the account of the Canadian Borrower, the aggregate amount of all Cash Collateralized Letters of Credit issued for the account of the Canadian Borrower does not exceed the amount of cash and Cash Equivalents in the Canadian Availability Cash Collateral Account.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Evergreen Letters of Credit. If the Borrower Representative so requests in any Letter of Credit application, the applicable U.S. Issuing Bank (in the case of U.S. Letters of Credit) or the applicable Multicurrency Issuing Bank (in the case of Multicurrency Letters of Credit) agrees to issue a Letter of Credit that has automatic renewal provisions (each, an "Evergreen Letter of Credit"); provided that (i) any such Evergreen Letter of Credit must permit the Issuing Bank to prevent any such renewal at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a date (the "Non-Renewal Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued and no such Evergreen Letter of Credit shall have an expiry date later than the earlier to occur of (i) the date that is one year after the date of the issuance of such Evergreen Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date; provided, however, that, notwithstanding clause (ii) above the expiry date of an Evergreen Letter of Credit may be up to one year later than the fifth Business Day prior to the Maturity Date if the Borrower Cash Collateralizes such Evergreen Letter of Credit on or before the fifth Business Day prior to the Maturity Date (in which case the Revolving Lenders shall cease to have risk participation therein following the Maturity Date). Unless otherwise directed by the applicable Issuing Bank, the Borrower Representative shall not be required to make a specific request to such Issuing Bank for any such renewal.

(e) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or the Revolving Lenders, each U.S. Issuing Bank hereby grants to each U.S. Revolving Lender (with respect to each U.S. Letter of Credit) and each Multicurrency Issuing Bank hereby grants to each Multicurrency Revolving Lender (with respect to each Multicurrency Letter of Credit), and each U.S. Revolving Lender hereby acquires from each U.S. Issuing Bank, a participation in such U.S. Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such U.S. Letter of Credit and each Multicurrency Revolving Lender hereby acquires from each Multicurrency Issuing Bank, a participation in such Multicurrency Letter of Credit equal to such Multicurrency Revolving Lender's Applicable Percentage of the aggregate amount available to be drawn under such Multicurrency Letter of Credit. In consideration and in furtherance of the foregoing, (i) each U.S. Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable U.S. Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the applicable U.S. Issuing Bank and not reimbursed by the U.S. Borrower on the date due as provided in paragraph (f) of this Section, or of any reimbursement payment required to be refunded to the U.S. Borrower for any reason and (ii) each Multicurrency Revolving Lender hereby absolutely and unconditionally agrees to pay to the Multicurrency Administrative Agent, for the account of the applicable Multicurrency Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by the applicable Multicurrency Issuing Bank and not reimbursed by the Borrowers; in each case, on the date due as provided in paragraph (f) of this Section, or of any reimbursement payment required to be refunded to either Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(f) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit issued for the account of any Borrower, such Borrower shall reimburse such LC Disbursement by paying to (x) the Administrative Agent (in the case of any U.S. Letter of Credit) in Dollars or (y) the Multicurrency Administrative Agent (in the case of any Multicurrency Letters of Credit) in the same currency as the applicable LC Disbursement in each case in an amount equal to the applicable LC Disbursement (i) not later than (A) in the case of any U.S. Letter of Credit, 11:00 a.m., Pacific time, on the date that such LC Disbursement is made, if the Borrower Representative shall have received notice of such LC Disbursement prior to 9:00 a.m., Pacific time, on such date, or (B) in the case of any Multicurrency Letter of Credit, 11:00 a.m. Pacific time, on the day following the day that such LC Disbursement is made, if the Borrower Representative shall have received notice of such LC Disbursement prior to 9:00 a.m., Pacific time, on the date that such LC Disbursement was made, or, (ii) if such notice has not been received by the Borrower Representative prior to such time on such date, then not later than 11:00 a.m., Pacific time, on (A) the Business Day that the Borrower Representative receives such notice, if such notice is received prior to 9:00 a.m., Pacific time, on the day of receipt, or (B) the Business Day immediately following the day that the Borrower Representative receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, (x) in the case of an LC Disbursement in respect of a U.S. Letter of Credit, the U.S. Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.05 that such payment be financed with an ABR Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, the U.S. Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing or Swingline Loan and (y) in the case of an LC Disbursement in respect of a Multicurrency Letter of Credit, the Canadian Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with a Canadian Prime Rate Borrowing in an equivalent amount and, to the extent so financed, the Canadian Borrower's obligation to make such payment shall be discharged and replaced by the resulting Canadian Prime Rate Borrowing. If the applicable Borrower fails to make such payment when due, the Applicable Administrative Agent shall notify each applicable Revolving Lender of the applicable LC Disbursement, the payment and currency then due from the applicable Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each applicable Revolving Lender shall pay to (x) the Administrative Agent in Dollars (in the case of U.S. Letters of Credit) or (y) the Multicurrency Administrative Agent in the same currency as the applicable LC Disbursement (in the case of Multicurrency Letters of Credit) its Applicable Percentage of the payment then due from the applicable Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders), and the Applicable Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Applicable Administrative Agent of any payment from a Borrower pursuant to this paragraph in respect of an LC Disbursement, the Applicable Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the applicable Issuing Bank for such LC Disbursement, then to such Lenders and the applicable Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans, a Swingline Loan or Canadian Prime Rate Loans as contemplated above) shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such LC Disbursement.

(g) Obligations Absolute. The Borrowers' obligations to reimburse LC Disbursements as provided in paragraph (f) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of

Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. Neither the Administrative Agent, the Multicurrency Administrative Agent, the Revolving Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of an Issuing Bank; provided that the foregoing shall not be construed to excuse an Issuing Bank from liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by such Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(h) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Applicable Administrative Agent and the applicable Borrower by telephone (confirmed by facsimile) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve any Borrower of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrowers reimburse such LC Disbursement, at (i) in the case of U.S. Letters of Credit, the rate per annum then applicable to ABR Revolving Loans and (ii) in the case of Multicurrency Letters of Credit, the rate per annum then applicable to Canadian Prime Rate Loans; provided that, if a Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(f) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse the applicable Issuing Bank shall be for the account of such Lender to the extent of such payment.

(j) Replacement of an Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the Borrower Representative, the Applicable Administrative Agent, the replaced Issuing Bank and a successor Issuing Bank. The Applicable Administrative Agent shall notify the Revolving Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the applicable Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this

Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(k) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower Representative receives notice from the Applicable Administrative Agent or the Required Lenders demanding the deposit of Cash Collateral pursuant to this paragraph, (i) the U.S. Borrower shall deposit in the U.S. Availability Cash Collateral Account, an amount in cash equal to the excess of (x) 103% of the LC Exposure in respect of Letters of Credit issued for the account of the U.S. Borrower as of such date plus accrued and unpaid fees thereon over (y) the amount of cash and Cash Equivalents on deposit in the U.S. Availability Cash Collateral Account on such date and (ii) the Canadian Borrower shall deposit in the Canadian Availability Cash Collateral Account, an amount in cash equal to the excess of (x) 103% of the LC Exposure in respect of Letters of Credit issued for the account of the Canadian Borrower as of such date plus accrued and unpaid fees thereon over (y) the amount of cash and Cash Equivalents on deposit in the Canadian Availability Cash Collateral Account on such date; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in clause (h) or (i) of Article VII. Such deposits (A) if made into the U.S. Availability Cash Collateral Account shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations and (B) if made into the Canadian Availability Cash Collateral Account, such deposit shall be held by the Multicurrency Administrative Agent as collateral for the payment and performance of the Canadian Secured Obligations. The U.S. Borrower hereby authorizes the Administrative Agent to apply any amount in the U.S. Availability Cash Collateral Account to reimburse LC Disbursements in respect of Letters of Credit issued for the account of either Borrower and the Canadian Borrower hereby authorizes the Administrative Agent and the Multicurrency Administrative Agent to apply any amount in the Canadian Availability Cash Collateral Account to reimburse LC Disbursements in respect of Letters of Credit issued for the account of the Canadian Borrower.

(l) Conversion of Cash Collateralized Letter of Credit or Non-Cash Collateralized Letter of Credit. Either Borrower may convert any Cash Collateralized Letter of Credit into a Letter of Credit that is not a Cash Collateralized Letter of Credit or any Letter of Credit that is not a Cash Collateralized Letter of Credit into a Cash Collateralized Letter of Credit by providing the Administrative Agent (in the case of a U.S. Letter of Credit) or the Multicurrency Administrative Agent with a copy to the Administrative Agent (in the case of a Multicurrency Letter of Credit), at least one Business Day prior to the effective date of such conversion, written notice identifying the relevant Cash Collateralized Letter of Credit or non-Cash Collateralized Letter of Credit, as the case may be, to be converted and the date upon which such conversion shall be effective.

(m) Existing Letters of Credit. The Lenders (including each Lender that issued an Existing Letter of Credit) and the Borrower agree that, effective as of the Effective Date, the Existing Letters of Credit shall be deemed to have been issued and maintained under, and to be governed by the terms and conditions of, this Agreement as U.S. Letters of Credit.

SECTION 2.07. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by such Lender hereunder on the proposed date thereof by wire transfer of immediately available funds by (i) with respect to Eurodollar Borrowings, 10:00 a.m., Pacific time and (ii) with respect to ABR Borrowings, 12:00 noon, Pacific time, in each case to the account of the Applicable Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage; provided that, Swingline Loans shall be made as provided in Section 2.05. The Applicable Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to the Funding Account; provided that (I) ABR Revolving Loans made to finance the reimbursement of (i) an LC Disbursement as provided in Section 2.06(f) shall be remitted by the Administrative Agent to the applicable U.S. Issuing Bank and (ii) a U.S. Protective Advance shall be retained by the Administrative Agent and (II) ABR Loans or Canadian Prime Rate Loans made to finance the reimbursement of (i) a Canadian LC Disbursement as provided in Section 2.06(f) shall be remitted by the Multicurrency Administrative Agent to the applicable Multicurrency Issuing Bank and (ii) a Multicurrency Protective Advance shall be retained by the Multicurrency Administrative Agent.

(b) Unless the Applicable Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Applicable Administrative Agent such Lender's share of such Borrowing, the Applicable Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Applicable Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Applicable Administrative Agent promptly on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Applicable Administrative Agent, at (i) in the case of such Lender, the greater of either the Federal Funds Effective Rate (in the case of Dollar-denominated amounts) or the Applicable Administrative Agent's cost of funds (in the case of Canadian Dollar-denominated amounts) and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of Loans denominated in Dollars, the interest rate applicable to ABR Loans and in the case of Loans denominated in Canadian Dollars, the interest rate applicable to Canadian Prime Rate Loans. If such Lender pays such amount to the Applicable Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections.

(a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Revolving Borrowing or CDOR Rate Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower Representative may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing or CDOR Rate Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower Representative may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings or Protective Advances, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower Representative shall notify (i) the Administrative Agent with respect to each U.S. Revolving Borrowing and (ii) the Multicurrency Administrative Agent (with a copy to the Administrative Agent), with respect to each Canadian Revolving Borrowing, in each case of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrowers were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic

Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Applicable Administrative Agent of a written Interest Election Request in a form approved by the Applicable Administrative Agent and signed by the Borrower Representative.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.03:

(i) the name of the applicable Borrower and the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing, a Eurodollar Borrowing, a Canadian Prime Rate Borrowing or a CDOR Rate Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing or CDOR Rate Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Eurodollar Borrowing or CDOR Rate Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration, in the case of a Eurodollar Borrowing or 30 days, in the case of a CDOR Rate Borrowing.

(d) Promptly following receipt of an Interest Election Request, the Applicable Administrative Agent shall advise each applicable Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower Representative fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. If the Borrower Representative fails to deliver a timely Interest Election Request with respect to a CDOR Rate Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Canadian Prime Rate Borrowing. Notwithstanding any contrary provision hereof, if a Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower Representative, then, so long as a Default is continuing (i) no outstanding Revolving Borrowing may be converted to or continued as a Eurodollar Borrowing or CDOR Rate Borrowing, (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (iii) unless repaid, each CDOR Rate Borrowing shall be converted to a Canadian Prime Rate Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments; Increase in Commitments.

(a) Unless previously terminated, all Commitments shall terminate on the Maturity Date.

(b) The Borrower Representative may at any time terminate the Commitments under the U.S. Facility and/or the Multicurrency Facility upon (i) the payment in full in cash in the applicable currencies of all outstanding Loans, together with accrued and unpaid interest thereon and on any Letters of Credit, in each case, under the applicable Facility, (ii) the cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Administrative Agent of a cash deposit (or at the discretion of the Applicable Administrative Agent a back up standby letter of credit reasonably satisfactory to the Applicable Administrative Agent) equal to 103% of the LC Exposure as of such date in respect of all Letters of Credit under such Facility (which shall be the Dollar Amount of such LC Exposure or denominated in the currency of the applicable Letters of Credit, as determined by the applicable Issuing Banks), (iii) the payment in full of the accrued and unpaid fees owing in respect of such Facility, and (iv) the payment in full of all reimbursable expenses and other Obligations, together with accrued and unpaid interest thereon in respect of such Facility.

(c) The Borrower Representative may from time to time reduce the Commitments under the U.S. Facility and/or the Multicurrency Facility; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $5,000,000 and not less than $10,000,000 and (ii) the Borrower Representative shall not reduce the Commitments under any Facility if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the Revolving Exposure Limitations would be exceeded.

(d) The Borrower Representative shall notify the Administrative Agent of any election to terminate or reduce the Commitments under any Facility under paragraph (b) or (c) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower Representative pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments in full delivered by the Borrower Representative may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower Representative (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments under any Facility shall be permanent. Each partial reduction of the Commitments under any Facility shall be made ratably among the applicable Lenders in accordance with their respective Applicable Percentages.

(e) The Borrowers shall have the right to increase the Commitments under either Facility by obtaining additional U.S. Commitments or additional Multicurrency Commitments, either from one or more of the Lenders or another lending institution (it being understood that no Lender shall be under any obligation to agree to provide any increased Commitment pursuant to this Section 2.09(e)) provided that (i) any such request for an increase shall be in a minimum amount of $25,000,000, (ii) the aggregate amount of increases in the Commitments pursuant to this clause (e) shall not exceed $150,000,000, (iii) any consent that would be required for an assignment of a Commitment to such Lender or other lending institution in connection with an assignment to such institution shall have been obtained, such approval not to be unreasonably withheld, conditioned or delayed, (iv) any such new Lender assumes all of the rights and obligations of a "Lender" hereunder, (v) the procedures described in Section 2.09(f) have been satisfied and (vi) on a pro forma basis after giving effect to such increases in Commitments the Total Commitment then in effect (including such increases in Commitments) when aggregated with the aggregate amount of Indebtedness secured by Liens in reliance on Section 6.02(o) does not exceed the greater of (x) $1,600,000,000 and (y) an amount that would not cause the Secured Leverage Ratio of the U.S. Borrower (calculated assuming all Commitments were fully drawn) as of the most recent date for which financial statements have been delivered pursuant to Section 5.01(a) or (b) prior to the establishment of such additional Commitments to exceed 3.25 to 1.00.

(f) Any amendment hereto for such an increase or addition shall be in form and substance reasonably satisfactory to the Administrative Agent and shall only require the written signatures of the Administrative Agent, the Multicurrency Administrative Agent, the Borrowers and each Lender being added or increasing its Commitment. As a condition precedent to such an increase, the Borrowers shall deliver to the Administrative Agent a certificate of each Loan Party signed by an authorized officer of such Loan Party certifying that the conditions set forth in clauses (i), (ii) and (vi) of paragraph (e) above are satisfied and (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) in the case of the Borrowers, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article III and the other Loan Documents are true and correct in all material respects with the same effect as though made on and as of the date of such increase (it being understood and agreed that any representation or warranty which is by its terms made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects), and (B) no Default exists.

(g) Within a reasonable time after the effective date of any increase, the Administrative Agent shall, and is hereby authorized and directed to, revise the Commitment Schedule to reflect such increase and shall distribute such revised Commitment Schedule to each of the Lenders and the Borrowers, whereupon such revised Commitment Schedule shall replace the old Commitment Schedule and become part of this Agreement. On the Business Day following any such increase, all outstanding ABR Loans and Canadian Prime Rate Loans under the applicable Facility shall be reallocated among the Lenders (including any newly added Lenders) in accordance with the Lenders' respective revised Applicable Percentages and the Lenders shall make adjustments among themselves with respect to such Loans then outstanding and amounts of principal, interest, commitment fees and other amounts paid or payable with respect thereto as shall be necessary, in the opinion of the Administrative Agent, in order to effect such reallocation. Eurodollar Loans and CDOR Rate Loans shall not be reallocated among the Lenders until the expiration of the applicable Interest Period in effect at the time of any such increase, at which time any such Eurodollar Loan or CDOR Rate Loan being continued shall be reallocated, and any such Eurodollar Loans being converted to ABR Loans or CDOR Rate Loans being converted to Canadian Prime Rate Loans shall be converted and allocated, among the applicable Lenders (including the newly added Lenders) at such time.

SECTION 2.10. Repayment of Loans; Evidence of Debt.

(a) Each Borrower hereby unconditionally promises to pay to the Applicable Administrative Agent for the account of the applicable Lenders the then unpaid principal amount of each Loan made to such Borrower on the Maturity Date (or, if earlier, in the case of Protective Advances to such Borrower, upon demand by the Applicable Administrative Agent).

(b)(i) At all times that full cash dominion is in effect pursuant to Section 7.1 of the U.S. Security Agreement, on each Business Day, the Administrative Agent shall cause all funds credited to the U.S. Collection Account on such Business Day or the immediately preceding Business Day (at the discretion of the Administrative Agent, whether or not immediately available) first to prepay any Protective Advances to the U.S. Borrower that may be outstanding, pro rata, second to prepay the Revolving Loans (including Swing Line Loans) to the U.S. Borrower and to Cash Collateralize outstanding LC Exposure in respect of Letters of Credit issued for the account of the U.S. Borrower, third, to prepay any Multicurrency Protective Advances to the Canadian Borrower, pro rata, and fourth, to prepay Multicurrency Revolving Loans to the Canadian Borrower and to Cash Collateralize outstanding LC Exposure in

respect of Multicurrency Letters of Credit issued for the account of the Canadian Borrower and (ii) at all times that full cash dominion is in effect pursuant to Section 7.1 of the Canadian Security Agreement, on each Business Day, the Administrative Agent shall apply all funds credited to the Canadian Collection Account on such Business Day or the immediately preceding Business Day (at the discretion of the Administrative Agent, whether or not immediately available) first to prepay any Multicurrency Protective Advances to the Canadian Borrower that may be outstanding, pro rata, and second to prepay the Multicurrency Revolving Loans to the Canadian Borrower and to Cash Collateralize outstanding Multicurrency LC Exposure in respect of Multicurrency Letters of Credit issued for the account of the Canadian Borrower.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender to such Borrower, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Applicable Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder to each Borrower, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by such Applicable Administrative Agent hereunder from each Borrower for the account of the applicable Lenders and each Lender's applicable share thereof.

(e) The entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or any Applicable Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Loans in accordance with the terms of this Agreement.

(f) Any Lender may request that Loans made by it to any Borrower be evidenced by a promissory note. In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender or its registered assigns and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein or its registered assigns.

SECTION 2.11. Prepayment of Loans.

(a) Each Borrower shall have the right at any time and from time to time to prepay any Borrowing by such Borrower in whole or in part, subject to prior notice in accordance with paragraph (c) of this Section.

(b) In the event and on such occasion that on any Business Day the Revolving Exposure Limitations are exceeded for any reason, each Borrower shall immediately repay such of its outstanding Loans and/or Cash Collateralize such of the outstanding Letters of Credit issued for the account of such Borrower as shall be required to ensure that the Revolving Exposure Limitations would be satisfied on such date after giving effect to such prepayment and/or Cash Collateralization.

(c) The Borrower Representative shall notify the Applicable Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender and in the case of a prepayment of Multicurrency Loans, with a copy to the Administrative Agent) by telephone (confirmed by facsimile) of any prepayment pursuant to paragraph (a) above not later than (i) 12:00 noon, Pacific time, (A)

in the case of prepayment of a Eurodollar Revolving Borrowing or CDOR Rate Borrowing, three Business Days before the date of prepayment, or (B) in the case of prepayment of an ABR Revolving Borrowing or a Canadian Prime Rate Borrowing, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Class and Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

SECTION 2.12. Fees.

(a) The U.S. Borrower agrees to pay to the Administrative Agent for the account of each U.S. Revolving Lender a commitment fee equal to a rate per annum equal to the Commitment Fee Rate multiplied by the amount by which such Lender's U.S. Commitment on each day exceeds the sum of such Lender's U.S. Revolving Loans and U.S. LC Exposure on such day during the period from and including the Effective Date to but excluding the date on which the Lenders' U.S. Commitments terminate. The Borrowers jointly and severally agree to pay to the Multicurrency Administrative Agent for the account of each Multicurrency Revolving Lender a commitment fee at a rate per annum equal to the Commitment Fee Rate multiplied by the amount by which such Lender's Multicurrency Commitment on each day exceeds the sum of such Lender's Multicurrency Revolving Loans and Multicurrency LC Exposure on such day during the period from and including the Effective Date to but excluding the date on which the Lenders' Multicurrency Commitments terminate. Accrued commitment fees shall be payable in arrears on the first Business Day of each January, April, July and October and on the date on which the Commitments of the applicable Class terminate, commencing on January 2, 2012. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(b) Each Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit issued for the account of such Borrower, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans in the case of U.S. Letters of Credit and the interest rate applicable to CDOR Rate Loans in the case of Multicurrency Letters of Credit (or, in the case of Cash Collateralized Letters of Credit, at a rate equal to the Applicable Rate used to determine the interest rate for Eurodollar revolving Loans minus 75 basis points) on the average daily maximum amount of such Lender's LC Exposure in respect of Letters of Credit issued for such Borrower (excluding any portion thereof attributable to LC Disbursements that are not reimbursed on the date on which such LC Disbursements arise) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure in respect of Letters of Credit issued for the account of such Borrower, and (ii) to each applicable Issuing Bank a fronting fee, which shall accrue at a rate separately agreed between the applicable Borrower and such Issuing Bank on the average daily amount of the LC Exposure in respect of Letters of Credit issued by such Issuing Bank for the account of such Borrower (excluding any portion thereof attributable to LC Disbursements that are not reimbursed on the date on which such LC Disbursements arise) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure in respect of Letters of Credit issued by such Issuing Bank for the account of such Borrower, as well as the applicable

Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of each calendar month shall be payable on the first Business Day of each calendar month following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments of any Class terminate in full (with respect to the LC Exposure under such Commitments) and any such fees accruing after the date on which the Commitments of any Class terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within 10 Business Days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(c) Each of the Borrowers agrees to pay to each Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between such Borrower and such Agent.

(d) Subject to Section 2.17, all fees payable hereunder shall be paid on the dates due in Dollars, in immediately available funds, to each Applicable Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the applicable Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest.

(a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) The Loans comprising each Canadian Prime Rate Borrowing shall bear interest at the Canadian Prime Rate plus the Applicable Rate.

(d) The Loans comprising each CDOR Rate Borrowing shall bear interest at the CDOR Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(e) Each (i) U.S. Protective Advance and Multicurrency Protective Advance denominated in Dollars shall bear interest at the Alternate Base Rate plus the Applicable Rate and (ii) each Multicurrency Protective Advance denominated in Canadian Dollars shall bear interest at the Canadian Prime Rate plus the Applicable Rate.

(f) Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default under paragraph (a), (b), (h) or (i) of Article VII, (i) all Loans shall bear interest at 2% plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount outstanding hereunder, such amount shall accrue at 2% plus the rate applicable to such fee or other obligation as provided hereunder.

(g) Accrued interest on each Loan (for ABR Loans and Canadian Prime Rate Loans, accrued through the last day of the prior calendar month) shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments of the applicable Class; provided that (i) interest accrued pursuant to paragraph (f) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or Canadian Prime Rate Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan or CDOR Rate Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(h) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate, CDOR Rate or Canadian Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed. The applicable Alternate Base Rate, Adjusted LIBO Rate, LIBO Rate, Canadian Prime Rate or CDOR Rate shall be determined by the Applicable Administrative Agent, and such determination shall be conclusive absent manifest error.

(i) *Interest Act* (Canada). For purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest or fees to which the rates of interest or fees provided in this Agreement and the other Loan Documents (and stated herein or therein, as applicable, to be computed on the basis of 360 days or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively.

(j) Limitation on Interest. If any provision of this Agreement or of any of the other Loan Documents would obligate any Loan Party to make any payment of interest or other amount payable to the Lenders in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lenders of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)) then, notwithstanding such provisions, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lenders of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (1) firstly, by reducing the amount or rate of interest required to be paid to the Lenders under this Section 2.13, and (2) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Lenders which would constitute "interest" for purposes of Section 347 of the *Criminal Code* (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if the Lenders shall have received an amount in excess of the maximum permitted by that section of the *Criminal Code* (Canada), the Loan Parties shall be entitled, by notice in writing to the Administrative Agent, to obtain reimbursement from the Lenders in an amount equal to such excess and, pending such reimbursement, such amount shall be deemed to be an amount payable by the Lenders to the Borrowers. Any amount or rate of interest referred to in this Section 2.13(j) shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that the applicable Loan remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the Effective Date to the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent shall be conclusive for the purposes of such determination.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing or CDOR Rate Borrowing:

(a) the Applicable Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate, the LIBO Rate or the CDOR Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate, the LIBO Rate or the CDOR Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower Representative and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing or CDOR Rate Borrowing, as applicable, shall be ineffective, and (ii) if any Borrowing Request requests a Eurodollar Borrowing or CDOR Rate Borrowing, such Borrowing shall be made as an ABR Borrowing or Canadian Prime Rate Borrowing, as applicable.

SECTION 2.15. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Lender or Issuing Bank to any Taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto other than (A) Indemnified Taxes, (B) Other Taxes, (C) Excluded Taxes and (D) Other Excluded Taxes;

and the result of any of the foregoing shall be to increase the cost to such Lender or Issuing Bank of making or maintaining any Eurodollar Loan or CDOR Rate Loan (or of maintaining its obligation to make any such Eurodollar Loan or CDOR Rate Loan, as applicable) or to increase the cost to such Lender or Issuing Bank participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank (whether of principal, interest or otherwise), then the Borrower to which such Loan was made or for whose account such Letter of Credit was issued (or, if such increased cost does not relate to a specific Loan or Letter of Credit, the U.S. Borrower) will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts, as interest, as will compensate such Lender or Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower to which such Loan was made or for whose account such Letter of Credit was issued (or, if such reduction in return does not relate to a specific Loan or Letter of Credit, the U.S. Borrower) will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts, as interest, as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that no Borrower shall be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower Representative of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan or CDOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan or CDOR Rate Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan or CDOR Rate Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(d) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan or CDOR Rate Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower Representative pursuant to Section 2.19, then, in any such event, the Borrower to which such Loan was made or was to be made shall compensate each Lender, in the case of any such payment by the Canadian Borrower, as a prepayment penalty or bonus (in the case of a payment pursuant to paragraph (a) or (b)), for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan or CDOR Rate Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Eurodollar Loan or CDOR Rate Loan had such event not occurred, at the Adjusted LIBO Rate or CDOR Rate, as applicable, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Eurodollar Loan or CDOR Rate Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market or Canadian Dollar deposits of a comparable amount and period from other banks in the CDOR Rate market, as applicable. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

SECTION 2.17. Taxes.

(a) Withholding of Taxes; Gross-Up. Each payment by any Loan Party under any Loan Document shall be made without withholding for any Taxes, unless such withholding is required by any law or applicable practice of any Taxing Authority. If any applicable withholding agent determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such withholding agent may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Taxing Authority in accordance with applicable law. If any such Taxes are Indemnified Taxes, then the amount payable by the applicable Loan Party shall be increased as necessary so that, net of such withholding (including any such withholding applicable to additional amounts payable under this Section 2.17), the Applicable Administrative Agent or applicable Lender receives the amount it would have received had no such withholding been made.

(b) Payment of Other Taxes by the Borrowers. The Borrowers shall timely pay any Other Taxes with respect to any Loans or any Loan Documents to the relevant Taxing Authority in accordance with applicable law; provided that the Canadian Borrower shall not be required to pay any Other Taxes attributable to the U.S. Facility.

(c) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes by the Borrowers to a Taxing Authority, the Borrower Representative shall deliver to the Applicable Administrative Agent the original or a certified copy of a receipt issued by such Taxing Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Applicable Administrative Agent.

(d) Indemnification by the Borrowers. The U.S. Borrower shall indemnify each Administrative Agent and each Lender for any Indemnified Taxes with respect to any Loans that are paid or payable by such Administrative Agent or Lender (including with respect to any amounts paid or payable under this Section 2.17(d)), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The Canadian Borrower shall indemnify each Administrative Agent and each Lender for any Indemnified Taxes with respect to the Multicurrency Loans that are paid or payable by such Administrative Agent or Lender (including with respect to any amounts paid or payable under this Section 2.17(d)), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. For the avoidance of doubt, the Canadian Borrower shall not be required to indemnify for any Indemnified Taxes (or related expenses) attributable to the U.S. Facility. The indemnity under this Section 2.17(d) shall be paid within 10 Business Days after the indemnitee delivers to the Borrower Representative a certificate stating the amount of any Indemnified Taxes so paid or payable by such indemnitee and describing the basis for the indemnification claim in reasonable detail. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such indemnitee shall deliver a copy of such certificate to the Applicable Administrative Agent.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Applicable Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that the Loan Parties have not already indemnified such Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so) attributable to such Lender that are paid or payable by such Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(e) shall be paid within 10 days after the Applicable Administrative Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by such Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Each Lender hereby authorizes the Administrative Agent to setoff and apply any amounts due and owing to such Lender under any Loan Document against any amount due the Administrative Agent under this Section 2.17(e).

(f) Status of Lenders. Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under this Agreement shall deliver to the Borrower Representative and the Applicable Administrative Agent, at the time or times reasonably requested by the Borrower Representative or such Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower Representative or such Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower Representative or the Applicable Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower Representative or such Administrative Agent as will enable the Borrower Representative or such Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(i)(A) through (E) below) shall not be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of the Borrower Representative or the Applicable Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.17(f). If any form or certification previously delivered pursuant to this Section 2.17(f) expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify the Borrower Representative and the Applicable Administrative Agent in writing of such expiration, obsolescence or inaccuracy and provide an updated form or certification if it is legally eligible to do so.

(i) Without limiting the generality of the foregoing, any Lender with respect to the U.S. Borrower shall, if it is legally eligible to do so, deliver to the Borrower Representative and the Administrative Agent (in such number of copies reasonably requested by the Borrower Representative and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under this Agreement, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under this Agreement, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under this Agreement constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a tax certificate substantially in the form of Exhibit F-1 to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent shareholder" of such Borrower within the meaning of Section 881(c)(3)(B) of the Code or (c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under this Agreement (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a tax certificate substantially in the form of Exhibit F-2 on behalf of such partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. federal withholding Tax together with such supplementary documentation necessary to enable the Borrower Representative or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(ii) If a payment made to a Lender under this Agreement would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the applicable withholding agent, at the time or times prescribed by law and at such time or times reasonably requested by such withholding agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such withholding agent as may be necessary for such withholding agent to comply with its obligations under FATCA, to determine whether such Lender has complied with such Lender's obligations under FATCA and to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 2.17(f)(ii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) Without limiting the generality of the foregoing, a Lender with respect to a Canadian Loan Party shall, if it is legally eligible to do so, deliver to the Borrower Representative and the Multicurrency Administrative Agent (in such number of copies reasonably requested by the Borrower Representative and the Multicurrency Administrative Agent) on or prior to the date on which such Lender becomes a party hereto or, where the Canadian Loan Party is a Guarantor, the date when the Guarantee is called upon, duly completed and executed copies of Form NR301, NR302 or NR303 (whichever is applicable) to the extent the Lender is for purposes of the ITA a non-resident of Canada, or a partnership that is not a "Canadian partnership", and is, or whose partners are, claiming benefits of an income tax treaty to which Canada is a party.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund (or applied as an offset against other Taxes payable) of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including additional amounts paid pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Taxing Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid to such indemnified party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) in the event such indemnified party is required to repay such refund to such Taxing Authority. Notwithstanding anything to the contrary in this Section 2.17(g), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.17(g) to the extent that such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would

have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.17(g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

(h) Issuing Bank. For purposes of this Section 2.17, the term "Lender" includes any Issuing Bank.

(i) Survival. The agreements in this Section 2.17 shall survive the resignation and/or replacement of the Applicable Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations.

SECTION 2.18. Payments Generally; Allocation of Proceeds; Sharing of Setoffs.

(a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 1:00 p.m., Pacific time, on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 10 South Dearborn Street, 22nd Floor, Chicago, Illinois, except (i) payments to be made directly to an Issuing Bank or the Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto and (ii) payments of Multicurrency Loans and Canadian LC Disbursements or commitment fees and fronting fees that are payable to any Multicurrency Issuing Bank or Multicurrency Revolving Lender, shall be made to the Multicurrency Administrative Agent at its offices at 200 Bay Street, Royal Bank Plaza, Floor 18, Toronto M57 2J2 Canada. The Applicable Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars except (i) as otherwise expressly provided herein and (ii) that all payments in respect of Canadian Dollar denominated Loans (including interest thereon) shall be made in Canadian Dollars.

(b) Any proceeds of U.S. Collateral received by the Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrower Representative), (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (C) amounts to be applied from a Collection Account when full cash dominion is in effect (which shall be applied in accordance with Section 2.10(b)) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, such funds shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent, the Multicurrency Administrative Agent and each Issuing Bank from the U.S. Borrower (other than in connection with Banking Services or Swap Obligations or the U.S. Borrower's Canadian Loan Guaranty), second, to pay any fees or expense reimbursements then due to the Lenders from the U.S. Borrower (other than in connection with Banking Services or Swap Obligations or the U.S. Borrower's Canadian Loan Guaranty), including fees payable by the U.S. Borrower pursuant to Section 2.12, third, to pay interest due in respect of the Protective Advances to the U.S. Borrower, fourth, to pay the principal of all Protective Advances to

the U.S. Borrower, fifth, to pay interest then due and payable on all Loans (other than the Protective Advances) to the U.S. Borrower ratably, sixth, to prepay principal on the Loans (other than the Protective Advances) to the U.S. Borrower and unreimbursed LC Disbursements in respect of Letters of Credit issued for the account of the U.S. Borrower ratably, seventh, to pay an amount to the Administrative Agent equal to one hundred three percent (103%) of the aggregate undrawn face amount of all outstanding Letters of Credit issued for the account of the U.S. Borrower and the aggregate amount of any related unpaid LC Disbursements, to be held as Cash Collateral for such U.S. Obligations, eighth, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent, the Multicurrency Administrative Agent and each Issuing Bank from the Canadian Borrower (other than in connection with Banking Services or Swap Obligations), ninth, to pay any fees or expense reimbursements then due to the Lenders from the Canadian Borrower (other than in connection with Banking Services or Swap Obligations), including fees payable by the Canadian Borrower pursuant to Section 2.12, tenth, to pay interest due in respect of the Protective Advances to the Canadian Borrower, eleventh, to pay the principal of all Protective Advances to the Canadian Borrower, twelfth, to pay interest then due and payable on all Loans (other than the Protective Advances) to the Canadian Borrower ratably, thirteenth, to prepay principal on the Loans (other than the Protective Advances) to the Canadian Borrower and unreimbursed LC Disbursements in respect of Letters of Credit issued for the account of the Canadian Borrower ratably, fourteenth, to pay an amount to the Administrative Agent equal to one hundred three percent (103%) of the aggregate undrawn face amount of all outstanding Letters of Credit issued for the account of the Canadian Borrower and the aggregate amount of any related unpaid LC Disbursements, to be held as Cash Collateral for such Canadian Obligations, fifteenth, to payment of any amounts owing with respect to Banking Services and Swap Obligations of the U.S. Loan Parties and LSIFCS (other than pursuant to the Canadian Guaranty) up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22, sixteenth, to payment of any amounts owing with respect to Banking Services and Swap Obligations of the Canadian Loan Parties up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22, seventeenth, to the payment of any other U.S. Secured Obligation due to the Administrative Agent, Multicurrency Administrative Agent, any Issuing Bank or any Lender (other than pursuant to the Canadian Loan Guaranty) and eighteenth, to the payment of any other Canadian Secured Obligations due to the Administrative Agent, Multicurrency Administrative Agent, any Issuing Bank or any Lender. Any proceeds of Canadian Collateral received by the Administrative Agent or Multicurrency Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrower Representative), (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (C) amounts to be applied from a Collection Account when full cash dominion is in effect (which shall be applied in accordance with Section 2.10(b)) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, shall be applied ratably in the order specified in clauses eighth through fourteenth, sixteenth and eighteenth above. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower Representative, or unless a Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Eurodollar Loan or CDOR Rate Loan of a Class, except (a) on the expiration date of the Interest Period applicable thereto or (b) in the event, and only to the extent, that there are no outstanding ABR Loans or Canadian Prime Rate Loans, as applicable, of the same Class and, in any such event, the applicable Borrower shall pay the break funding payment required in accordance with Section 2.16. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

(c) At the election of the Administrative Agent, to the extent any such amount is not paid by the applicable Borrower when due (after taking into account all applicable grace periods), all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 9.03), and other sums

payable under the Loan Documents by any Borrower, may be paid from the proceeds of Borrowings of such Borrower made hereunder whether made following a request by the Borrower Representative pursuant to Section 2.03 or a deemed request as provided in this Section or may be deducted from any deposit account of such Borrower maintained with or under the control of the Administrative Agent. Each Borrower hereby irrevocably authorizes (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees due from such Borrower as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans (including Swingline Loans, but such a Borrowing may only constitute a Protective Advance if it is to reimburse costs, fees and expenses as described in Section 9.03) to such Borrower and that all such Borrowings shall be deemed to have been requested pursuant to Sections 2.03, 2.04 or 2.05, as applicable, and (ii) the Administrative Agent to charge any deposit account of such Borrower maintained with, or subject to the control of, the Administrative Agent for each payment of principal, interest and fees due from such Borrower as it becomes due hereunder or any other amount due under the Loan Documents.

(d) If, except as otherwise expressly provided herein, any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than such Lender would have received had such amounts been applied in accordance with paragraph (a) above, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be provided to the Lenders that would have been entitled to such payments pursuant to paragraph (a) above; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by a Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to a Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower Representative prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an Issuing Bank hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the applicable Issuing Bank, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the applicable Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of either (i) the Federal Funds Effective Rate (in the case of Dollar-denominated amounts) and the Administrative Agent's cost of funds (in case of Canadian Dollar-denominated amounts) and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it hereunder, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations hereunder until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender hereunder; application of amounts pursuant to clauses (i) and (ii) above shall be made in such order as may be determined by the Administrative Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.15, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment (but in the case of the Canadian Borrower, only to the extent relating to the Multicurrency Commitments and the extensions of credit to the Canadian Borrower thereunder).

(b) If any Lender requests compensation under Section 2.15, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender becomes a Defaulting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrowers shall have received the prior written consent of the Administrative Agent, each applicable Issuing Bank and, in the case of the U.S. Facility, the Swingline Lender, which consent shall not unreasonably be withheld, conditioned or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the applicable Borrower(s) (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

SECTION 2.20. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitments of such Defaulting Lender pursuant to Section 2.12(a);

(b) such Defaulting Lender shall not have the right to vote on any issue on which voting is required (other than to the extent expressly provided in Section 9.02(b)) and the Commitment and Revolving Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders or the Supermajority Revolving Lenders have taken or may take any action hereunder;

(c) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders of the applicable Class in accordance with their respective Applicable Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Revolving Exposures under such Class of Commitments plus such Defaulting Lender's Swingline Exposure and LC Exposure under such Class of Commitments does not exceed the total of all non-Defaulting Lenders' Commitments of such Class, (y) no non-Defaulting Lender's Revolving Exposure under such Class of Commitments is increased above such Lender's Commitment of such Class as a result thereof and (z) no Event of Default has then occurred and is continuing;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the applicable Borrower shall within one Business Day following notice by the Administrative Agent (x) first, in the case of the U.S. Borrower, prepay such Swingline Exposure and (y) second, Cash Collateralize, for the benefit of the applicable Issuing Bank, such Borrowers' obligations corresponding to such Defaulting Lender's LC Exposure under the applicable Class of Commitments (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if a Borrower Cash Collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, such Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is Cash Collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.12(a) and 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor Cash Collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Bank until such LC Exposure is reallocated and/or Cash Collateralized; and

(d) so long as such Lender is a Defaulting Lender, the applicable Issuing Bank under the applicable Facility shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or Cash Collateral will be provided by the applicable Borrower(s) in accordance with Section 2.20(c), and participating interests in any such newly made Swingline Loan or newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to the Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) any Issuing Bank or the Swingline Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more

other agreements in which such Lender commits to extend credit, such Issuing Bank shall not be required to issue, amend or increase any Letter of Credit and the Swingline Lender shall not be required to fund any Swingline Loan, unless such Issuing Bank or the Swingline Lender, as the case may be, shall have entered into arrangements with the Borrowers or such Lender, satisfactory to such Issuing Bank or the Swingline Lender, as the case may be, to defease any risk in respect of such Lender hereunder.

In the event that each of the Administrative Agent, the Borrowers, the applicable Issuing Banks and, in the case of the U.S. Facility, the Swingline Lender agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and/or LC Exposure of the Lenders under the applicable Facility shall be readjusted to reflect the inclusion of such Lender's Commitment and on the date of such readjustment such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.21. Returned Payments. If after receipt of any payment which is applied to the payment of all or any part of the Obligations, the Administrative Agent, the Multicurrency Administrative Agent or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent, the Multicurrency Administrative Agent or such Lender. The provisions of this Section 2.21 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent, the Multicurrency Administrative Agent or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.21 shall survive the termination of this Agreement.

SECTION 2.22. Banking Services and Swap Agreements. Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party or LSIFCS shall deliver to the Administrative Agent within 30 days after it commences providing any such Banking Services or Swap Agreements, written notice thereof. In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish to the Administrative Agent, following the end of each calendar month, a summary of the amounts due or to become due in respect of any Swap Obligations owing to it. The most recent information provided to the Administrative Agent shall be used in determining which tier of the waterfall, contained in Section 2.18(b), such Banking Services Obligations and/or Swap Obligations will be placed and the Administrative Agent shall be under no obligation to enquire as to the existence of any Banking Services Obligations or Swap Obligations of which it has not been specifically advised.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers. Each Loan Party and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to carry on its business as now conducted and (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except, in the case of (x) clause (a) with respect to the Subsidiaries of each Loan Party and (y) clauses (b) and (c), where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. The Loan Documents to which each Loan Party is a party have been duly executed and delivered by such Loan Party and constitute a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any Requirement of Law applicable to any Loan Party or the Organizational Documents of any Loan Party, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or the assets of any Loan Party, or give rise to a right thereunder to require any material payment to be made by any Loan Party, and (d) will not result in the creation or imposition of any Lien on any Collateral of any Loan Party, except Liens created pursuant to the Loan Documents.

SECTION 3.04. Financial Condition; No Material Adverse Change.

(a) The U.S. Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the Fiscal Year ended November 28, 2010, reported on by PricewaterhouseCoopers LLP, independent public accountants, and (ii) as of and for the Fiscal Quarter and the portion of the Fiscal Year ended May 29, 2011, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the U.S. Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to normal year end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above. The U.S. Borrower shall be deemed to have furnished such financial statements upon the filing of such financial statements by the U.S. Borrower through the SEC's EDGAR system (or any successor electronic gathering system) or the publication by the U.S. Borrower of such financial statements on its website.

(b) No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect, since November 28, 2010.

SECTION 3.05. Properties.

(a) As of the date of this Agreement, Schedule 3.05(a) sets forth the address of each parcel of real property that is owned or leased by each Loan Party. Except as would not have a Material Adverse Effect, each of such leases and subleases is valid and enforceable in accordance with its terms and is in full force and effect, and no default by any party to any such lease or sublease exists. Each of the Loan Parties has good and indefeasible title to, or valid leasehold interests in, all of its real and personal property, free of all Liens other than those permitted by Section 6.02.

(b) Each Loan Party owns, or is licensed to use, all trademarks, tradenames, copyrights, patents, industrial designs and other intellectual property necessary to its business as currently conducted, the use of all trademarks, tradenames, copyrights, patents, industrial designs and other intellectual property owned by each Loan Party does not infringe in any respect upon the rights of any other

Person, except to the extent that such infringement could not reasonably be expected to have a Material Adverse Effect, and each Loan Party's rights to all trademarks, tradenames, copyrights, patents, industrial designs and other intellectual property necessary to conduct its business as currently conducted are not subject to any material restrictions under any licensing agreement or similar arrangement (other than (i) restrictions relating to software licenses that may limit such Loan Party's ability to transfer or assign any such agreement to a third party and (ii) licensing agreements or similar agreements that do not materially impair the ability of the Applicable Administrative Agent or the Lenders to avail themselves of their rights of disposal and other rights granted under the Collateral Documents in respect of the Inventory).

SECTION 3.06. Litigation and Environmental Matters.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting any Loan Party or any of its Subsidiaries as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b)(i) No Loan Party or any of its Subsidiaries has received notice of any claim with respect to any Environmental Liability or knows of any basis for any Environmental Liability that could reasonably be expected to have a Material Adverse Effect and (ii) and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party nor any of its Subsidiaries (1) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (2) has become subject to any Environmental Liability that could reasonably be expected to have a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. Each Loan Party is in compliance with all Requirements of Law applicable to it or its property, its Organizational Documents and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment Company Status; Margin Stock. No Loan Party or any of its Subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) engaged (principally or as one of its important activities) in the business of extending credit for the purpose of buying "margin stock" (as defined in Regulation U).

SECTION 3.09. Taxes. Except as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect: (a) each Loan Party and each of their respective Subsidiaries has timely filed or caused to be timely filed all Tax returns and reports required to have been filed by it and has paid or caused to be paid all Taxes required to have been paid by it (including in its capacity as a withholding agent), except Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP and (b) there are no Tax audits, assessments or other Tax claims or proceedings with respect to any Loan Party or any of their respective Subsidiaries.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Canadian Pension Plan and Benefit Plans. The Canadian Pension Plans are duly registered under the ITA and all other applicable laws which require registration, except as could not reasonably be expected to result in a Material Adverse Effect. Each Loan Party and each of their Subsidiaries has complied with and performed all of its obligations under and in respect of the Canadian Pension Plans and Canadian Benefit Plans under the terms thereof, any funding agreements and all applicable laws (including any fiduciary, funding, investment and administration obligations), except as could not reasonably be expected to result in a Material Adverse Effect. All employer and employee payments, contributions or premiums to be remitted, paid to or in respect of each Canadian Pension Plan or Canadian Benefit Plan have been paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws. There have been no improper withdrawals or applications of the assets of the Canadian Pension Plans or the Canadian Benefit Plans, except as could not reasonably be expected to result in a Material Adverse Effect. No promises of benefit improvements under the Canadian Pension Plans or the Canadian Benefit Plans have been made except where such improvement could not be reasonably expected to have a Material Adverse Effect. All material reports and disclosures relating to the Canadian Pension Plans required by such plans and any Requirement of Law to be filed or distributed have been filed or distributed, except as could not reasonably be expected to result in a Material Adverse Effect. There has been no termination of any Canadian Pension Plan (except as permitted under Section 5.07(b)) and, to the knowledge of the Borrower, no facts or circumstances have occurred or existed that could result, or be reasonably anticipated to result, in the declaration of a termination of any Canadian Pension Plan by any Governmental Authority under Applicable Pension Laws. Each of the Canadian Pension Plans is funded in accordance with the most recent actuarial valuations filed under Applicable Pension Laws, as disclosed to the Administrative Agent.

SECTION 3.12. Disclosure. Each Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, forward-looking statements and information of a general economic or industry nature, the Borrowers each represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time delivered and, if such projected financial information was delivered prior to the Effective Date, as of the Effective Date.

SECTION 3.13. Material Agreements. Except as would not have a Material Adverse Effect, no Loan Party is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any material agreement to which it is a party or (ii) any agreement or instrument evidencing or governing Indebtedness.

SECTION 3.14. Solvency. Each Borrower individually, the U.S. Borrower together with the U.S. Loan Guarantors (taken as a whole) and the Canadian Borrower together with the Multicurrency Loan Guarantors (taken as a whole), is Solvent prior to and after giving effect to the Borrowings to be made on the Effective Date and the issuance of the Letters of Credit to be issued on the Effective Date, and shall remain Solvent during the term of this Agreement.

SECTION 3.15. Insurance. Schedule 3.15 lists all insurance maintained by or on behalf of the Loan Parties and the other Subsidiaries of the U.S. Borrower as of the Effective Date. As of the Effective Date, all premiums in respect of such insurance have been paid. The Borrowers believe that the insurance maintained by or on behalf of the U.S. Borrower and its Subsidiaries is adequate.

SECTION 3.16. Capitalization and Subsidiaries. Schedule 3.16 sets forth (a) a correct and complete list of the name and relationship to the U.S. Borrower of each and all of the U.S. Borrower's Subsidiaries, (b) a true and complete listing of each class of each Loan Party's authorized Equity Interests, of which all of such issued shares are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Persons identified on Schedule 3.16, and (c) the type of entity of the U.S. Borrower and each of its Subsidiaries. All of the issued and outstanding Equity Interests owned by any Loan Party has been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and is fully paid and non-assessable.

SECTION 3.17. Security Interest in Collateral. The provisions of this Agreement and the other Loan Documents create legal and valid Liens on all the Collateral granted by (a) the U.S. Loan Parties in favor of the Administrative Agent (for the benefit of the Lender Parties), securing the Secured Obligations and (b) the Canadian Loan Parties in favor of the Administrative Agent (for the benefit of the Multicurrency Lender Parties), securing the Canadian Secured Obligations, constitute perfected and continuing Liens on the Collateral (to the extent such Liens can be perfected by possession, by filing a UCC financing statement or a PPSA financing statement or equivalent under each applicable jurisdiction, by filing a mortgage, deed of trust, deed to secure debt, assignment or similar instruments with the appropriate real property office, by recording an appropriate document with the United States Patent and Trademark Office or by a control agreement), securing the applicable Secured Obligations, enforceable against the applicable Loan Party and having priority over all other Liens on the Collateral except in the case of (x) Liens permitted by Section 6.02, to the extent any such Liens would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law or agreement and (y) Liens perfected only by possession (including possession of any certificate of title) to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral.

SECTION 3.18. Employment Matters. As of the Effective Date, there are no strikes, lockouts or slowdowns against any Loan Party pending or, to the knowledge of the Borrowers, threatened. The hours worked by and payments made to employees of the Loan Parties have not been in violation in any material respect of the Fair Labor Standards Act, the *Employee Standards Act* (Ontario) or any other applicable Federal, state, provincial, territorial, local or foreign law dealing with such matters. All material payments due from any Loan Party or for which any claim may be made against any Loan Party, on account of wages and employee health and welfare insurance and other benefits, including with respect to the Canada Pension Plans and Canada Benefit Plans have been paid or accrued as a liability on the books of the Loan Party.

SECTION 3.19. OFAC and Patriot Act. The U.S. Borrower and each of its Subsidiaries is: (i) not a "blocked" person listed in the Annex to Executive Order Nos. 12947, 13099 and 13224 and all modifications thereto or thereof (the "Annex"); (ii) in compliance in all material respects with the requirements of the USA Patriot Act Title III of 107 Public Law 56 (October 26, 2001) and in other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies and 150 offices, related to the subject matter of the Act, including Executive Order 13224 effective September 24, 2001 (the "Patriot Act") and all other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"); (iii) not in receipt of any notice from the Secretary of State of the Attorney General of the United States or any other department, agency or office of the United States claiming a violation or possible violation of the Patriot Act; (iv) not listed as a Specially Designated Terrorist (as defined in the Patriot Act) or as a "blocked" person on any publicly available lists maintained by the OFAC pursuant to the Patriot Act or any other publicly available list of terrorists or terrorist organizations maintained pursuant to any of the

rules and regulations of the OFAC issued pursuant to the Patriot Act or on any other publicly available list of terrorists or terrorist organizations maintained pursuant to the Patriot Act; (v) not a Person who has been determined by competent authority to be subject to any of the prohibitions contained in the Patriot Act; and (vi) not owned or controlled by any Person named in the Annex.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of each Issuing Bank to issue Letters of Credit hereunder (other than any Existing Letter of Credit) shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Loan Documents. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the Security Agreements and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including any promissory notes requested by a Lender pursuant to Section 2.10 at least three Business Days prior to the Effective Date payable to the order of each such requesting Lender and (x) a written opinion of the Loan Parties' U.S. counsel, addressed to the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank and the Lenders in substantially the form of Exhibit B-1, (y) a written opinion of the Loan Parties' Canadian counsel, addressed to the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank and the Lenders in substantially the form of Exhibit B-2 and (z) a written opinion of the U.S. Borrower's Global Finance and Governance Counsel, addressed to the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank and the Lenders in substantially the form of Exhibit B-3.

(b) Financial Statements and Projections. The Lenders shall have received (i) satisfactory unaudited interim consolidated financial statements of the U.S. Borrower for the most recent Fiscal Quarter ending at least 45 days prior to the Effective Date and (ii) U.S. Borrower's projected consolidated income statement, balance sheet and cash flows for the period beginning after the most recently ended Fiscal Quarter for which financial statements have been delivered and ending on the last day of the Borrower's 2016 Fiscal Year (prepared on a quarterly basis through the end of the U.S. Borrower's 2012 Fiscal Year) and satisfactory to the Administrative Agent.

(c) Closing Certificates; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Effective Date and executed by its Secretary or Assistant Secretary, which shall (A) certify the resolutions of its Board of Directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of such Loan Party authorized to sign the Loan Documents to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party (other than the certificate of incorporation of Levi Strauss International, which are certified by the secretary of Levi Strauss International) and a true and correct copy of its bylaws or operating, management or partnership agreement, and (ii) a certificate of compliance/status/good standing, as applicable, for each Loan Party from its jurisdiction of organization and each other jurisdiction in which it carries on business as may be reasonably requested by the Administrative Agent at least five (5) Business Days prior to the Effective Date.

(d) No Default Certificate. The Administrative Agent shall have received a certificate, signed by a Financial Officer of each Borrower, on the initial Borrowing date (i) stating that no Default has occurred and is continuing, (ii) stating that the representations and warranties contained in Article III are true and correct as of such date, and (iii) certifying any other factual matters as may be reasonably requested by the Administrative Agent.

(e) Fees. The Lenders and the Agents shall have received all fees required to be paid, and all expenses for which reasonably detailed invoices have been presented (including the reasonable fees and expenses of legal counsel to the Administrative Agent and Multicurrency Administrative Agent), on or before one Business Day prior to the Effective Date. All such amounts will be paid with proceeds of Loans made on the Effective Date and will be reflected in the funding instructions given by the Borrower Representative to the Administrative Agent on or before the Effective Date.

(f) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in such jurisdictions as it may have requested, and such search shall reveal no liens on any of the assets of the Loan Parties except for liens permitted by Section 6.02 or discharged on or prior to the Effective Date pursuant to a pay-off letter or other documentation reasonably satisfactory to the Administrative Agent.

(g) Pay-Off Letter. The Administrative Agent shall have received satisfactory pay-off letters for the existing Second Amended and Restated Credit Agreement, dated as of October 11, 2007, with Bank of America, N.A., as administrative agent, confirming that all Liens upon any of the property of the Loan Parties constituting Collateral will be terminated concurrently with such payment and all letters of credit issued thereunder shall become Existing Letters of Credit hereunder.

(h) Funding Accounts. The Administrative Agent shall have received a notice setting forth the deposit account(s) of the Borrowers (the "Funding Accounts") to which the Lender is authorized by the Borrowers to transfer the proceeds of any Borrowings requested or authorized pursuant to this Agreement.

(i) [Reserved].

(j) [Reserved].

(k) Solvency. The Administrative Agent shall have received a solvency certificate from a Financial Officer of each Borrower.

(l) Field Examination. The Administrative Agent or its designee shall have conducted a field examination of the U.S. Loan Parties' Account, Inventory and related working capital matters and of the U.S. Loan Parties' related data processing and other systems, the results of which shall be satisfactory to the Administrative Agent in its reasonable discretion.

(m) Legal Due Diligence. The Administrative Agent and its counsel shall have completed their legal due diligence investigation of the Loan Parties, the results of which shall be satisfactory to Administrative Agent in its sole discretion.

(n) Appraisal(s). The Administrative Agent shall have received appraisals of the Borrowers' Inventory and Eligible Trademark Collateral from firms satisfactory to the Administrative Agent, which appraisals shall be satisfactory to the Administrative Agent in its reasonable discretion.

(o) Borrowing Base Certificate. The Administrative Agent shall have received a Borrowing Base Certificate which calculates the U.S. Borrowing Base and the Canadian Borrowing Base as of August 31, 2011.

(p) Closing Availability. After giving effect to all Borrowings to be made on the Effective Date and the issuance of any Letters of Credit on the Effective Date and payment of all fees and expenses due hereunder, and with all of the Loan Parties' indebtedness, liabilities, and obligations current, Availability shall not be less than $400,000,000.

(q) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code and PPSA financing statements) required by the Collateral Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Lenders, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.02), shall be in proper form for filing, registration or recordation.

(r) Insurance. The Administrative Agent shall have received evidence of insurance coverage in form, scope, and substance reasonably satisfactory to the Administrative Agent and otherwise in compliance with the terms of Section 5.09 and Section 4.12 of the U.S. Security Agreement.

(s) Tax Withholding. The Administrative Agent shall have received a properly completed and signed IRS Form W-9 for each U.S. Loan Party and a properly completed and signed IRS Form W-8 for each Canadian Loan Party.

(t) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank, any Lender or their respective counsel may have reasonably requested.

The Administrative Agent shall notify the Borrowers and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 2:00 p.m., New York City time, on October 31, 2011 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement (other than, in the case of a requested credit extension by the U.S. Borrower at a time when there are no Canadian Borrower Shared Outstandings, the representations and warranties of the Borrowers set forth in Section 3.11) shall be true and correct in all material respects with the same effect as though made on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

(c) After giving effect to any Borrowing or the issuance, amendment, renewal or extension of any Letter of Credit, the Revolving Exposure Limitations shall be satisfied.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements have been reimbursed, each Loan Party executing this Agreement covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements; Borrowing Base and Other Information. The Borrowers will furnish to the Administrative Agent and each Lender:

(a) within 120 days after the end of each Fiscal Year of the U.S. Borrower (or, if earlier, the date provided to the holders of the U.S. Borrower's equity or debt securities generally), its audited consolidated and consolidating balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the U.S. Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied. The U.S. Borrower shall be deemed to have delivered the financial statements required to be delivered pursuant to this Section 5.01(a) upon the filing of such financial statements by the U.S. Borrower through the SEC's EDGAR system (or any successor electronic gathering system) or the publication by the U.S. Borrower of such financial statements on its website;

(b)(i) within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the U.S. Borrower, its consolidated and consolidating balance sheet (including a summary of stockholders' equity as customarily shown on a balance sheet) and related statements of operations and cash flows, and, (ii) if Availability during any Fiscal Month is at any time less than the Minimum Excess Availability Amount, within 30 days after the end of such Fiscal Month, its consolidated and consolidating balance sheet and related statements of operations, in each case, as of the end of and for such Fiscal Quarter or Fiscal Month, as the case may be, and the then elapsed portion of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by one of the Financial Officers of the Borrower Representative as presenting fairly in all material respects the financial condition and results of operations of the U.S. Borrower and its consolidated Subsidiaries on a consolidated basis in

accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes (it being acknowledged and agreed that such quarterly and monthly financial statements will not be subsequently audited on a quarterly or monthly basis). The U.S. Borrower shall be deemed to have delivered the financial statements required to be delivered pursuant to this Section 5.01(b) upon the filing of such financial statements by the U.S. Borrower through the SEC's EDGAR system (or any successor electronic gathering system) or the publication by the U.S. Borrower of such financial statements on its website;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower Representative in substantially the form of Exhibit D (i) certifying, in the case of the financial statements delivered under clause (b), as presenting fairly in all material respects the financial condition and results of operations of the U.S. Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes (it being acknowledged and agreed that such quarterly and monthly financial statements will not be subsequently audited on a quarterly or monthly basis), (ii) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.14 and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) as soon as available but in any event no later than 60 days following the commencement of each Fiscal Year of the U.S. Borrower, a copy of the plan and forecast (including a projected consolidated and consolidating balance sheet, income statement and funds flow statement) of the U.S. Borrower for each month of the upcoming Fiscal Year (the "Projections") in form reasonably satisfactory to the Administrative Agent;

(e) as soon as available but in any event within 20 days of the end of each Fiscal Quarter, and at such other times as may be necessary to redetermine availability of Loans and Letters of Credit to either Borrower hereunder or as may be requested by the Administrative Agent, as of the period then ended, a Borrowing Base Certificate which calculates the U.S. Borrowing Base and the Canadian Borrowing Base, and supporting information in connection therewith, together with any additional reports with respect to either such Borrowing Base as the Administrative Agent may reasonably request; provided that, the Borrowing Base Certificates will also be (i) prepared as of the last day of each Fiscal Month of the U.S. Borrower (x) during any period commencing when the aggregate Dollar Amount of Outstanding Loans exceeds $250,000,000 at any time and ending at such time as the aggregate Dollar Amount of Outstanding Loans has been less than or equal to $250,000,000 for 30 consecutive days and (y) after the Trademark Release Date has occurred, during any period commencing when Availability is less than $400,000,000 at any time and ending at such time as the aggregate Availability has been greater than or equal to $400,000,000 for 30 consecutive days and (ii) prepared as of the last day of each fiscal week of the U.S. Borrower during any period commencing on the date that Availability is less than the Minimum Excess Availability Amount for five consecutive Business Days and continuing until such time as Availability is no longer less than the Minimum Excess Availability Amount for five consecutive Business Days. If the Borrowers are required to deliver a monthly Borrowing Base Certificate or weekly Borrowing Base Certificate as a result of the proviso to the foregoing sentence, such Borrowing Base Certificate shall be delivered (i) no later than seven Business Days after the date the obligation to deliver such Borrowing Base Certificate arises (in the case of monthly Borrowing Base Certificates) based on the most recent Fiscal Month ended at least 20 days prior to such date of delivery and thereafter no later than the 20th day following the last day of each subsequent Fiscal Month ending during the period when monthly Borrowing Base Certificates are required to be delivered and (ii) no later than three Business Days after the date the obligation to deliver such Borrowing

Base Certificate arises (in the case of weekly Borrowing Base Certificates) based on the most recent fiscal week ended at least three Business Days prior to such date of delivery and thereafter no later the third Business Day following the last day of each subsequent fiscal week ending during the period when weekly Borrowing Base Certificates are required to be delivered;

(f) concurrently with the delivery of each Borrowing Base Certificate pursuant to paragraph (e) above, as of the period covered thereby, all delivered electronically in a text formatted file reasonably acceptable to the Administrative Agent:

(i) a detailed aging of the Loan Parties' Accounts, including all invoices aged by invoice date and due date, prepared in a manner reasonably acceptable to the Administrative Agent, together with a summary specifying the name and balance due for each Account Debtor;

(ii) a schedule detailing the Loan Parties' Inventory, in form reasonably satisfactory to the Administrative Agent, (1) by location (showing Inventory in transit, any Inventory located with a third party under any consignment, bailee arrangement, or warehouse agreement), by class (raw material, work-in-process and finished goods), by product type, and by volume on hand, which Inventory shall be valued at the lower of cost (determined on a first-in, first-out basis) or market and adjusted for Reserves as the Administrative Agent has previously indicated to the Borrower Representative are deemed by the Administrative Agent to be appropriate, and (2) including a report of any variances or other results of Inventory counts performed by the Borrowers since the last Inventory schedule (including information regarding sales or other reductions, additions, returns, credits issued by Borrowers and complaints and claims made against the Borrowers);

(iii) a worksheet of calculations prepared by the Borrowers to determine Eligible Accounts and Eligible Inventory, such worksheets detailing the Accounts and Inventory excluded from Eligible Accounts and Eligible Inventory and the reason for such exclusion;

(iv) a reconciliation of the Loan Parties' Accounts and Inventory between (A) the amounts shown in the Loan Parties' general ledger and financial statements and the reports delivered pursuant to clauses (i) and (ii) above and (B) the amounts and dates shown in the reports delivered pursuant to clauses (i) and (ii) above and the Borrowing Base Certificate delivered pursuant to clause (f) above as of such date; and

(v) a reconciliation of the loan balance per the Loan Parties' general ledger to the loan balance under this Agreement;

(g) upon the request of the Administrative Agent during any period when the Borrowers are required to deliver weekly Borrowing Base Certificates, the Loan Parties' sales journal, cash receipts journal (identifying trade and non-trade cash receipts) and debit memo/credit memo journal;

(h) concurrently with the delivery of any Borrowing Base Certificate pursuant to paragraph (e) above, as of the period covered thereby, a schedule and aging of the Loan Parties' accounts payable, delivered electronically in a text formatted file reasonably acceptable to the Administrative Agent;

(i) within 30 days of each March 31 and September 30 an updated customer list for each Borrower and its Subsidiaries, which list shall state the customer's name, mailing address and phone number, delivered electronically in a text formatted file reasonably acceptable to the Administrative Agent and certified as true and correct by a Financial Officer of the Borrower Representative;

(j) promptly upon the Administrative Agent's request:

(i) copies of invoices in connection with the invoices issued by the Loan Parties in connection with any Accounts, credit memos, shipping and delivery documents, and other information related thereto;

(ii) copies of purchase orders, invoices, and shipping and delivery documents in connection with any Inventory purchased by any Loan Party; and

(iii) a schedule detailing the balance of all intercompany accounts of the Loan Parties;

(k) promptly after the filing thereof with any Governmental Authority, a copy of each actuarial valuation report and, upon request of the Multicurrency Administrative Agent, Annual Information Return in respect of any Canadian Pension Plan;

(l) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Borrower or any Subsidiary with any U.S. or Canadian federal or provincial securities commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by any Borrower to its shareholders generally, as the case may be. The applicable Borrower shall be deemed to have delivered the reports, statements and other materials required to be delivered pursuant to this Section 5.01(l) upon the filing of such reports, statements and other materials by the applicable Borrower through the SEC's EDGAR system (or any successor electronic gathering system) or the publication by the applicable Borrower of such reports, statements and other materials on its website;

(m) promptly following the Disposition of accounts receivable and other payment obligations in the ordinary course pursuant to Section 6.05(g), written notice to the Administrative Agent regarding such Dispositions including reasonably detailed information regarding each such Disposition; and

(n) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of any Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent, the Multicurrency Administrative Agent or any Lender may reasonably request.

SECTION 5.02. Notices of Material Events. The Borrowers will furnish to the Administrative Agent, the Multicurrency Administrative Agent and each Lender prompt (but in any event within any time period that may be specified below) written notice of the following:

(a) the occurrence of any Default;

(b) receipt of any notice of any governmental investigation or any litigation or proceeding commenced or threatened against any Loan Party that could reasonably be expected to have a Material Adverse Effect;

(c) any Lien (other than Permitted Encumbrances) or claim made or asserted against any material portion of the Collateral;

(d) any loss, damage, or destruction to or Disposition outside the ordinary course of business of the Collateral in the amount of $15,000,000 or more, whether or not covered by insurance;

(e) within five Business Days of receipt thereof and no earlier than after passage of any applicable cure period, any and all default notices received under or with respect to any leased location or public warehouse where Collateral is located having a value in excess of $500,000 in respect of an individual leased location or public warehouse or holding Collateral having a value in excess of $1,000,000 in the aggregate across all such leased locations or public warehouses;

(f) simultaneously with the delivery of any Borrowing Base Certificate pursuant to Section 5.01(e), a list of counterparties under each Swap Agreement entered into by any Loan Party and a listing of the aggregate mark-to-market position of the Loan Parties as provided by each such counterparty with respect to all Swap Agreements then outstanding with each such counterparty;

(g) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrowers and their Subsidiaries in an aggregate amount exceeding $20,000,000; and

(h) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower Representative setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. Each Loan Party will, and will cause each Subsidiary to, (a) do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted in all material respects, except to the extent that the failure to maintain such existence and qualification or good standing could not reasonably be expected to have a Material Adverse Effect, provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03, and (b) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted or in other fields of enterprise reasonably related thereto.

SECTION 5.04. Payment of Obligations. Each Loan Party will pay or discharge all of its respective Material Indebtedness and all other material liabilities and obligations, including material Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party or Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect; provided, however, each Loan Party will, and will cause each Subsidiary to, remit material withholding taxes and other material payroll taxes to appropriate Governmental Authorities as and when claimed to be due, notwithstanding the foregoing exceptions.

SECTION 5.05. Maintenance of Properties. Each Loan Party will, and will cause each Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

SECTION 5.06. Books and Records; Inspection Rights. Each Loan Party will, and will cause each Subsidiary to, (a) keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities, in an

ordinary course manner as determined by the applicable Loan Party, and (b) permit any representatives designated by the Administrative Agent, the Multicurrency Administrative Agent or any Lender (including employees of the Administrative Agent, the Multicurrency Administrative Agent, any Lender or any consultants, accountants, lawyers and appraisers retained by the Administrative Agent), upon reasonable prior notice, to visit and inspect its properties, conduct at the Loan Party's premises, field examinations of the Loan Party's assets, liabilities, books and records, including examining and making extracts from its books and records, environmental assessment reports, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times as reasonably requested; provided that, except for inspections during the continuance of a Default (i) if Availability is less than the greater of (x) $125,000,000 or (y) 20% of the Line Cap, in each case, at any time during any Fiscal Year, no more than two such inspections shall be at the U.S. Borrowers' expense and (ii) otherwise, no more than one such inspection during such Fiscal Year shall be permitted and such inspection shall be at the Borrower's expense. The Loan Parties acknowledge that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain Reports pertaining to the Loan Parties' assets for internal use by the Administrative Agent, the Multicurrency Administrative Agent and the Lenders.

SECTION 5.07. Compliance with Laws.

(a) Each Loan Party will, and will cause each Subsidiary to, comply with all Requirements of Law applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) In addition to and without limiting the generality of clause (a), each Canadian Loan Party will, and will cause each Subsidiary to, (i) comply with all applicable provisions of Applicable Pension Laws and the regulations thereunder with respect to all Canadian Pension Plans, except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect; (ii) not: (A) contribute to or assume an obligation to contribute to any new defined benefit Canadian Pension Plan to which the Canadian Loan Party is not already contributing on the Effective Date, without the prior written consent of the Administrative Agent, which consent shall be granted unless otherwise determined by the Administrative Agent in its Permitted Discretion, or (B) unless required by a Governmental Authority, wind-up any defined benefit Canadian Pension Plan, in whole or in part, unless the Canadian Loan Party has obtained written advice from the actuary for such plan that the plan (or part thereof in the case of a partial windup) is fully funded or has a wind-up deficiency of no more than $10,000,000 at the effective date of the windup, without the prior written consent of the Administrative Agent, which consent shall be granted unless otherwise determined by the Administrative Agent in its Permitted Discretion. All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each Canadian Pension Plan or Canadian Benefit Plan shall be paid or remitted by each Canadian Loan Party and each Subsidiary of each Canadian Loan Party in a timely fashion in accordance with the terms thereof, any funding agreements and all applicable laws. The Canadian Loan Parties shall deliver to the Administrative Agent notification within 30 days of (w) any increases in the benefits of any existing Canadian Pension Plan or Canadian Benefit Plan, which increases have a cost to one or more of the Canadian Loan Parties and their Subsidiaries in excess of $250,000 per annum in the aggregate, or (x) the establishment of any new Canadian Pension Plan or Canadian Benefit Plan, or (y) the commencement of contributions to any such plan to which any Canadian Loan Party was not previously contributing, or (z) any voluntary or involuntary termination of, or termination of participation in, a Canadian Pension Plan.

(c) The Loan Parties and each Subsidiary (1) shall be at all times in material compliance with all Environmental Laws, and (2) shall similarly ensure that the assets and operations are in material compliance with all Environmental Laws and that no Hazardous Materials are, contrary to any Environmental Laws, discharged, emitted, released, generated, used, stored, managed, transported or otherwise dealt with.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used only to refinance all amounts outstanding under the U.S. Borrower's Second Amended and Restated Credit Agreement, with Bank of America, N.A., as administrative agent, to repay all amounts outstanding under the Existing Term Loans and for general corporate purposes. No part of the proceeds of any Loan and no Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 5.09. Insurance. Each Loan Party will, and will cause each Subsidiary to, maintain with carriers that are financially sound and reputable (as determined in good faith by the Loan Parties) (a) insurance in such amounts (with no greater risk retention) and against such risks (including loss or damage by fire and loss in transit; theft, burglary, pilferage, larceny, embezzlement, and other criminal activities; business interruption; and general liability) and such other hazards, as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations and (b) all insurance required pursuant to the Collateral Documents. The Borrowers will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.10. Casualty and Condemnation. The Borrowers will furnish to the Administrative Agent, the Multicurrency Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding.

SECTION 5.11. Appraisals.

(a)(A) If Availability is less than the greater of (x) $125,000,000 or (y) 20% of the Line Cap, in each case, at any time during any Fiscal Year, no more than two (2) times during such Fiscal Year, or (B) otherwise, no more than one (1) time during such Fiscal Year, the Administrative Agent may, at the Borrowers' expense, arrange for appraisals or updates thereof of all of the Inventory constituting finished goods from an appraiser selected and engaged by the Administrative Agent, and prepared on a basis, reasonably satisfactory to the Administrative Agent, such appraisals and updates to include, without limitation, information required by applicable law and regulation and by the internal policies of the Lenders. In addition, if at any time prior to the Trademark Release Date the Total Leverage Ratio, as of the last day of (i) the U.S. Borrower's Fiscal Year 2012 exceeds 4.50 to 1.0 or (ii) any subsequent Fiscal Year of the U.S. Borrower exceeds 4.25 to 1.0, the Administrative Agent shall have the right at the expense of the U.S. Loan Parties and at the Administrative Agent's discretion, to arrange for an additional appraisal of the Eligible Trademark Collateral from an appraiser selected and engaged by the Administrative Agent, such appraisals and updates to include, without limitation, information required by applicable law and regulation.

(b) In addition to the appraisals provided for above, whenever a Default or Event of Default exists, the Administrative Agent may, at the U.S. Borrower's expense and at the Administrative Agent's discretion, arrange for additional appraisals or updates thereof of any or all of the Collateral from an appraiser, and prepared on a basis, reasonably satisfactory to the Administrative Agent, such appraisals and updates to include, without limitation, information required by applicable law and regulation and by the internal policies of the Lenders.

SECTION 5.12. Depository Banks. Each of the Loan Parties will maintain the Administrative Agent, Bank of America, N.A., The Bank of Nova Scotia (for any Canadian Loan Party) or such other financial institution reasonably acceptable to the Administrative Agent (at the U.S. Borrower's discretion) as its principal depository bank, including for the maintenance of operating, administrative, cash management, collection activity, and other deposit accounts for the conduct of its business.

SECTION 5.13. Additional Collateral; Further Assurances.

(a) Subject to applicable law, each Borrower and each Loan Party will cause each of its Domestic Subsidiaries and Canadian Subsidiaries formed or acquired after the date of this Agreement in accordance with the terms of this Agreement to become a Loan Party by executing (i) in the case of a Domestic Subsidiary, a U.S. Joinder Agreement and (ii) in the case of a Canadian Subsidiary, a Canadian Joinder Agreement (provided that, without limiting the provisions thereof, any Canadian Collateral of such Canadian Subsidiary shall be excluded from the Collateral securing the U.S. Secured Obligations). Upon execution and delivery thereof, each such Person (i) shall automatically become a Loan Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (ii) will grant Liens to the Administrative Agent, for the benefit of the Administrative Agent and the applicable Lender Parties, in any property of such Loan Party which constitutes Collateral, under the applicable Security Agreement.

(b) Without limiting the foregoing, each Loan Party will, and will cause each Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Loan Parties.

(c) The Borrowers agree that they will, or will cause their relevant Subsidiaries to, complete each of the actions described on Schedule 5.13 as soon as commercially reasonable and by no later than the date set forth on Schedule 5.13 with respect to such action or such later date as the Administrative Agent (acting in its sole discretion) may reasonably agree.

SECTION 5.14. Borrowing Base Cash Collateral Accounts; Availability Cash Collateral Accounts.

(a) Cash or Cash Equivalents in the U.S. Borrowing Base Cash Collateral Account and Canadian Borrowing Base Cash Collateral Account shall only be included in the applicable Borrowing Base on any day to the extent that the Administrative Agent has received from the bank with respect to which such account is maintained or the Borrower Representative, in such detail as the Administrative Agent shall request, information identifying the amounts of cash and Cash Equivalents held as of the end of the immediately preceding Business Day in each account included in the U.S. Borrowing Base Cash Collateral Account or Canadian Borrowing Base Cash Collateral Account, as applicable.

(b) No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, withdraw any cash or Cash Equivalents from the U.S. Borrowing Base Cash Collateral Account or the Canadian Borrowing Base Cash Collateral Account unless:

(i) the U.S. Borrower has provided the Administrative Agent with at least one Business Day prior notice of such withdrawal; and

(ii) after giving effect to such withdrawal, the Revolving Exposure Limitations would not be exceeded.

(c) No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, withdraw any cash or Cash Equivalents from the U.S. Availability Cash Collateral Account or the Canadian Availability Cash Collateral Account unless:

(i) the Borrower Representative has provided the Administrative Agent with at least one Business Day prior notice of such withdrawal;

(ii) after giving effect to such withdrawal (x) in the case of the U.S. Availability Cash Collateral Account (i) the sum of the aggregate undrawn amount of all outstanding Cash Collateralized Letters of Credit issued for the Account of the U.S. Borrower plus, without duplication, the aggregate unpaid reimbursement obligations with respect to all Cash Collateralized Letters of Credit issued for the account of the U.S. Borrower, does not exceed (ii) the aggregate amount of cash and Cash Equivalents held in the U.S. Availability Cash Collateral Account and designated by the Borrower Representative as being allocated to Cash Collateralized Letters of Credit or (y) in the case of the Canadian Availability Cash Collateral Account (i) the sum of the aggregate undrawn amount of all outstanding Cash Collateralized Letters of Credit issued for the Account of the Canadian Borrower plus, without duplication, the aggregate unpaid reimbursement obligations with respect to all Cash Collateralized Letters of Credit issued for the account of the Canadian Borrower, does not exceed (ii) the aggregate amount of cash and Cash Equivalents held in the Canadian Availability Cash Collateral Account and designated by the Borrower Representative as being allocated to Cash Collateralized Letters of Credit; and

(iii) after giving effect to such withdrawal, the Revolving Exposure Limitations would not be exceeded.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees, expenses and other amounts payable under any Loan Document have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements have been reimbursed, each Loan Party executing this Agreement covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. No Loan Party shall, nor shall it permit any of its Subsidiaries or the LS&Co. Trust to, directly or indirectly, create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness owed by the U.S. Borrower or any of its Subsidiaries to the U.S. Borrower or any of its Subsidiaries; provided that (x) any Indebtedness owed by a Loan Party to a Subsidiary that is not a Loan Party shall be subordinated to the Obligations (in the case of Indebtedness of any U.S. Loan Party) or the Canadian Obligations (in the case of Indebtedness of any Canadian Loan Party) and (y) any Indebtedness owed by a U.S. Loan Party to a Canadian Loan Party shall be subordinated to the Obligations;

(b) Indebtedness of the U.S. Loan Parties issued in a Capital Markets Transaction, provided such Indebtedness is unsecured and such Indebtedness does not have a stated maturity date or required principal payments earlier than six months after the Maturity Date;

(c) Guarantees of the U.S. Borrower under the LS&Co. Trust Agreement; provided that the investment activities of the LS&Co. Trust are in compliance with the Investment Policies;

(d) Guarantees of (i) the U.S. Loan Parties in respect of the obligations of Loan Parties, (ii) the Canadian Loan Parties in respect of the obligations of Canadian Loan Parties and (iii) Foreign Subsidiaries that are not Loan Parties in respect of the obligations of Foreign Subsidiaries that are not Loan Parties, in each case, arising under or in connection with Banking Services in the ordinary course of business;

(e) Indebtedness of the U.S. Borrower and its Subsidiaries outstanding on the Closing Date and listed on Schedule 6.01 and any Permitted Refinancing Indebtedness in respect thereof; provided that intercompany Indebtedness set forth on Schedule 6.01 may not be refinanced pursuant to Section 6.01(e) with third-party Indebtedness;

(f) Indebtedness of the Loan Parties under the Loan Documents;

(g) Indebtedness of the U.S. Borrower and its Subsidiaries secured by Liens permitted by Section 6.02(c) not to exceed in the aggregate $100,000,000 at any time outstanding;

(h) Indebtedness of the U.S. Borrower or any Subsidiary in respect of Ordinary Course Swap Agreements;

(i) so long as the Minimum Intercompany Transaction Requirement is met (unless pro forma Availability is not less than the greater of (x) $100.0 million and (y) 15% of the Line Cap, in which case, the Minimum Intercompany Transaction Requirement need not be met), Indebtedness (in the case of Indebtedness of (A) any U.S. Loan Party to any Subsidiary that is not a U.S. Loan Party or (B) any Canadian Loan Party to any Subsidiary that is not a Loan Party, maturing at least six months after the Maturity Date) of the U.S. Borrower and its Subsidiaries to LSIFCS or any other Affiliate of the U.S. Borrower providing services similar to the services provided by LSIFCS in the ordinary course of business and Indebtedness (in the case of Indebtedness of (A) any U.S. Loan Party to any Subsidiary that is not a U.S. Loan Party or (B) any Canadian Loan Party to any Subsidiary that is not a Loan Party, maturing at least six months after the Maturity Date) of LSIFCS or any other Affiliate of the U.S. Borrower providing services similar to the services provided by LSIFCS to the U.S. Borrower and any of its other Subsidiaries in the ordinary course of business;

(j) Indebtedness of the U.S. Borrower and its Subsidiaries in the form of Real Estate Financing Transactions and any Permitted Refinancing Indebtedness in respect thereof, provided the aggregate principal amount of all Indebtedness permitted under this Section 6.01(j) and Section 6.01(k) (including all such Indebtedness existing on the Effective Date and listed on Schedule 6.01) does not exceed in the aggregate $350,000,000 at any time outstanding;

(k) Indebtedness of the U.S. Borrower and its Subsidiaries in the form of Equipment Financing Transactions and any Permitted Refinancing Indebtedness in respect thereof, provided the aggregate principal amount of all Indebtedness permitted under this Section 6.01(k) and Section 6.01(j) (including all such Indebtedness existing on the Closing Date and listed on Schedule 6.01) does not exceed in the aggregate $350,000,000 at any time outstanding;

(l) Indebtedness arising from agreements of the U.S. Borrower or any of its Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any business, assets or Equity Interests of a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business,

assets or Equity Interests of a Subsidiary; provided, however, that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the U.S. Borrower or such Subsidiary in connection with such disposition;

(m) customary unsecured indemnification obligations and other unsecured Guarantees of the U.S. Borrower incurred in connection with any Permitted Foreign Receivables Transaction or any Foreign Inventory Transaction;

(n) Indebtedness of the U.S. Borrower to any of its Subsidiaries or of any of its Subsidiaries to any of its Subsidiaries in connection with transactions incurred in the ordinary course of business in an amount not to exceed the value thereof and any related servicing fees;

(o) Indebtedness of the U.S. Borrower and its Subsidiaries arising from the honoring of a check, draft, wire transfer or similar instrument against insufficient funds; provided that such Indebtedness is unsecured other than by a Lien permitted pursuant to Section 6.02(l) or is supported by a Letter of Credit;

(p) Indebtedness of any Foreign Subsidiary (other than a Canadian Subsidiary) to any Person other than the U.S. Borrower or any of its Subsidiaries and any related unsecured Guarantees issued by the U.S. Borrower or any other Loan Party, including, without limitation, Indebtedness incurred in connection with any Permitted Foreign Receivables Transaction or any Foreign Inventory Transaction;

(q) Indebtedness of the U.S. Loan Parties secured by assets not constituting Collateral in reliance on Section 6.02(o); provided that such Indebtedness has a final maturity that is at least six months after the Maturity Date and does not have scheduled amortization in excess of 1% per annum of the original principal amount thereof in any four Fiscal Quarter Period prior to that date that is six months after the Maturity Date;

(r) in addition to the foregoing Sections 6.01(a)-(q) and without duplication, Indebtedness of the U.S. Borrower and its Subsidiaries, provided that the aggregate principal amount of all Indebtedness outstanding at any time under this Section 6.01(r) shall not exceed the greater of (x) $150,000,000 and (y) 7.5% of the Consolidated Net Tangible Assets of the U.S. Borrower, in each case at any time outstanding;

(s) Capital Lease Obligations of the U.S. Borrower or any of its Subsidiaries not exceeding $75,000,000 in aggregate principal amount at any time outstanding;

(t) obligations of the U.S. Borrower to purchase Equity Interests from present or former employees, directors or other recipients (and their beneficiaries) of such Equity Interests under the U.S. Borrower's incentive compensation plans and agreements as provided under such plans and agreements;

(u) Indebtedness of a Subsidiary of the U.S. Borrower acquired after the Effective Date outstanding on the date on which that Subsidiary was acquired by the U.S. Borrower (other than Indebtedness incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of transactions pursuant to which that Subsidiary became a Subsidiary of the U.S. Borrower); provided that at the time that such Subsidiary became a Subsidiary of the U.S. Borrower and after giving effect to the incurrence of that Indebtedness, (i) the U.S. Borrower would be in compliance with the Consolidated Fixed Charge Coverage Ratio test set forth in Section 6.14(a) (whether or not such covenant is otherwise then applicable) or (ii) such Consolidated Fixed Charge Coverage Ratio would have been greater than such ratio immediately prior to such transaction; and

(v) Indebtedness in connection with one or more standby letters of credit or performance bonds issued by the U.S. Borrower or any of its Subsidiaries in the ordinary course of business or pursuant to self-insurance obligations and not in connection with the borrowing of money or the obtaining of advances or credit.

SECTION 6.02. Liens. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, directly or indirectly, create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Permitted Encumbrances;

(b) Liens existing on the Closing Date and listed on Schedule 6.02 and any renewals or extensions thereof, provided that the property covered thereby is not increased (except as contemplated thereby) and any renewal or extension of the obligations secured or benefited thereby constitutes Permitted Refinancing Indebtedness;

(c) purchase money Liens upon or in real property or Equipment acquired or held by the U.S. Borrower or any of its Subsidiaries in the ordinary course of business to secure the purchase price of such property or to secure Indebtedness incurred solely for the purpose of financing the acquisition or improvement of any such property to be subject to such Liens and any Permitted Refinancing Indebtedness in respect thereof, or Liens existing on any such property at the time of acquisition (other than any such Liens created in contemplation of such acquisition that do not secure the purchase price), any Permitted Refinancing Indebtedness in respect thereof; provided, however, that no such Lien shall extend to or cover any property other than the property being acquired or improved; and provided further that the aggregate principal amount of the Indebtedness secured by Liens permitted by this Section 6.02(c) shall not exceed the amount permitted under Section 6.01(g);

(d) Liens consisting of assignments, pledges or deposits securing the performance of, or payment in respect of, the customs duties owed to customs and revenue authorities arising in the ordinary course of business and as a matter of law in connection with the importation of goods, or securing guarantees, standby letters of credit, performance bonds or other similar bonds which, in turn, secure the payment of such customs duties to customs or revenue authorities;

(e) Liens arising in connection with Capital Lease Obligations permitted under Section 6.01(s); provided that no such Lien shall extend to or cover any Collateral or assets other than the assets subject to such Capital Lease Obligations and the proceeds thereof;

(f) Liens (other than Liens on assets of LSIFCS) attaching to ownership interests in joint ventures (whether in partnership, corporate or other form) or attaching to intellectual property rights relating to such joint ventures;

(g) Liens (other than Liens on assets of LSIFCS) created in connection with (A) Equipment Financing Transactions and Permitted Refinancing Indebtedness in respect thereof permitted under Section 6.01(k) and (B) Real Estate Financing Transactions and Permitted Refinancing Indebtedness in respect thereof permitted under Section 6.01(j); provided, however, that no such Lien shall extend to or cover property (other than the property subject to such Equipment Financing Transaction or Real Estate Financing Transaction) or Collateral;

(h) Liens created pursuant to applications or reimbursement agreements pertaining to documentary letters of credit which encumber documents and goods of the U.S. Borrower or any of its Subsidiaries (other than LSIFCS or the LS&Co. Trust) constituting part of the goods covered by the applicable letter of credit and the products and proceeds thereof;

(i) Liens in favor of the counterparty to a repurchase agreement entered into in the ordinary course of business and permitted under Section 6.04(d) on the Cash Equivalents that are the subject of such repurchase agreement;

(j) any interest or title of a lessor or a sublessor and any restriction or encumbrance to which the interest or title of such lessor or sublessor may be subject that is incurred in the ordinary course of business and, either individually or when aggregated with all other permitted Liens in effect on any date of determination, could not be reasonably expected to have a Material Adverse Effect;

(k) leases or subleases granted to others not interfering with the ordinary conduct of the business of the grantor thereof;

(l) Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution, or by virtue of the terms of a customary account agreement relating to a deposit account; provided that (i) such deposit account is not a U.S. Borrowing Base Cash Collateral Account or Canadian Borrowing Base Cash Collateral Account and is not subject to restrictions against access by the U.S. Borrower or any of its Subsidiaries owning the affected deposit account or other funds maintained with a creditor depository institution in excess of those set forth by regulations promulgated by the Federal Reserve Board or any foreign regulatory agency performing an equivalent function, and (ii) such deposit account is not intended by the U.S. Borrower or any of its Subsidiaries to provide collateral (other than such as is ancillary to the establishment of such deposit account) to the depository institution;

(m) Liens, assignments and pledges of rights to receive premiums, interest or loss payments or otherwise arising in connection with any insurance or reinsurance agreements pertaining to losses covered by insurance, and Liens (including, without limitation and to the extent constituting Liens, negative pledges) in favor of insurers or reinsurers on pledges or deposits by the U.S. Borrower or any of its Subsidiaries under workmens' compensation laws, unemployment insurance laws or similar legislation;

(n) Liens on property of any Foreign Subsidiary (other than a Canadian Loan Party) securing obligations of Foreign Subsidiaries (other than a Canadian Loan Party);

(o) In addition to the foregoing Sections 6.02(a)-(n), Liens on assets other than Collateral securing Indebtedness permitted by Section 6.01 in an aggregate principal amount not to exceed the greater of (x) an amount equal to $1,600,000,000 minus the aggregate amount of the Commitments then in effect and (y) the amount that, on a pro forma basis assuming all Commitments then in effect were fully drawn, would not cause the Secured Leverage Ratio of the U.S. Borrower to exceed 3.25 to 1.00 as of the most recent date for which financial statements have been delivered pursuant to Section 5.01(a) or (b) prior to the date of incurrence of such Liens; provided, that, in the case of each of clauses (x) and (y), the trustee or agent, as applicable, for the holders of the Indebtedness secured by such Liens enter into a customary intercreditor agreement with the Administrative Agent in form and substance reasonably satisfactory to the Administrative Agent and the Lenders;

(p) Liens on cash, Cash Equivalents or other assets of the U.S. Borrower or any of its Subsidiaries deposited in a margin account securing Ordinary Course Swap Agreements permitted under Section 6.01(l);

(q) In addition to the foregoing Sections 6.02(a)-(p), other Liens on assets other than Collateral securing Indebtedness outstanding of the U.S. Borrower or any of its Subsidiaries (other than the LS&Co. Trust) permitted by Section 6.01 in an aggregate principal amount not to exceed 5.0% of the Consolidated Net Tangible Assets of the U.S. Borrower as of the most recent date for which financial statements have been delivered pursuant to Section 5.01(a) or (b) prior to the date of incurrence of such Liens;

(r) Liens (including, without limitation and to the extent constituting Liens, negative pledges) on intellectual property arising from intellectual property licenses entered into in the ordinary course of business; and

(s) Liens on cash or Cash Equivalents held as proceeds of Permitted Refinancing Indebtedness pending the payment, purchase, defeasance or other retirement of the Indebtedness being refinanced.

SECTION 6.03. Fundamental Changes. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, directly or indirectly, merge, amalgamate, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default or Event of Default has occurred and is continuing or would result therefrom:

(a) any Domestic Subsidiary may merge into or consolidate with, or may be liquidated, wound-up or dissolved into, the U.S. Borrower or any other Domestic Subsidiary; provided that (i) the Person formed by such merger or consolidation, or into which such Domestic Subsidiary is liquidated, wound-up or dissolved (A) in the case of any such transaction involving the U.S. Borrower, shall be the U.S. Borrower and (B) in the case of any such transaction involving a U.S. Guarantor and not the U.S. Borrower, shall be a U.S. Guarantor and (ii) concurrently with or prior to the consummation of such transaction, the U.S. Borrower shall have or caused to be delivered to the Administrative Agent such instruments, agreements or other documents as the Administrative Agent may reasonably request;

(b) any Canadian Subsidiary may merge into, amalgamate or consolidate with, or may be liquidated, wound-up or dissolved into, the Canadian Borrower or any other Canadian Subsidiary; provided that (i) the Person formed by such merger, amalgamation or consolidation, or into which such Canadian Subsidiary is liquidated, wound-up or dissolved (A) in the case of any such transaction involving the Canadian Borrower, shall be the Canadian Borrower and (B) in the case of any such transaction involving a Multicurrency Loan Guarantor and not the Canadian Borrower, shall be a Multicurrency Loan Guarantor and (ii) concurrently with or prior to the consummation of such transaction, the Canadian Borrower shall have or caused to be delivered to the Administrative Agent such instruments, agreements or other documents as the Administrative Agent may reasonably request;

(c) any Foreign Subsidiary (other than a Canadian Loan Party) may merge into or consolidate with, or may be liquidated, wound-up or dissolved into, the U.S. Borrower or any Subsidiary; provided that the Person formed by such merger or consolidation, or into which such Foreign Subsidiary is liquidated, wound-up or dissolved (i) in the case of any such transaction involving the U.S. Borrower shall be the U.S. Borrower, (ii) in the case of any such transaction involving the Canadian Borrower shall be the Canadian Borrower and (iii) in the case of any such transaction involving a Loan Guarantor and not the U.S. Borrower or the Canadian Borrower, shall be a Loan Guarantor;

(d) the LS&Co. Trust may merge into or consolidate with any other trust adopted and maintained by the U.S. Borrower for a similar purpose pursuant to a trust agreement in form and substance reasonably satisfactory to the Administrative Agent;

(e) the U.S. Borrower and any of its Subsidiaries may make any Disposition permitted pursuant to Section 6.05(k) or 6.05(m); and

(f) Dispositions permitted by Section 6.05(p).

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, directly or indirectly, make or hold any Investments, except:

(a) loan Investments existing on the Closing Date and described on Schedule 6.04 and any extensions or renewals thereof or conversions of any such loan Investments to equity Investments;

(b) equity Investments by the U.S. Borrower and its Subsidiaries in their Subsidiaries existing on the Closing Date and described on Schedule 6.04;

(c) advances by the U.S. Borrower or any of its Subsidiaries to officers, directors and employees of the U.S. Borrower or any of its Subsidiaries for travel, entertainment, relocation and analogous ordinary business purposes;

(d) Investments by the U.S. Borrower or any Subsidiary in Short-term Investments held either (i) in an account subject to a control agreement or (ii) in an account not subject to a control agreement, provided that the aggregate amount of assets of all Loan Parties in all accounts of all such Persons not subject to control agreements in favor of the Administrative Agent at no time exceeds $5,000,000;

(e) Investments by the U.S. Borrower or any of its Subsidiaries in the form of extensions of credit to customers or direct or indirect suppliers of the U.S. Borrower or any of its Subsidiaries in the ordinary course of business;

(f) Investments by (i) any U.S. Loan Party in any other U.S. Loan Party, (ii) any Canadian Loan Party in any Loan Party and (iii) any Subsidiary of the U.S. Borrower that is not a Loan Party in the U.S. Borrower or any of its Subsidiaries;

(g) Investments by any Foreign Subsidiary (other than a Canadian Loan Party);

(h) Investments consisting of mergers and consolidations permitted under Section 6.03 and Restricted Payments and payments of other Indebtedness permitted under Section 6.08;

(i) so long as the Minimum Intercompany Transaction Requirement is met (unless pro forma Availability is not less than the greater of (x) $100.0 million and (y) 15% of the Line Cap, in which case, the Minimum Intercompany Transaction Requirement need not be met), Investments among the U.S. Borrower and any of its Subsidiaries;

(j) other Investments by the U.S. Borrower and its Subsidiaries in any Subsidiary of the U.S. Borrower not otherwise permitted under this Section 6.04, provided that (i) no Default or Event of Default shall have occurred and be continuing at the time such Investment is made or after giving effect thereto and (ii) after giving effect thereto, pro forma Availability is not less than the greater of (x) $100.0 million and (y) 15% of the Line Cap;

(k) other Investments by the U.S. Borrower and its Subsidiaries not otherwise permitted under this Section 6.04, provided that (i) no Default shall have occurred and be continuing at the time such Investment is made or after giving effect thereto and (ii) after giving effect thereto, (1) such other Investments by the U.S. Borrower and its Subsidiaries pursuant to this clause (k) shall not exceed $20,000,000 in the aggregate and (2) the Consolidated Fixed Charge Coverage Ratio for the period of four consecutive Fiscal Quarters ended on the last day of the Fiscal Quarter most recently reported is not less than 1.00 to 1.00;

(l) Investments by the U.S. Borrower into the LS&Co. Trust and by the LS&Co. Trust permitted by the LS&Co. Trust Agreement; and

(m) any Investment made in a Person to the extent the Investment represents the non-cash portion of the consideration received in connection with a Disposition consummated in compliance with clause (l) of Section 6.05;

provided further, that (i) the requirements of this Section 6.04 (other than the requirements of Section 6.04(d)) shall not apply to any Investment when the Payment Conditions with respect thereto are satisfied and the Loan Parties shall have delivered to the Administrative Agent either a certificate of a Financial Officer (with reasonably detailed calculations) certifying satisfaction of the Payment Conditions or other evidence of the same reasonably satisfactory to the Administrative Agent and (ii) no Default or Event of Default shall be deemed to have occurred if the Payment Conditions with respect to any Investment cease to be satisfied based solely on any Investments made when the Payment Conditions with respect thereto were satisfied.

SECTION 6.05. Asset Sales. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, directly or indirectly, make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business, including any property no longer used in the business;

(b) Dispositions of Inventory (i) in the ordinary course of business or (ii) by the U.S. Borrower or any of its Subsidiaries to the U.S. Borrower or any of its Subsidiaries in arm's-length transactions in the ordinary course of business;

(c) Dispositions of past due accounts receivable to collection agencies in connection with the collection thereof in the ordinary course of business;

(d) Dispositions by any Foreign Subsidiary (other than a Canadian Loan Party);

(e) Dispositions permitted by Section 6.03;

(f) Dispositions of real property pursuant to Real Estate Financing Transactions permitted under Section 6.01(j);

(g) Dispositions of accounts receivable and other payment obligations owing to Loan Parties in the ordinary course so long as the Outstanding Receivables Amount (i) does not exceed $75,000,000 at any time and (ii) does not consist of Accounts and other payment obligations of more than two Account Debtors at any time;

(h) Transfers and contributions of funds from time to time (i) by the U.S. Borrower to trusts adopted and maintained by the U.S. Borrower in connection with the deferred compensation plans adopted by the U.S. Borrower (collectively, the "LS&Co. Deferred Compensation Plan") for the purpose of contributing funds to be held until paid to participants in the LS&Co. Deferred Compensation Plan and their beneficiaries (together with any successors, collectively, the "LS&Co. Trust") pursuant to the related trust agreements (collectively, the "LS&Co. Trust Agreement") and (ii) by the LS&Co. Trust to plan participants or the U.S. Borrower in accordance with the LS&Co. Trust Agreement;

(i) Licenses of intellectual property rights (other than, prior to the Trademark Release Date, the Eligible Trademark Collateral) other than in the ordinary course of business or other Dispositions of all right, title and interest in any intellectual property (other than, prior to the Trademark Release Date, licenses of the Eligible Trademark Collateral), provided that each such Disposition is for fair market value (in the case of any material Disposition, as determined in good faith by the board of directors of the U.S. Borrower), provided further that, with respect to the intellectual property subject to any such Disposition, the sales in the applicable jurisdictions for the prior twelve-month period of Inventory using such intellectual property in the production thereof do not in the aggregate (A) with respect to any single Disposition (or series of Dispositions) account for more than five percent (5%) of the consolidated net sales of the U.S. Borrower and its Subsidiaries for the prior twelve-month period and (B) with respect to all such Dispositions account for more than ten percent (10%) of the consolidated net sales of the U.S. Borrower and its Subsidiaries for the prior twelve-month period;

(j) Dispositions of equipment pursuant to Equipment Financing Transactions permitted under Section 6.01(k);

(k) so long as the Minimum Intercompany Transaction Requirement is met (unless pro forma Availability is not less than the greater of (x) $100.0 million and (y) 15% of the Line Cap, in which case, the Minimum Intercompany Transaction Requirement need not be met), Dispositions by the U.S. Borrower or any of its Subsidiaries to the U.S. Borrower or any of its Subsidiaries of property other than Inventory, Accounts and, on or prior to the Trademark Release Date, the Eligible Trademark Collateral; provided that nothing in this Agreement or the other Loan Documents shall prohibit Dispositions by any of the U.S. Loan Parties to any of the other U.S. Loan Parties;

(l) other Dispositions by the U.S. Borrower and its Subsidiaries of property other than Inventory, Accounts and intellectual property (other than following the Trademark Release Date, the Eligible Trademark Collateral); provided that (i) at the time of any such Disposition, no Default or Event of Default shall exist or shall result from such Disposition; (ii) the consideration received for such Disposition shall be in an amount at least equal to the fair market value of the assets sold, transferred, licensed or otherwise disposed of; (iii) at least seventy-five percent (75%) of the consideration received for such Disposition shall be cash; and (iv) the aggregate fair market value of all assets so sold, transferred, licensed or otherwise disposed of by the U.S. Borrower and its Subsidiaries shall not exceed $50,000,000 in any Fiscal Year;

(m) Dispositions constituting leases or subleases granted to others in the ordinary course of business not interfering with the ordinary conduct of the business of the grantor thereof;

(n) Dispositions involving the liquidation of any Foreign Subsidiary (other than a Canadian Loan Party) held directly by any Borrower or any Guarantor, provided that such Disposition is for the purpose of converting the U.S. Borrower's business in such foreign region into licensee operations;

(o) Dispositions of Short-term Investments in exchange for cash or other Short-term Investments;

(p) Dispositions by the U.S. Borrower and its Subsidiaries of art and archived materials (as reasonably determined in good faith by the U.S. Borrower) with the fair market value (as reasonably determined in good faith by the U.S. Borrower) not to exceed $15,000,000 in the aggregate during the term of this Agreement; provided that (i) such art or archived materials do not constitute Inventory, Accounts or, on or prior to the Trademark Release Date, Eligible Trademark Collateral; (ii) such art or archived materials do not constitute a productive asset of the general type used in the business of the U.S. Borrower and its Subsidiaries; and (iii) at the time of any such Disposition, no Default or Event of Default shall exist or result from such Disposition; and

(q) licenses of intellectual property in the ordinary course of business.

SECTION 6.06. Sale and Leaseback Transactions. Except as otherwise permitted pursuant to Section 6.01 and Section 6.05, no Loan Party shall, nor shall it permit any of its Subsidiaries or the LS&Co. Trust to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred.

SECTION 6.07. Swap Agreements. No Loan Party shall, nor shall it permit any of its Subsidiaries or the LS&Co. Trust to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which any Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of any Borrower or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Borrower or any Subsidiary.

SECTION 6.08. Restricted Payments; Certain Payments of Indebtedness.

(a) No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, pay or make, directly or indirectly, any Restricted Payments, except that, so long as no Default or Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom: (i) the U.S. Borrower may declare and pay dividends and distributions payable only in Equity Interests (other than Disqualified Stock) of the U.S. Borrower, (ii) the U.S. Borrower may purchase Equity Interests from present or former employees, directors or other recipients (and their beneficiaries) of such Equity Interests under the U.S. Borrower's incentive compensation plans and agreements as provided under such plans and agreements for aggregate consideration not to exceed $20.0 million in any twelve (12) Fiscal Month period, (iii) Restricted Payments to a U.S. Loan Party, (iv) Restricted Payments by any Foreign Subsidiary to any Canadian Loan Party and (v) Restricted Payments by any Foreign Subsidiary (other than a Canadian Loan Party) to any Foreign Subsidiary; provided that (i) the requirements of this Section 6.08(a) shall not apply to any Restricted Payment when the Payment Conditions with respect thereto are satisfied and the Loan Parties shall have delivered to the Administrative Agent either a certificate of a Financial Officer (with reasonably detailed calculations) certifying satisfaction of the Payment Conditions or other evidence of the same reasonably satisfactory to the

Administrative Agent and (ii) no Default or Event of Default shall be deemed to have occurred if the Payment Conditions with respect to any Restricted Payment cease to be satisfied based solely on any Restricted Payments made when the Payment Conditions with respect thereto were satisfied.

(b) No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner (collectively, a "prepayment") any Indebtedness, except (i) the prepayment of the Loans in accordance with the terms of this Agreement, (ii) the prepayment of Indebtedness payable to a U.S. Loan Party, (iii) the prepayment of Indebtedness payable to a Canadian Loan Party by any Foreign Subsidiary, (iv) the prepayment of Indebtedness owed to any Foreign Subsidiary by any Foreign Subsidiary (other than a Canadian Loan Party), (v) the prepayment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of a permitted Disposition, (vi) the prepayment of Indebtedness, in whole or in part, from the net cash proceeds of (or in exchange for) Permitted Refinancing Indebtedness, (vii) the close out of Ordinary Course Swap Agreements, (viii) the prepayment of Indebtedness of the U.S. Borrower to any of its Subsidiaries and Indebtedness of any of its Subsidiaries to the U.S. Borrower or any of its other Subsidiaries to the extent such Indebtedness to be prepaid is permitted pursuant to Section 6.01, in each case, in accordance with any subordination terms thereof; provided in the case of a prepayment of Indebtedness of a Loan Party, at the time of such prepayment, such Loan Party would have been permitted to make an Investment in the Person to whom such prepayment is made in the amount of such prepayment, and (ix) prepayments of the term loans outstanding under the Term Loan Agreement required pursuant to the terms thereof as in effect on the Effective Date; provided that (i) the requirements of this Section 6.08(b) shall not apply to any payment in respect of any Indebtedness when the Payment Conditions with respect to such payment are satisfied and the Loan Parties shall have delivered to the Administrative Agent either a certificate of a Financial Officer (with reasonably detailed calculations) certifying satisfaction of the Payment Conditions or other evidence of the same reasonably satisfactory to the Administrative Agent and (ii) no Default or Event of Default shall be deemed to have occurred if the Payment Conditions with respect to any such payment in respect of Indebtedness cease to be satisfied based solely on any payments in respect of Indebtedness made when the Payment Conditions with respect thereto were satisfied..

SECTION 6.09. Transactions with Affiliates. Except as permitted by Section 6.08(a), no Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, directly or indirectly, enter into any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, other than on terms substantially as favorable to the U.S. Borrower or such Subsidiary or the LS&Co. Trust as would be obtainable by the U.S. Borrower or such Subsidiary or the LS&Co. Trust at the time in a comparable arm's-length transaction with a Person other than an Affiliate; provided that Dispositions permitted by Section 6.05(p) shall not be subject to these limitations.

SECTION 6.10. Restrictive Agreements. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, directly or indirectly, enter into or suffer to exist any agreement or arrangement limiting the ability of any of such Subsidiaries or the LS&Co. Trust to declare or pay dividends or other distributions in respect of its Equity Interests or repay or prepay any Indebtedness owed to, make loans or advances to, or otherwise transfer assets to or invest in, the U.S. Borrower or any of such Subsidiaries or the LS&Co. Trust (whether through a covenant restricting dividends, loans, asset transfers or investments, a financial covenant or otherwise), except (a) the Loan Documents, (b) restrictions on the declaration or payment or other distributions in respect of such Equity Interests contained in documentation for any Indebtedness permitted under Section 6.01(b), provided such restrictions are not more restrictive than the restrictions contained in the unsecured Indebtedness listed on Schedule 6.01 as in effect on the Effective Date, (c) restrictions on the transfer of the property

subject to Equipment Financing Transactions permitted under Section 6.01(k) and Real Estate Financing Transactions permitted under Section 6.01(j) and Dispositions permitted under Section 6.05, (d) restrictions placed on the transfer by a Subsidiary of intellectual property rights granted by the U.S. Borrower in connection with the terms of licenses between the U.S. Borrower and any of its Subsidiaries relating to such intellectual property rights, (e) restrictions required to be placed on the transfer of property pursuant to a Lien permitted under Section 6.02, and (f) restrictions contained in the documentation for Indebtedness secured by a Lien permitted under Section 6.02(o) that are customary for financings of that type as determined in good faith by the board of directors of the U.S. Borrower.

SECTION 6.11. Amendment of Material Documents.

(a) No Loan Party shall, nor shall it permit any of its Subsidiaries or the LS&Co. Trust to, amend, modify or waive any of its rights under (i) any agreement relating to any Subordinated Indebtedness or (ii) its certificate of incorporation, by-laws, operating, management or partnership agreement or other organizational documents to the extent any such amendment, modification or waiver would be materially adverse to the Lenders.

(b) No Loan Party shall, nor shall it permit any of its Subsidiaries or the LS&Co. Trust to, amend or otherwise change the terms of any Indebtedness (including without limitation any terms of any security agreement relating to any Indebtedness) in a manner that is materially adverse to the Lenders.

SECTION 6.12. Negative Pledges. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries or the LS&Co. Trust to, directly or indirectly, enter into or suffer to exist, any agreement prohibiting or conditioning the creation or assumption of any Lien upon any of its property or assets except:

(a) negative pledges existing on property of the U.S. Borrower and its Subsidiaries on the Closing Date and listed on Schedule 6.12;

(b) negative pledges in favor of the Administrative Agent, the Multicurrency Administrative Agent and the Lenders pursuant to the Loan Documents;

(c) negative pledges in connection with any purchase money Indebtedness permitted under Section 6.01(g) solely to the extent that the agreement or instrument governing such Indebtedness prohibits a Lien on the property acquired with the proceeds of such Indebtedness;

(d) negative pledges in connection with any Capital Lease Obligation permitted under Section 6.01(t) solely to the extent that such Capital Lease Obligation prohibits a Lien on the property subject thereto;

(e) negative pledges on the property subject to Equipment Financing Transactions permitted under Section 6.01(k) and Real Estate Financing Transactions permitted under Section 6.01(j), and negative pledges on the property subject to Liens permitted under Section 6.02;

(f) negative pledges on intellectual property rights (other than, prior to the Trademark Release Date, Eligible Trademark Collateral) licensed from third parties;

(g) negative pledges with respect to Indebtedness of Foreign Subsidiaries (other than Canadian Loan Parties) that only apply to the assets of such Foreign Subsidiaries; and

(h) negative pledges in Indebtedness permitted by Section 6.01; provided that such negative pledges do not restrict the Loan Parties from securing the Obligations with Liens on any of their assets (except for restrictions contained in Indebtedness secured by Liens permitted by Section 6.02 which Liens apply only to the assets securing such Indebtedness).

SECTION 6.13. Changes in Nature of Business; Fiscal Year. No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, directly or indirectly engage in any material line of business not related, incidental or complementary to the manufacture and sale of clothing and accessories. The LOS Business is a business that is related to, complementary to, or incidental to the manufacture and sale of clothing within the meaning of the preceding sentence. No Loan Party shall change its fiscal year-end to a date other than the date specified (as of the Closing Date) in the definition of Fiscal Year.

SECTION 6.14. Financial Covenant.

(a) Consolidated Fixed Charge Coverage Ratio. During any Compliance Period, the Borrower will not permit the Consolidated Fixed Charge Coverage Ratio for any twelve Fiscal Month period ending on the last day of each Fiscal Month commencing with the Fiscal Month most recently ended prior to the commencement of such Compliance Period or as of the last day of any subsequent Fiscal Month ending during such Compliance Period to be less than 1.0 to 1.0.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Borrower shall fail to pay (i) any interest on any Loan payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days or (ii) any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days after written notice thereof from the Administrative Agent (which written notice shall be given at the request of any Lender);

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary in, or in connection with, this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (with respect to a Loan Party's existence), 5.08, 5.11 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those which constitute a default under another Section of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of (i) 5 Business Days after the earlier of any Loan Party's knowledge of such breach or written notice thereof from the Administrative Agent (which written notice will be given at the request of any Lender) if such breach relates to terms or provisions of Section 5.01(e), (f), (g) or (h) (or 2 Business Days if subclause (ii) of the proviso in Section 5.01(e) shall apply), or (ii) 30 days after the earlier of any Loan Party's knowledge of such breach or written notice thereof from the Administrative Agent (which written notice will be given at the request of any Lender) if such breach relates to terms or provisions of any other Section of this Agreement or any other Loan Document;

(f) any Loan Party or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, including the passage of any notice and cure periods for such Material Indebtedness;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary case or proceeding shall be commenced or an involuntary petition shall be filed seeking (i) bankruptcy, liquidation, winding up, dissolution, reorganization or other relief in respect of a Loan Party or any Material Domestic Subsidiary or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) the appointment of a receiver, receiver and manager, interim receiver, trustee, custodian, sequestrator, monitor, administrator, liquidator, conservator or similar official for any Loan Party or any Material Domestic Subsidiary or for a substantial part of its assets, (iii) possession, foreclosure, seizure or retention, sale or other disposition of, or other proceedings to enforce security over, all or any substantial part of the assets, of such Loan Party or any Material Domestic Subsidiary, or (iv) the composition, rescheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of its debts or obligations of any Loan Party or any Material Domestic Subsidiary, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Loan Party or any Material Domestic Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Loan Party or any Material Domestic Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Loan Party or any Material Domestic Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k)(i) one or more judgments for the payment of money in an aggregate amount in excess of $50,000,000 shall be rendered against any Loan Party, any Subsidiary of any Loan Party or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party or any Subsidiary of any Loan Party to enforce any such judgment; or (ii) any Loan Party or any Subsidiary of any Loan Party shall fail within 30 days to discharge one or more non-monetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgments or orders, in any such case, are not stayed on appeal or otherwise being appropriately contested in good faith by proper proceedings diligently pursued;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrowers and their Subsidiaries in an aggregate amount exceeding $50,000,000 in any year for all periods;

(m) a Change of Control shall occur;

(n) any Loan Guaranty shall fail to remain in full force or effect or any action shall be taken by any Loan Party to discontinue or to assert the invalidity or unenforceability of any Loan Guaranty or any Loan Guarantor shall deny that it has any further liability under any Loan Guaranty to which it is a party, or shall give notice to such effect, except where due to such Loan Party's permitted liquidation or dissolution under the terms of this Agreement;

(o) except as permitted by the terms of any Collateral Document, for any reason other than the failure of the Administrative Agent to take any action available to it to maintain perfection of the Administrative Agent's Liens pursuant to the Loan Documents, (i) any Collateral Document shall for any reason fail to create a valid security interest in any Collateral purported to be covered thereby, or (ii) any Lien securing any Secured Obligation shall cease to be a perfected, first priority Lien; or

(p) any Loan Document for any reason ceases to be valid, binding and enforceable against any applicable Loan Party in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

then, and in every such event (other than an event with respect to the Borrowers described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower Representative, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, whereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to the Borrowers described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC or the PPSA, as applicable.

ARTICLE VIII

The Administrative Agents

Each of the Lenders and each of the Issuing Banks hereby irrevocably appoints the Administrative Agent and, as applicable, the Canadian Administrative Agent, as its agent and authorizes each of the Administrative Agents to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Applicable Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Each bank serving as the Administrative Agent or Canadian Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent or Canadian Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Loan Parties or any Subsidiary of a Loan Party or other Affiliate thereof as if it were not the Administrative Agent or Canadian Administrative Agent hereunder.

Neither of the Administrative Agents shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither of the Administrative Agents shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither of the Administrative Agents shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Applicable Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, neither of the Administrative Agents shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Subsidiaries that is communicated to or obtained by such bank serving as the Administrative Agent of Canadian Administrative Agent or any of its Affiliates in any capacity. Neither of the Administrative Agents shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. Neither of the Administrative Agents shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Person by the Borrower Representative or a Lender, and such Person shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Applicable Administrative Agent.

Each of the Administrative Agents shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each of the Administrative Agents also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each of the Administrative Agents may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each of the Administrative Agents may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Person. Each of the Administrative Agents and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each of the Administrative Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent or Canadian Administrative Agent.

Subject to the appointment and acceptance of a successor Applicable Administrative Agent as provided in this paragraph, each of the Administrative Agents may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower Representative. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrowers (unless an Event of Default shall have occurred and be continuing), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and consented to by the Borrower (unless an Event of Default shall have occurred and be continuing) and shall have accepted such appointment within 30 days after the retiring agent gives notice of its resignation, then the retiring agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent or Canadian Administrative Agent, as applicable, which shall be a commercial bank or an Affiliate of any such commercial bank. Upon the acceptance of its appointment as an Administrative Agent or Canadian Administrative Agent, as applicable, hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent or Canadian Administrative Agent, as applicable,, and the retiring Administrative Agent or Canadian Administrative Agent, as applicable, shall be discharged from its duties and obligations hereunder. The fees payable by the Borrowers to a successor Administrative Agent or Canadian Administrative Agent, as applicable, shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After an Administrative Agent or Canadian Administrative Agent, as applicable, resigns hereunder, the provisions of this Article, Section 2.17(d) and Section 9.03 shall continue in effect for the benefit of such retiring Person, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Applicable Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon either of the Administrative Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon either of the Administrative Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

Each Lender hereby agrees that (a) it has requested a copy of each Report prepared by or on behalf of the Administrative Agent; (b) the Administrative Agent (i) makes no representation or warranty, express or implied, as to the completeness or accuracy of any Report or any of the information contained therein or any inaccuracy or omission contained in or relating to a Report and (ii) shall not be liable

for any information contained in any Report; (c) the Reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel and that the Administrative Agent undertakes no obligation to update, correct or supplement the Reports; (d) it will keep all Reports confidential and strictly for its internal use, not share the Report with any Loan Party or any other Person except as otherwise permitted pursuant to this Agreement; and (e) without limiting the generality of any other indemnification provision contained in this Agreement, it will pay and protect, and indemnify, defend, and hold the Administrative Agent and any such other Person preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorney fees) incurred by each Applicable Administrative Agent or such other Person as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

The Syndication Agent, each Co-Documentation Agent and each Joint Lead Arranger and Joint Bookrunner shall not have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(i) if to any Loan Party, to the Borrower Representative at:

Levi Strauss & Co.
1155 Battery Street
San Francisco, CA 94111
Attention: Treasurer
Facsimile No: (415) 501-1342

with a copy to:

Levi Strauss & Co.
1155 Battery Street
San Francisco, CA 94111
Attention: Assistant Treasurer
Facsimile No: (415) 501-1342

and

Levi Strauss & Co.
1155 Battery Street
San Francisco, CA 94111
Attention: Manager of Treasury Operations
Facsimile No: (415) 501-1342

and

Levi Strauss & Co.
1155 Battery Street
San Francisco, CA 94111
Attention: Office of the General Counsel
Facsimile No: (415) 501-7650

(ii) if to the Administrative Agent, JPMorgan Chase Bank, N.A., in its capacity as Issuing Bank or the Swingline Lender, to JPMorgan Chase Bank, N.A. at:

3 Park Plaza, Suite 900
Irvine, CA 92614
Attention: Annaliese Fisher
Facsimile No: (949) 471-9872

(iii) if to the Multicurrency Administrative Agent, to JPMorgan Chase Bank, N.A., Toronto Branch at:

3 Park Plaza, Suite 900
Irvine, CA 92614
Attention: Annaliese Fisher
Facsimile No: (949) 471-9872

McMillan LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, Ontario M5J 2T3
Canada
Attention: Jeff Rogers
Facsimile No: (647) 722-6742

(iv) if to any other Lender, or any other Issuing Bank, to it at its address or facsimile number set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received or (ii) sent by facsimile shall be deemed to have been given when sent, provided that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II or to compliance and no Default certificates delivered pursuant to Section 5.01(c) unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower Representative (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. All such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if not given during the normal business hours of the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (b)(i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, the Multicurrency Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent, the Multicurrency Administrative Agent and the Loan Party or Loan Parties that are parties thereto, with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender), (ii) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (iii) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (iv) change Section 2.10(b) that would alter the manner in which payments are shared under such section, without the written consent of each Lender (including any such Lender that is a Defaulting Lender), (v) change Section 2.18(b) or (d) in a manner that would alter the manner in which payments are shared or proceeds from enforcement are applied, without the written consent of each Lender (including any such Lender that is a Defaulting Lender), (vi) modify the eligibility criteria used in the definitions contained in the definition of "U.S. Borrowing Base" or in the definition of "Canadian Borrowing Base", without the written consent of the Supermajority Revolving Lenders, (vii) increase the advance rates set forth in the definition of "U.S. Borrowing Base" or "Canadian Borrowing Base" without the consent of each Lender, (viii) change any of the provisions of this Section or the definition of "Required Lenders", "Supermajority Revolving Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (ix) change Section 2.20, without the consent of each Lender (other than any Defaulting Lender), (x) release any Loan Guarantor from its obligation under its Loan Guaranty or release any Borrower from its payment obligations with respect to principal and interest on the Loans, fees pursuant to Section 2.12 and reimbursement obligations with respect to any Letter of Credit (except as otherwise permitted herein or in the other Loan Documents), without the written consent of each Lender (other than any Defaulting Lender), or (xi) except as provided in clauses (c) and (d) of this Section or in any Collateral Document, release all or substantially all of the Collateral (or subordinate the Liens of the Administrative Agent under the Collateral Documents with respect to all or substantially all of the Collateral), without the written consent of each Lender (other than any Defaulting Lender); provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Multicurrency Administrative Agent, an Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, such Issuing Bank or the Swingline Lender, as the case may be (it being understood that any change to Section 2.20 shall require the consent of the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank and the Swingline Lender). The Administrative Agent may also amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.04.

(c) The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to the Administrative Agent by the Loan Parties on any Collateral (i) upon the termination of the Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than Unliquidated Obligations), and the cash collateralization of all Unliquidated

Obligations in a manner satisfactory to each affected Lender, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), and to the extent that the property being sold or disposed of constitutes 100% of the Equity Interest of a Subsidiary, the Administrative Agent is authorized to release any Loan Guaranty provided by such Subsidiary, (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement, (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII or (v) in the case of the Eligible Trademark Collateral, so long as no Default has occurred and is continuing and on a pro forma basis after excluding the Trademark Amount from the U.S. Borrowing Base, the Revolving Exposure Limitations would not be exceeded. Except as provided in the preceding sentence, the Administrative Agent will not release any Liens on Collateral without the prior written authorization of the Required Lenders (or other percentage as specified in Section 9.02(b) above); provided that, the Administrative Agent may in its discretion, release its Liens on Collateral valued in the aggregate not in excess of $10,000,000 during any calendar year without the prior written authorization of the Required Lenders. Any such release shall not in any manner discharge, affect or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral. The Lenders hereby further authorize the Administrative Agent, at its option and in its sole discretion, to release any Guarantor (other than a Borrower) from its obligations under the Loan Documents upon any Disposition of Equity Interests of such Guarantor made in compliance with Section 6.05 following which such Guarantor ceases to be a Subsidiary of the U.S. Borrower.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrowers may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrowers and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrowers shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrowers hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrowers shall pay (i) all reasonable and documented out of pocket expenses incurred by each Applicable Administrative Agent and its Affiliates, including the reasonable and documented fees, charges and disbursements of counsel for such Applicable Administrative Agent, in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as Intralinks) of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all

reasonable and documented out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all documented out-of-pocket expenses incurred by the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or any Lender, including the reasonable and documented fees, charges and disbursements of any counsel for the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or any Lender, in connection with the enforcement, collection or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit. Expenses being reimbursed to the Administrative Agent by the Borrowers under this Section include, without limiting the generality of the foregoing, reasonable and documented costs and expenses incurred in connection with:

(i) appraisals and insurance reviews;

(ii) field examinations and the preparation of Reports based on the fees charged by a third party retained by the Administrative Agent or the internally allocated fees for each Person employed by the Administrative Agent with respect to each field examination, together with the reasonable fees and expenses associated with collateral monitoring services performed by the Administrative Agent (and the Borrowers agree to modify or adjust the computation of the U.S. Borrowing Base or Canadian Borrowing Base, as applicable — which may include maintaining additional Reserves, modifying the advance rates or modifying the eligibility criteria for the components of the U.S. Borrowing Base or Canadian Borrowing Base — to the extent required by the Administrative Agent as a result of any such evaluation, appraisal or monitoring);

(iii) taxes, fees and other charges for (A) lien and title searches and title insurance and (B) recording the Mortgages, filing financing statements and continuations, and other actions to perfect, protect, and continue the Administrative Agent's Liens;

(iv) sums paid or incurred to take any action required of any Loan Party under the Loan Documents that such Loan Party fails to pay or take after notice thereof to such Loan Party; and

(v) forwarding loan proceeds, collecting checks and other items of payment, and establishing and maintaining the accounts and lock boxes, and costs and expenses of preserving and protecting the Collateral.

All of the foregoing costs and expenses may be charged to the Borrowers as Revolving Loans or to another deposit account, all as described in Section 2.18(c).

(b) The U.S. Borrower shall indemnify the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit),

(iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower or any of their Subsidiaries, or any Environmental Liability related in any way to any Borrower or any of its Subsidiaries, (iv) the failure of the Borrowers to deliver to the Administrative Agent the required receipts or other required documentary evidence with respect to a payment made by the Borrowers for Taxes pursuant to Section 2.17, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages etc. arising from any non-Tax claim.

(c) The Canadian Borrower shall indemnify each Indemnitee against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower or any of their Subsidiaries, or any Environmental Liability related in any way to any Borrower or any of its Subsidiaries, (iv) the failure of the Borrowers to deliver to the Administrative Agent the required receipts or other required documentary evidence with respect to a payment made by the Borrowers for Taxes pursuant to Section 2.17, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto, in each case, as such losses, claims, damages, penalties, liabilities, related expenses, fees, charges and disbursements of counsel relate to the assets or actions of the Canadian Loan Parties or the Loans or Letters of Credit made to or for the account of the Canadian Borrower; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This Section 9.03(c) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(d) To the extent that the Borrowers fail to pay any amount required to be paid by it to the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or the Swingline Lender under paragraph (a), (b) or (c) of this Section, each Lender severally agrees to pay to the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or the Swingline Lender in its capacity as such.

(e) To the extent permitted by applicable law, no Loan Party shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(f) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Multicurrency Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower Representative, provided that, as long as the Borrower Representative shall have received the materials required by Section 2.17(f)(i)(A) through (E) (as applicable), or written notice that a potential assignee is not eligible to deliver such materials, the Borrower Representative shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 5 Business Days after having received notice of the proposed assignment and the materials required by Section 2.17(f)(i)(A) through (E) (as applicable), or written notice that a potential assignee is not eligible to deliver such materials, (it being understood that the Borrower Representative's determination to withhold its consent to an assignment pursuant to this subclause (A) due to the delivery of materials required by Section 2.17(f)(i)(A) through (E) (as applicable) that, other than as a result of a Change in Law, do not establish a complete exemption from U.S. Federal withholding tax with respect to payments of interest under this Agreement, or the failure to provide any such materials, shall not be deemed unreasonable), and provided further that no consent of the Borrower Representative shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent (such consent not to be unreasonably withheld or delayed); and

(C) each Issuing Bank (such consent not to be unreasonably withheld or delayed).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 unless each of the Borrower Representative and the Administrative Agent otherwise consent, provided that no such consent of the Borrower Representative shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the U.S. Borrower, the other Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal, provincial, territorial and state securities laws.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Eligible Assignees" have the following meaning:

"Approved Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Eligible Assignee" means (a) a commercial bank, commercial finance company or other asset-based lender, having total assets (or total assets under management) in excess of $1,000,000,000; (b) any Lender listed on the signature page of this Agreement; (c) any Affiliate of any Lender; (d) any Approved Fund; and (e) if an Event of Default has occurred and is continuing, any Person reasonably acceptable to the Administrative Agent.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amounts of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, each Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05, 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrowers, the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrowers, the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation.

To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto (with respect to the representations and warranties, on each date made) and shall (subject to the limitations set forth in Section 4.02(a)) survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the U.S. and Multicurrency Administrative Agents and when the U.S. and Multicurrency Administrative Agents shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to setoff and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrowers or any Loan Guarantor against any of and all the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender shall notify the Borrower Representative and the Administrative Agent of such setoff or application, provided that any failure to give or any delay in giving such notice shall not affect the validity of any such setoff or application under this Section. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. NOTWITHSTANDING THE FOREGOING, NO LENDER SHALL EXERCISE ANY RIGHT OF SETOFF, BANKER'S LIEN, OR THE LIKE AGAINST ANY DEPOSIT ACCOUNT OR PROPERTY OF ANY BORROWER HELD OR MAINTAINED BY SUCH LENDER WITHOUT THE WRITTEN CONSENT OF THE ADMINISTRATIVE AGENT.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the internal laws (and not the law of conflicts) of the State of New York, but giving effect to federal laws applicable to national banks.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any U.S. Federal or New York State court sitting in New York, New York in any action or proceeding arising out of or relating to any Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Multicurrency Administrative Agent, each Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by Requirement of Law or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (g) with the consent of the Borrower Representative, (h) to holders of Equity Interests in any Borrower, or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrowers. For the purposes of this Section, "Information" means all information received from the Borrowers relating to the Borrowers or their business, other than any such information that is available to the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrowers; provided that, in the case of information received from the Borrowers after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. Several Obligations; Nonreliance; Violation of Law. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of

its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither any Issuing Bank nor any Lender shall be obligated to extend credit to the Borrowers in violation of any Requirement of Law.

SECTION 9.14. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") hereby notifies the Borrowers that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the names and addresses of the Borrowers and other information that will allow such Lender to identify the Loan Parties in accordance with the Patriot Act.

SECTION 9.15. Disclosure. Each Loan Party and each Lender hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with any of the Loan Parties and their respective Affiliates.

SECTION 9.16. Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Lenders, in assets which, in accordance with Article 9 of the UCC, the PPSA or any other applicable law can be perfected only by possession. Should any Lender (other than the Administrative Agent) obtain possession of any such Collateral, such Lender shall notify the Administrative Agent thereof and, promptly upon the Administrative Agent's request therefor, shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.17. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.18. Lender Loss Sharing Agreement.

(a) Definitions. As used in this Section 9.18, the following terms shall have the following meanings:

(i) "CAM" means the mechanism for the allocation and exchange of interests in the Loans, participations in Letters of Credit and collections thereunder established under Section 9.18(b).

(ii) "CAM Exchange" means the exchange of the U.S. Revolving Lenders' interests and the Multicurrency Revolving Lenders' interests provided for in Section 9.18(b).

(iii) "CAM Exchange Date" means the first date after the Effective Date on which there shall occur (a) any event described in paragraphs (h) or (i) of Article VII with respect to any Borrower or (b) an acceleration of Loans and termination of the Commitment pursuant to Article VII.

(iv) "CAM Percentage" means, as to each Revolving Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the aggregate Dollar Amount of the Credit Exposure owed to such Revolving Lender (whether or not at the time due and payable) and (b) the denominator shall be the aggregate Dollar Amount (as so determined) of the Credit Exposure owed to all the Revolving Lenders (whether or not at the time due and payable).

(v) "Designated Obligations" means all Obligations of the Borrowers with respect to (a) principal and interest under the Loans, (b) unreimbursed drawings under Letters of Credit and interest thereon and (c) fees under Section 2.12.

(b) CAM Exchange.

(i) On the CAM Exchange Date,

(w) the Multicurrency Commitments and the U.S. Commitments shall terminate in accordance with Article VII;

(x) each U.S. Revolving Lender shall fund in Dollars at par Dollar Amount its participation in any outstanding U.S. Protective Advances and Swingline Loans in accordance with Section 2.04 and Section 2.05 of this Agreement, and each Multicurrency Revolving Lender shall fund in Dollars at par Dollar Amount its participation in any outstanding Multicurrency Protective Advances and Swingline Loans in accordance with Section 2.04 and Section 2.05;

(y) each U.S. Revolving Lender shall fund in Dollars at par the Dollar Amount its participation in any unreimbursed LC Disbursements made under the U.S. Letters of Credit in accordance with Section 2.06(f), and each Multicurrency Revolving Lender shall fund the Dollar Amount its participation in any unreimbursed LC Disbursements made under the Multicurrency Letters of Credit in the currency in which such LC Disbursement was made in accordance with Section 2.06(f), and

(z) the Lenders shall purchase in Dollars at par Dollar Amount interests in the Designated Obligations under each Facility (pro rata in respect of the obligations of each Borrower in the case of the Multicurrency Facility) (and shall make payments in Dollars to the Administrative Agent for reallocation to other Lenders to the extent necessary to give effect to such purchases) and shall assume the obligations to reimburse the applicable Issuing Banks for unreimbursed LC Disbursements under outstanding Letters of Credit under such Facility (pro rata in respect of the obligations of each Borrower in the case of the Multicurrency Facility) such that, in lieu of the interests of each Lender in the Designated Obligations of each Borrower under the U.S. Facility and the Multicurrency Facility in which it shall have participated immediately prior to the CAM Exchange Date, such Lender shall own an interest equal to such Lender's CAM Percentage in each component of the Designated Obligations of each Borrower immediately following the CAM Exchange.

(ii) Each Lender and each Person acquiring a participation from any Lender as contemplated by this Section 9.18 hereby consents and agrees to the CAM Exchange. Each Borrower agrees from time to time to execute and deliver to the Lenders all such promissory notes and other instruments and documents as the Administrative Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Lenders after giving effect to the CAM Exchange, and each Lender agrees to surrender any promissory notes originally received by it in connection with its Loans under this Agreement to the Applicable Administrative Agent against delivery of any promissory notes so executed and delivered; provided that the failure of any Lender to deliver or accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

(iii) As a result of the CAM Exchange, from and after the CAM Exchange Date, each payment received by the Administrative Agent pursuant to any Loan Document in respect of any of the Designated Obligations shall be distributed to the Lenders, pro rata in accordance with their respective CAM Percentages.

(iv) In the event that on or after the CAM Exchange Date, the aggregate amount of the Designated Obligations shall change as a result of the making of a disbursement under a Letter of Credit by an Issuing Bank that is not reimbursed by the Borrowers, then each Lender shall promptly reimburse such Issuing Bank for its CAM Percentage of such unreimbursed payment in the Dollar Amount thereof.

(c) Notwithstanding any other provision of this Section 9.18, each Applicable Administrative Agent and each Lender agree that if any Applicable Administrative Agent or a Lender is required under applicable law or practice of a Governmental Authority to withhold or deduct any taxes or other amounts from payments made by it hereunder or as a result hereof, such Person shall be entitled to withhold or deduct such amounts and pay over such taxes or other amounts to the applicable Governmental Authority imposing such tax without any obligation to indemnify each Applicable Administrative Agent or any Lender with respect to such amounts and without any other obligation of gross up or offset with respect thereto and there shall be no recourse whatsoever by any Applicable Administrative Agent or any Lender subject to such withholding to any Applicable Administrative Agent or any other Lender making such withholding and paying over such amounts, but without diminution of the rights of each Applicable Administrative Agent or such Lender subject to such withholding as against the Borrowers and the other Loan Parties to the extent (if any) provided in this Agreement and the other Loan Documents. Any amounts so withheld or deducted shall be treated, for the purpose of this Section 9.18, as having been paid to each Applicable Administrative Agent or such Lender with respect to which such withholding or deduction was made. The parties hereto do not intend for a CAM Exchange to result in a settlement, extinguishment or substitution of indebtedness by the relevant Borrower.

SECTION 9.19. Judgment Currency. If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the "Original Currency") into another currency (the "Second Currency"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the Administrative Agent could purchase the Original Currency with the Second Currency at the Spot Rate on the date two Business Days preceding that on which judgment is given. Each Loan Party agrees that its obligation in respect of any Original Currency due from it hereunder shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date the Administrative Agent receives payment of any sum so adjudged to be due hereunder in the Second Currency, the Administrative Agent may, in accordance with normal banking procedures, purchase, in the New York foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or could have been so purchased is less than the

amount originally due in the Original Currency, each Loan Party agrees as a separate obligation and notwithstanding any such payment or judgment to indemnify the Administrative Agent against such loss. The term "rate of exchange" in this Section 9.19 means the Spot Rate at which the Administrative Agent, in accordance with normal practices, is able on the relevant date to purchase the Original Currency with the Second Currency, and includes any premium and costs of exchange payable in connection with such purchase.

SECTION 9.20. Anti-Money Laundering Legislation.

(a) Each Borrower acknowledges that, pursuant to the Proceeds of Crime Act and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws in each relevant jurisdiction (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Administrative Agent, the Multicurrency Administrative Agent, the Lenders and the Issuing Banks may be required to obtain, verify and record information regarding the Borrowers and their respective directors, authorized signing officers and the transactions contemplated hereby. Each Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or any prospective assignee or participant of a Lender, any Issuing Bank, the Administrative Agent or the Multicurrency Administrative Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If the Administrative Agent has ascertained the identity of any Borrower or any authorized signatories of the Borrower for the purposes of applicable AML Legislation, then the Administrative Agent:

(i) shall be deemed to have done so as an agent for each Issuing Bank and each Lender, and this Agreement shall constitute a "written agreement" in such regard between such Issuing Bank or such Lender and the Administrative within the meaning of the applicable AML Legislation; and

(ii) shall provide to each Issuing Bank and each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each Lender and each Issuing Bank agrees that neither the Administrative Agent nor the Multicurrency Administrative Agent have any obligation to ascertain the identity of the Borrowers or any authorized signatories of the Borrowers on behalf of any Lender or Issuing Bank, or to confirm the completeness or accuracy of any information it obtains from any Borrower or any such authorized signatory in doing so.

SECTION 9.21. No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Banks"), may have economic interests that conflict with those of the Loan Parties, their stockholders and/or their affiliates. Each Loan Party agrees that nothing in the Agreement or the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Bank, on the one hand, and such Loan Party, its stockholders or its affiliates, on the other. The Loan Parties acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Banks, on the one hand, and the Loan Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Bank has assumed an advisory or fiduciary responsibility in favor of any Loan Party, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Bank has advised, is currently advising or will advise any Loan Party, its stockholders or its Affiliates

on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (y) each Bank is acting solely as principal and not as the agent or fiduciary of any Loan Party, its management, stockholders, creditors or any other Person. Each Loan Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Loan Party agrees that it will not claim that any Bank has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Loan Party, in connection with such transaction or the process leading thereto.

ARTICLE X

U.S. Loan Guaranty

SECTION 10.01. Guaranty. Each U.S. Guarantor (other than those that have delivered a separate Guaranty) hereby agrees that it is jointly and severally liable for, and absolutely and unconditionally guarantees to the Lenders, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the U.S. Secured Obligations and all costs and expenses, including, without limitation, all court costs and attorneys' fees and expenses paid or incurred by the Administrative Agent, any Issuing Bank and any Lender in endeavoring to collect all or any part of the U.S. Secured Obligations from, or in prosecuting any action against, any Borrower, any U.S. Guarantor or any other guarantor of all or any part of the U.S. Secured Obligations (such costs and expenses, together with the U.S. Secured Obligations, collectively the "U.S. Guaranteed Obligations"). Each U.S. Guarantor further agrees that the U.S. Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the U.S. Guaranteed Obligations.

SECTION 10.02. Guaranty of Payment. This Loan Guaranty is a guaranty of payment and not of collection. Each U.S. Guarantor waives any right to require the Administrative Agent, any Issuing Bank or any Lender to sue any Borrower, any U.S. Guarantor, any other guarantor, or any other Person obligated for all or any part of the U.S. Guaranteed Obligations (each, a "U.S. Obligated Party"), or otherwise to enforce its payment against any collateral securing all or any part of the U.S. Guaranteed Obligations.

SECTION 10.03. No Discharge or Diminishment of Loan Guaranty.

(a) Except as otherwise provided for herein, the obligations of each U.S. Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the U.S. Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration or compromise of any of the U.S. Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of any Borrower or any other U.S. Obligated Party liable for any of the U.S. Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any U.S. Obligated Party or their assets or any resulting release or discharge of any obligation of any U.S. Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time against any U.S. Obligated Party, the Administrative Agent, any Issuing Bank, any Lender or any other person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each U.S. Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the U.S. Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any U.S. Obligated Party, of the U.S. Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any U.S. Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent, any Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the U.S. Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the U.S. Guaranteed Obligations; (iii) any release, non-perfection or invalidity of any indirect or direct security for the obligations of any Borrower for all or any part of the U.S. Guaranteed Obligations or any obligations of any other U.S. Obligated Party liable for any of the U.S. Guaranteed Obligations; (iv) any action or failure to act by the Administrative Agent, any Issuing Bank or any Lender with respect to any collateral securing any part of the U.S. Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the U.S. Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such U.S. Guarantor or that would otherwise operate as a discharge of any U.S. Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the U.S. Guaranteed Obligations).

SECTION 10.04. Defenses Waived. To the fullest extent permitted by applicable law, each U.S. Guarantor hereby waives any defense based on or arising out of any defense of any Borrower or any U.S. Guarantor or the unenforceability of all or any part of the U.S. Guaranteed Obligations from any cause, or the cessation from any cause of the liability of any Borrower or any Loan Guarantor, other than the indefeasible payment in full in cash of the U.S. Guaranteed Obligations. Without limiting the generality of the foregoing, each U.S. Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any U.S. Obligated Party, or any other Person. Each U.S. Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. The Administrative Agent may, at its election, foreclose on any U.S. Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such U.S. Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the U.S. Guaranteed Obligations, compromise or adjust any part of the U.S. Guaranteed Obligations, make any other accommodation with any U.S. Obligated Party or exercise any other right or remedy available to it against any U.S. Obligated Party, without affecting or impairing in any way the liability of such U.S. Guarantor under this Loan Guaranty except to the extent the U.S. Guaranteed Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each U.S. Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any U.S. Guarantor against any U.S. Obligated Party or any security.

SECTION 10.05. Rights of Subrogation. No U.S. Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification, that it has against any U.S. Obligated Party, or any collateral, until the Loan Parties and the U.S. Guarantors have fully performed all their obligations to the Administrative Agent, the Multicurrency Administrative Agent, the Issuing Banks and the Lenders.

SECTION 10.06. Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the U.S. Guaranteed Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of any Borrower or otherwise, each U.S. Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Administrative Agent, any Issuing Bank and any Lenders is in possession of this Loan Guaranty. If acceleration of the time for payment of any of the U.S. Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of any Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the U.S. Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors promptly on demand by the Administrative Agent.

SECTION 10.07. Information. Each U.S. Guarantor assumes all responsibility for being and keeping itself informed of the Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the U.S. Guaranteed Obligations and the nature, scope and extent of the risks that each U.S. Guarantor assumes and incurs under this Loan Guaranty, and agrees that neither the Administrative Agent, any Issuing Bank nor any Lender shall have any duty to advise any U.S. Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08. Release. The Loan Guaranty of any U.S. Guarantor (other than the U.S. Borrower) shall be automatically released upon any Disposition of Equity Interests of such U.S. Guarantor in accordance with Section 6.05 following which such U.S. Guarantor ceases to be a Subsidiary of the U.S. Borrower.

SECTION 10.09. [Reserved].

SECTION 10.10. Maximum U.S. Liability. The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any U.S. Guarantor under this Loan Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such U.S. Guarantor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the U.S. Guarantors or the Administrative Agent, any Issuing Bank or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant U.S. Guarantor's "Maximum U.S. Liability." This Section with respect to the Maximum U.S. Liability of each U.S. Guarantor is intended solely to preserve the rights of the Administrative Agent, each Issuing Bank and the Lenders to the maximum extent not subject to avoidance under applicable law, and no U.S. Guarantor nor any other Person shall have any right or claim under this Section with respect to such Maximum U.S. Liability, except to the extent necessary so that the obligations of any U.S. Guarantor hereunder shall not be rendered voidable under applicable law. Each U.S. Guarantor agrees that the U.S. Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of each U.S. Guarantor without impairing this Loan Guaranty or affecting the rights and remedies of the Administrative Agent, the Issuing Banks or the Lenders hereunder, provided that, nothing in this sentence shall be construed to increase any U.S. Guarantor's obligations hereunder beyond its Maximum Liability.

SECTION 10.11. Contribution. In the event any U.S. Guarantor (a "Paying U.S. Guarantor") shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guaranty, each other U.S. Guarantor (each a "Non-Paying U.S. Guarantor") shall contribute to such Paying U.S. Guarantor an amount equal to such Non-Paying U.S. Guarantor's "Applicable Percentage" of such payment or payments made, or losses suffered, by such Paying U.S. Guarantor. For purposes of this Article X, each Non-Paying U.S. Guarantor's "Applicable Percentage" with respect to any such payment or loss by a Paying U.S. Guarantor shall be determined as of the date on which such payment

or loss was made by reference to the ratio of (i) such Non-Paying U.S. Guarantor's Maximum U.S. Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying U.S. Guarantor's Maximum U.S. Liability has not been determined, the aggregate amount of all monies received by such Non-Paying U.S. Guarantor from the Borrowers after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum U.S. Liability of all U.S. Guarantors hereunder (including such Paying U.S. Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum U.S. Liability has not been determined for any U.S. Guarantor, the aggregate amount of all monies received by such U.S. Guarantors from the Borrowers after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Loan Guarantor's several liability for the entire amount of the U.S. Guaranteed Obligations (up to such U.S. Guarantor's Maximum U.S. Liability). Each of the U.S. Guarantors covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying U.S. Guarantor shall be subordinate and junior in right of payment to the payment in full in cash of the U.S. Guaranteed Obligations. This provision is for the benefit of all of the Administrative Agent, the Issuing Banks, the Lenders and the U.S. Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

SECTION 10.12. Liability Cumulative. The liability of each U.S. Loan Party as a U.S. Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each U.S. Loan Party to the Administrative Agent, each Issuing Bank and the Lenders under this Agreement and the other Loan Documents to which such U.S. Loan Party is a party or in respect of any obligations or liabilities of the other U.S. Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

ARTICLE XI

Canadian Loan Guaranty

SECTION 11.01. Guaranty. Each Loan Guarantor (other than those that have delivered a separate Guaranty) hereby agrees that it is jointly and severally liable for, and absolutely and unconditionally guarantees to the Lenders, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Canadian Secured Obligations and all costs and expenses, including, without limitation, all court costs and attorneys' fees and expenses paid or incurred by the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank and any Lender in endeavoring to collect all or any part of the Canadian Secured Obligations from, or in prosecuting any action against, the Canadian Borrower, any Loan Guarantor or any other guarantor of all or any part of the Canadian Secured Obligations (such costs and expenses, together with the Canadian Secured Obligations, collectively the "Canadian Guaranteed Obligations"). Each Loan Guarantor further agrees that the Canadian Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Multicurrency Revolving Lender that extended any portion of the Canadian Guaranteed Obligations.

SECTION 11.02. Guaranty of Payment.

This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Guarantor waives any right to require the Multicurrency Administrative Agent, any Multicurrency Issuing Bank or any Multicurrency Revolving Lender to sue the Canadian Borrower, any Loan Guarantor, any other guarantor, or any other Person obligated for all or any part of the Canadian Guaranteed Obligations (each, a "Canadian Obligated Party"), or otherwise to enforce its payment against any collateral securing all or any part of the Canadian Guaranteed Obligations. In addition, as an original and independent obligation under this Loan Guaranty, each Loan Guarantor shall:

(i) indemnify each Canadian Obligated Party and its successors, endorsees, transferees and assigns and keep the Canadian Obligated Parties indemnified against all costs, losses, expenses and liabilities of whatever kind resulting from the failure by the Loan Parties or any of them, to make due and punctual payment of any of the Secured Obligations or resulting from any of the Secured Obligations being or becoming void, voidable, unenforceable or ineffective against any Loan Party (including, but without limitation, all legal and other costs, charges and expenses incurred by each Canadian Obligated Party, or any of them, in connection with preserving or enforcing, or attempting to preserve or enforce, its rights under this Loan Guaranty); and

(ii) pay on demand the amount of such costs, losses, expenses and liabilities whether or not any of the Canadian Obligated Parties has attempted to enforce any rights against any Loan Party or any other Person or otherwise.

SECTION 11.03. No Discharge or Diminishment of Loan Guaranty.

(a) Except as otherwise provided for herein, the obligations of each Loan Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Canadian Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration or compromise of any of the Canadian Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of the Canadian Borrower or any other Canadian Obligated Party liable for any of the Canadian Guaranteed Obligations; (iii) any insolvency, bankruptcy, winding-up, liquidation, reorganization or other similar proceeding affecting any Canadian Obligated Party or their assets or any resulting release or discharge of any obligation of any Canadian Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time against any Canadian Obligated Party, the Multicurrency Administrative Agent, each Multicurrency Issuing Bank, any Lender or any other person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Canadian Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Canadian Obligated Party, of the Canadian Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any Loan Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent, any Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Canadian Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Canadian Guaranteed Obligations; (iii) any release, non-perfection or invalidity of any indirect or direct security for the obligations of the Canadian Borrower for all or any part of the Canadian Guaranteed Obligations or any obligations of any other Canadian Obligated Party liable for any of the Canadian Guaranteed Obligations; (iv) any action or failure to act by the Administrative Agent, any Issuing Bank or any Lender with respect to any collateral securing any part of the Canadian Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Canadian Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Guarantor or that would otherwise operate as a discharge of any Loan Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Canadian Guaranteed Obligations).

SECTION 11.04. Defenses Waived. To the fullest extent permitted by applicable law, each Loan Guarantor hereby waives any defense based on or arising out of any defense of the Canadian Borrower or any Loan Guarantor or the unenforceability of all or any part of the Canadian Guaranteed Obligations from any cause, or the cessation from any cause of the liability of the Canadian Borrower or any Loan Guarantor, other than the indefeasible payment in full in cash of the Canadian Guaranteed Obligations. Without limiting the generality of the foregoing, each Loan Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Canadian Obligated Party, or any other Person. Each Loan Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. The Administrative Agent may, at its election, foreclose on any Canadian Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Canadian Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Canadian Guaranteed Obligations, compromise or adjust any part of the Canadian Guaranteed Obligations, make any other accommodation with any Canadian Obligated Party or exercise any other right or remedy available to it against any Canadian Obligated Party, without affecting or impairing in any way the liability of such Loan Guarantor under this Loan Guaranty except to the extent the Canadian Guaranteed Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Loan Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Guarantor against any Canadian Obligated Party or any security.

SECTION 11.05. Rights of Subrogation. No Loan Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification, that it has against any Canadian Obligated Party, or any collateral, until the Loan Parties and the Loan Guarantors have fully performed all their obligations to the Administrative Agent, the Multicurrency Administrative Agent, the Issuing Banks and the Lenders.

SECTION 11.06. Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Canadian Guaranteed Obligations is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of the Canadian Borrower or otherwise, each Loan Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank and the Lenders are in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Canadian Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Canadian Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Canadian Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors promptly on demand by the Administrative Agent.

SECTION 11.07. Information. Each Loan Guarantor assumes all responsibility for being and keeping itself informed of the Canadian Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Canadian Guaranteed Obligations and the nature, scope and extent of the risks that each Loan Guarantor assumes and incurs under this Loan Guaranty, and agrees that neither the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank nor any Lender shall have any duty to advise any Loan Guarantor of information known to it regarding those circumstances or risks.

SECTION 11.08. Release. The Loan Guaranty of any Loan Guarantor (other than any Borrower) shall be automatically released upon any Disposition of Equity Interests of such Loan Guarantor in accordance with Section 6.05 following which such Loan Guarantor ceases to be a Subsidiary of the U.S. Borrower.

SECTION 11.09. [Reserved].

SECTION 11.10. Maximum Canadian Liability. In any action or proceeding involving any corporate law, or any provincial, territorial, state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Loan Guarantor under this Loan Guaranty would otherwise be held or determined to be void, voidable, avoidable, invalid or unenforceable on account of the amount of such Loan Guarantor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Loan Guarantors or the Administrative Agent, the Multicurrency Administrative Agent, any Issuing Bank or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Loan Guarantor's "Maximum Canadian Liability." This Section with respect to the Maximum Canadian Liability of each Loan Guarantor is intended solely to preserve the rights of the Administrative Agent, the Multicurrency Administrative Agent, the Issuing Banks and the Lenders to the maximum extent not subject to avoidance under applicable law, and no Loan Guarantor nor any other Person shall have any right or claim under this Section with respect to such Maximum Canadian Liability, except to the extent necessary so that the obligations of any Loan Guarantor hereunder shall not be rendered voidable under applicable law. Each Loan Guarantor agrees that the Canadian Guaranteed Obligations may at any time and from time to time exceed the Maximum Canadian Liability of each Loan Guarantor without impairing this Loan Guaranty or affecting the rights and remedies of the Administrative Agent, the Multicurrency Administrative Agent, the Issuing Banks or the Lenders hereunder, provided that, nothing in this sentence shall be construed to increase any Loan Guarantor's obligations hereunder beyond its Maximum Canadian Liability.

SECTION 11.11. Contribution. In the event any Loan Guarantor (a "Paying Canadian Guarantor") shall make any payment or payments under this Loan Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Loan Guaranty, each other Loan Guarantor (each a "Non-Paying Canadian Guarantor") shall contribute to such Paying Canadian Guarantor an amount equal to such Non-Paying Canadian Guarantor's "Applicable Percentage" of such payment or payments made, or losses suffered, by such Paying Canadian Guarantor. For purposes of this Article XI, each Non-Paying Canadian Guarantor's "Applicable Percentage" with respect to any such payment or loss by a Paying Canadian Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Canadian Guarantor's Maximum Canadian Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Canadian Guarantor's Maximum Canadian Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Canadian Guarantor from the Canadian Borrower after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Canadian Liability of all Loan Guarantors hereunder (including such Paying Canadian Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Canadian Liability has not been determined for any Loan Guarantor, the aggregate amount of all monies received by such Loan Guarantors from the Canadian Borrower after the date hereof (whether by loan, capital infusion or by other means). Nothing in this provision shall affect any Loan Guarantor's several liability for the entire amount of the Canadian Guaranteed Obligations (up to such Loan Guarantor's Maximum Canadian Liability). Each of the Loan Guarantors covenants and agrees that its right to receive any contribution under this Loan Guaranty from a Non-Paying Canadian Guarantor shall be subordinate and junior in right

of payment to the payment in full in cash of the Canadian Guaranteed Obligations. This provision is for the benefit of all of the Administrative Agent, the Multicurrency Administrative Agent, the Issuing Banks, the Lenders and the Loan Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

SECTION 11.12. Liability Cumulative. The liability of each Loan Party as a Loan Guarantor under this Article XI is in addition to and shall be cumulative with all liabilities of each Loan Party to the Administrative Agent, the Multicurrency Administrative Agent, the Issuing Banks and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

ARTICLE XII

The Borrower Representative

SECTION 12.01. Appointment; Nature of Relationship. The U.S. Borrower is hereby appointed by each of the Borrowers as its contractual representative (herein referred to as the "Borrower Representative" hereunder and under each other Loan Document, and each of the Borrowers irrevocably authorizes the Borrower Representative to act as the contractual representative of such Borrower with the rights and duties expressly set forth herein and in the other Loan Documents. The Borrower Representative agrees to act as such contractual representative upon the express conditions contained in this Article XII. Additionally, the Borrowers hereby appoint the Borrower Representative as their agent to receive all of the proceeds of the Loans in the Funding Account(s), at which time the Borrower Representative shall promptly disburse such Loans to the appropriate Borrower(s), provided that, in the case of a Revolving Loan, such amount shall not exceed Availability. The Administrative Agent, the Multicurrency Administrative Agent and the Lenders, and their respective officers, directors, agents or employees, shall not be liable to the Borrower Representative or any Borrower for any action taken or omitted to be taken by the Borrower Representative or the Borrowers pursuant to this Section 12.01.

SECTION 12.02. Powers. The Borrower Representative shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Borrower Representative by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Borrower Representative shall have no implied duties to the Borrowers, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Borrower Representative.

SECTION 12.03. Employment of Agents. The Borrower Representative may execute any of its duties as the Borrower Representative hereunder and under any other Loan Document by or through authorized officers.

SECTION 12.04. Notices. Each Borrower shall immediately notify the Borrower Representative of the occurrence of any Default or Unmatured Default hereunder referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default." In the event that the Borrower Representative receives such a notice, the Borrower Representative shall give prompt notice thereof to the Administrative Agent and the Lenders. Any notice provided to the Borrower Representative hereunder shall constitute notice to each Borrower on the date received by the Borrower Representative.

SECTION 12.05. Successor Borrower Representative. Upon the prior written consent of the Administrative Agent, the Borrower Representative may resign at any time, such resignation to be effective upon the appointment of a successor Borrower Representative. The Administrative Agent shall give prompt written notice of such resignation to the Lenders.

SECTION 12.06. Execution of Loan Documents; Borrowing Base Certificate. The Borrowers hereby empower and authorize the Borrower Representative, on behalf of the Borrowers, to execute and deliver to the Administrative Agent, the Multicurrency Administrative Agent and the Lenders the Loan Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Loan Documents, including, without limitation, the Borrowing Base Certificates and the Compliance Certificates. Each Borrower agrees that any action taken by the Borrower Representative or the Borrowers in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by the Borrower Representative of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Borrowers.

SECTION 12.07. Reporting. Each Borrower hereby agrees that such Borrower shall furnish to the Borrower Representative a copy of its Borrowing Base Certificate and any other certificate or report required hereunder or requested by the Borrower Representative on which the Borrower Representative shall rely to prepare the Borrowing Base Certificates and Compliance Certificate required pursuant to the provisions of this Agreement promptly after such Borrowing Base Certificate or other certificate or report is required to be delivered hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LEVI STRAUSS & CO., as U.S. Borrower

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Global Treasurer

LEVI STRAUSS & CO. (CANADA) INC.,
as Canadian Borrower

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Treasurer

OTHER LOAN PARTIES:

LEVI'S ONLY STORES, INC.

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Treasurer

LEVI STRAUSS INTERNATIONAL, INC.

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Treasurer

LVC, LLC

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Treasurer

LEVI'S ONLY STORES GEORGETOWN, LLC

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Treasurer

LEVI STRAUSS, U.S.A., LLC

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Treasurer

LEVI STRAUSS-ARGENTINA, LLC

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Treasurer

LEVI STRAUSS INTERNATIONAL

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent, an Issuing Bank and the Swingline Lender

By: /s/ Annaliese Fisher
Name: Annaliese Fisher
Title: Vice President

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, individually and as Multicurrency Administrative Agent

By: /s/ John Freeman
Name: John Freeman
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as Lender

By: /s/ Annaliese Fisher
Name: Annaliese Fisher
Title: Vice President

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Lender

By: /s/ John Freeman
Name: John Freeman
Title: Senior Vice President

BANK OF AMERICA, N.A., as Lender

By: /s/ David Knoblauch
Name: David Knoblauch
Title: Senior Vice President

BANK OF AMERICA, N.A. (acting through its Canada Branch), as Lender

By: /s/ Medina Sales de Andrade
Name: Medina Sales de Andrade
Title: Vice President

WELLS FARGO CAPITAL FINANCE, LLC, as Lender

By: /s/ Krista Wade
Name: Krista Wade
Title: Vice President

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, as Lender

By: /s/ Domenic Cosentino
Name: Domenic Cosentino
Title: Vice President

HSBC BANK USA, NATIONAL ASSOCIATION, as Lender

By: /s/ David Hants
Name: David Hants
Title: Senior Vice President

HSBC BANK CANADA, as Lender

By: /s/ Marcelo Andrade
Name: Marcelo Andrade
Title: Assistant Vice President

CITIBANK, N.A., as Lender

By: /s/ Jennifer Bagley
Name: Jennifer Bagley
Title: Vice President

UNION BANK, N.A., as Lender

By: /s/ Brent Housteau
Name: Brent Housteau
Title: Vice President

UNION BANK, CANADA BRANCH, as Lender

By: /s/ Anne Collins
Name: Anne Collins
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ Robin Arriola
Name: Robin Arriola
Title: Senior Vice President

PNC BANK CANADA BRANCH, as Lender

By: /s/ Wendy Whitcher
Name: Wendy Whitcher
Title: Vice President

GOLDMAN SACHS BANK USA, as Lender

By: /s/ Mark Walton
Name: Mark Walton
Title: Authorized Signatory

GOLDMAN SACHS LENDING PARTNERS LLC, as Lender

By: /s/ Mark Walton
Name: Mark Walton
Title: Authorized Signatory

SUNTRUST BANK, as Lender

By: /s/ John Burer
Name: John Burer
Title: Vice President

UBS AG CANADA BRANCH, as Lender

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

By: /s/ Joselin Fernandes
Name: Joselin Fernandes
Title: Associate Director

UBS LOAN FINANCE LLC, as Lender

By: /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

By: /s/ Mary E. Evans
Name: Mary E. Evans
Title: Associate Director

THE BANK OF NOVA SCOTIA, as Lender

By: /s/ Diane Emanuel
Name: Diane Emanuel
Title: Managing Director

ROYAL BANK OF CANADA, as U.S. Revolving Lender

By: /s/ Philippe Pepin
Name: Philippe Pepin
Title: Authorized Signatory

By: /s/ Daniel Gioia
Name: Daniel Gioia
Title: Authorized Signatory

ROYAL BANK OF CANADA, as Multicurrency Revolving Lender

By: /s/ Robert Kizell
Name: Robert Kizell
Title: Attorney-in-Fact

DEUTSCHE BANK AG NEW YORK BRANCH, as Lender

By: /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Director

By: /s/ Erin Morrissey
Name: Erin Morrissey
Title: Director

DEUTSCHE BANK AG CANADA BRANCH, as Lender

By: /s/ Paul M. Jurist
Name: Paul M. Jurist
Title: Chief Country Officer

By: /s/ Marcellus Leung
Name: Marcellus Leung
Title: Assistant Vice President

CITY NATIONAL BANK, a national banking association, as Lender

By: /s/ Brent Phillips
Name: Brent Phillips
Title: Vice President

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Lender

By: /s/ Shaheen Malik
Name: Shaheen Malik
Title: Vice President

By: /s/ Kevin Buddhdew
Name: Kevin Buddhdew
Title: Associate

BANK OF THE WEST, as Lender

By: /s/ Rochelle Dineen
Name: Rochelle Dineen
Title: Vice President

FLAGSTAR BANK, FSB, as Lender

By: /s/ Willard D. Dickerson, Jr.
Name: Willard D. Dickerson, Jr.
Title: Senior Vice President

WEBSTER BUSINESS CREDIT CORP., as Lender

By: /s/ Andrew D. Wierman
Name: Andrew D. Wierman
Title: Vice President

CAPITAL ONE LEVERAGE FINANCE CORP., as Lender

By: /s/ Joseph Davisson
Name: Joseph Davisson
Title: Vice President

GENERAL ELECTRIC CAPITAL CORPORATION, as Lender

By: /s/ Nita Jain
Name: Nita Jain
Title: Duly Authorized Signatory

GE CANADA FINANCE HOLDING COMPANY, as Lender

By: /s/ Michael Pisani
Name: Michael Pisani
Title: Duly Authorized Signatory

CIT BANK, as Lender

By: /s/ Benjamin Haslam
Name: Benjamin Haslam
Title: Authorized Signatory

COMMITMENT SCHEDULE

Lender	U.S. Commitment	Multicurrency Commitment	*Commitment*
JPMorgan Chase Bank, N.A.	$ 145,992,593	$ 0	*$ 145,992,593*
JPMorgan Chase Bank, N.A., Toronto Branch	$ 0	$ 10,257,407	*$ 10,257,407*
Bank of America, N.A.	$ 130,756,635	$ 0	*$ 130,756,635*
Bank of America, N.A. (acting through its Canada Branch)	$ 0	$ 9,243,365	*$ 9,243,365*
Wells Fargo Capital Finance, LLC	$ 75,007,800	$ 0	*$ 75,007,800*
Wells Fargo Capital Finance Corporation Canada	$ 0	$ 4,992,200	*$ 4,992,200*
HSBC Bank USA, National Association	$ 65,631,825	$ 0	*$ 65,631,825*
HSBC Bank Canada	$ 0	$ 4,368,175	*$ 4,368,175*
Citibank, N.A.	$ 32,815,912	$ 2,184,088	*$ 35,000,000*
Union Bank, N.A.	$ 32,815,912	$ 0	*$ 32,815,912*
Union Bank, Canada Branch	$ 0	$ 2,184,088	*$ 2,184,088*
PNC Bank, National Association	$ 32,815,912	$ 0	*$ 32,815,912*
PNC Bank Canada Branch	$ 0	$ 2,184,088	*$ 2,184,088*
Goldman Sachs Bank USA	$ 32,815,912	$ 0	*$ 32,815,912*
Goldman Sachs Lending Partners LLC	$ 0	$ 2,184,088	*$ 2,184,088*
Suntrust Bank	$ 23,439,937	$ 1,560,063	*$ 25,000,000*
UBS Loan Finance LLC	$ 23,439,937	$ 0	*$ 23,439,937*
UBS AG Canada Branch	$ 0	$ 1,560,063	*$ 1,560,063*
The Bank of Nova Scotia	$ 23,439,937	$ 1,560,063	*$ 25,000,000*
Royal Bank of Canada	$ 23,439,937	$ 1,560,063	*$ 25,000,000*
Deutsche Bank AG New York Branch	$ 23,439,937	$ 0	*$ 23,439,937*
Deutsche Bank AG Canada Branch	$ 0	$ 1,560,063	*$ 1,560,063*
City National Bank, a national banking association	$ 23,439,937	$ 1,560,063	*$ 25,000,000*
Credit Suisse AG, Cayman Islands Branch	$ 15,235,959	$ 1,014,041	*$ 16,250,000*
Bank of the West	$ 15,235,959	$ 1,014,041	*$ 16,250,000*
Flagstar Bank, FSB	$ 16,250,000	$ 0	*$ 16,250,000*
Webster Business Credit Corp.	$ 16,250,000	$ 0	*$ 16,250,000*
Capital One Leverage Finance Corp.	$ 16,250,000	$ 0	*$ 16,250,000*
General Electric Capital Corporation	$ 15,235,959	$ 0	*$ 15,235,959*
GE Canada Finance Holding Company	$ 0	$ 1,014,041	*$ 1,014,041*
CIT Bank	$ 16,250,000	$ 0	*$ 16,250,000*
Total	***$ 800,000,000***	***$ 50,000,000***	***$ 850,000,000***

Exhibit A-1

EXHIBIT A

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below, (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and other rights of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.	Assignor:	_____
2.	Assignee:	_____ _ [and is an Affiliate/Approved Fund of [*identify Lender*][1]]
3.	Borrowers:	LEVI STRAUSS & CO. (the U.S. Borrower) and LEVI STRAUSS & CO. (CANADA) INC. (the Canadian Borrower)
4.	Administrative Agents:	JPMORGAN CHASE BANK, N.A., as the administrative agent under the Credit Agreement and JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as the multicurrency administrative agent under the Credit Agreement

[1] Select as applicable.

5. Credit Agreement: The $850,000,000 Credit Agreement dated as of September 30, 2011, among LEVI STRAUSS & CO. (the "U.S. Borrower"), LEVI STRAUSS & CO. (CANADA) INC. (the "Canadian Borrower" and together with the U.S. Borrower, the "Borrowers"), the other Loan Parties party thereto, the Lenders party thereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Multicurrency Administrative Agent, and the other agents parties thereto

6. Assigned Interest:

Facility Assigned[2]	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans[3]
	$	$	%
	$	$	%
	$	$	%

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrowers, the Loan Parties and their Related Parties or their respective securities, so long as the Assignee agrees to keep such information confidential) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____

Title: _____

[2] Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "U.S. Commitment," "Multicurrency Commitment," etc.)

[3] Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By: _____
Title:

Consented to and Accepted:

LEVI STRAUSS & CO.

By: _____
Title:

Consented to and Accepted:

[NAME OF EACH ISSUING BANK]

By: _____
Title:

LEVI STRAUSS & CO.
SENIOR SECURED REVOLVING CREDIT FACILITY

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Non-U.S. Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Applicable Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument.

Delivery of an executed counterpart of a signature page of this Assignment and Assumption by facsimile or other electronic transmission (including portable document format (".pdf") or similar format) shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT C

BORROWING BASE CERTIFICATE

Levi Strauss & Co. et al

	JPMorgan Chase Bank, N.A. CONSOLIDATED CERTIFICATE	Financial Data Reported As of	[Insert Date]	For Borrowing Availability Effective	[Insert Day, Date]
	CASH ACCOUNTS		US	Canada	Total
1	Borrowing Base Cash Collateral Accounts				
2	Availability Cash Collateral Account				
3	Net Availability Cash Collateral Account				
	ACCOUNTS RECEIVABLE		US	Canada	
4	BEGINNING BALANCE LINE 9 LAST REPORT				
5	PLUS SALES AS OF	[Insert Date]			
6	LESS Adjustments—see Recon to SAP	[Insert Date]			
7	LESS GROSS COLLECTIONS AS OF	[Insert Date]			
8	ADJUSTMENTS (>past 60 days for Canada)				
9	ENDING BALANCE				
10	INELIGIBLE (Schedule A)				
11	A/R AVAILABILITY	Exchange Rate For CAD/USD			
	CREDIT CARD RECEIVABLES				
12	GROSS A/R—3rd PARTY CREDIT CARD				
13	LESS Merchant/ Processor Fees/ Chargebacks				
14	ELIGIBLE A/R—3rd PARTY CREDIT CARD				
	INVENTORY		US	Canada	
15	INV. AVAILABILITY FROM FINISHED GOODS (Schedule B & Schedule B—retail)				
16	85% OF NET LIQUIDATION VALUE OF ELIGIBLE FINISHED GOODS INVENTORY				
17	FINISHED GOODS AVAILABILITY (Lesser of 15 or 16)				
18	RAW MATERIAL AVAILABILITY (Schedule B)				
19	TOTAL INV. AVAILABILITY (Sum of 17 and 18)				
20	LESS: RENT RESERVE (LS & Co)				
21	LESS: RENT RESERVE (LOS)				
22	LESS: CANADIAN PRIORITY PAYABLE RESERVE				
23	LESS: GIFT CARD LIABILITY				
24	LESS: MERCHANDISE CREDIT LIABILITY				
25	LESS: Other Reserves (Freight & Duty)				
26	Total Reserves				
27	Net Availability before Trademark				
	TRADEMARK				
28	TRADEMARK AVAILABILITY				
29	Borrowing Base	Max. $850MM—Multicurrency Max $50MM			
	LOAN ACTIVITY		US	Canada	
30	BALANCE AS SHOWN ON LAST REPORT				
31	LESS: REMITTANCES				
32	LESS: COLLECTION				
33	PLUS: WIRE CHARGE				
34	PLUS: FEES				
35	PLUS: INTEREST				
36	ADJUSTMENTS				
37	OUTSTANDING REVOLVING LOAN BALANCE				
	REVOLVING LOAN and LETTER OF CREDIT AVAILABILITY				
38	Borrowing Base (LINE 29)				
39	LESS: OUTSTANDING Revolving LOAN BALANCE (LINE 37)				
40	LESS: CASH COLLATERALIZED STANDBY LETTERS OF CREDIT				
41	LESS: Non Collateralized MERCHANDISE L/C				
42	LESS: Non Cash Collateralized STANDBY L/C				
43	LESS: CREDIT INSTRUMENT				
44	AVAILABILITY				

THE UNDERSIGNED REPRESENTS AND WARRANTS THAT THE INFORMATION SET FORTH ABOVE IS TRUE AND COMPLETE AND IS BASED ON INFORMATION CONTAINED IN THE U.S. BORROWER'S OWN FINANCIAL ACCOUNTING RECORDS. THE U.S. BORROWER, BY EXECUTION OF THIS REPORT, HEREBY CERTIFIES AS OF THE DATE SET FORTH BELOW, THAT THE U.S. BORROWER AND THE

OTHER LOAN PARTIES ARE IN COMPLIANCE WITH THE CREDIT AGREEMENT REFERENCED BELOW. THE UNDERSIGNED GRANTS A SECURITY INTEREST IN THE COLLATERAL REFLECTED ABOVE TO JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT FOR THE BENEFIT OF THE SECURED PARTIES, AND REPRESENTS AND WARRANTS THAT SAID COLLATERAL COMPLIES WITH THE REPRESENTATIONS, WARRANTIES AND COVENANTS CONTAINED IN THE CREDIT AGREEMENT AND RELATED SECURITY AGREEMENTS AMONG JPMORGAN CHASE BANK, N.A., JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, THE LENDERS PARTY THERETO FROM TIME TO TIME, LEVI STRAUSS & CO (CANADA), INC. AND THE UNDERSIGNED.

LEVI STRAUSS & CO.		**JPMORGAN CHASE BANK, N.A.**
Authorized Signature:		Received by:
Title:	Johand Nystedt, VP Global Treasury	

EXHIBIT D

COMPLIANCE CERTIFICATE

To: The Lenders parties to the
Credit Agreement Described Below

This Compliance Certificate is furnished pursuant to that certain Credit Agreement dated as of September 30, 2011 (as amended, modified, renewed or extended from time to time, the "Agreement"), among Levi Strauss & Co. and Levi Strauss & Co. (Canada) Inc. (the "Borrowers"), the other Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders and as an Issuing Bank and JPMorgan Chase Bank, N.A., Toronto Branch, as Multicurrency Administrative Agent for the Lenders. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES, IN [HIS/HER] CAPACITY AS AN OFFICER OF THE BORROWER REPRESENTATIVE, AND NOT INDIVIDUALLY, THAT:

1. I am the duly elected [1] of the Borrower Representative;

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the U.S. Borrower and its Subsidiaries during the accounting period covered by the financial statements identified on Schedule I attached hereto **[for quarterly or monthly financial statements add:** and such financial statements present fairly in all material respects the financial condition and results of operations of the U.S. Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes (it being acknowledged and agreed that such financial statements will not be subsequently audited on a quarterly or monthly basis)];

3. The examinations described in paragraph 2 did not disclose, except as set forth below, and I have no knowledge of (i) the existence of any condition or event which constitutes a Default during or at the end of the accounting period covered by the financial statements identified on Schedule I attached hereto or as of the date of this Certificate or (ii) any change in GAAP or in the application thereof that has occurred since the date of the audited financial statements referred to in Section 3.04 of the Agreement;

4. I hereby certify that no Loan Party has changed (i) its name, (ii) its chief executive office, (iii) principal place of business, (iv) the type of entity it is or (v) its state of incorporation or organization without having given the Administrative Agent the notice required by Section 4.15 of the U.S. Security Agreement and by Section 4.15 of the Canadian Security Agreement;

5. Schedule II attached hereto sets forth financial data and computations evidencing the Borrowers' compliance with Section 6.14 of the Agreement, all of which data and computations are true, complete and correct; and

---

[1] Fill in appropriate officer (e.g., chief financial officer, principal accounting officer, treasurer, controller or assistant treasurer of the U.S. Borrower).

6. [Schedule III hereto sets forth the computations necessary to determine the Applicable Rate commencing on the Business Day this certificate is delivered.]

Described below are the exceptions, if any, to paragraph 3 by listing, in reasonable detail, the (i) nature of the condition or event, the period during which it has existed and the action which the Borrowers have taken, are taking, or propose to take with respect to each such condition or event or (ii) the change in GAAP or the application thereof and the effect of such change on the financial statements identified on Schedule I attached hereto:

The foregoing certifications, together with the computations set forth in Schedule II [and Schedule III hereto] delivered with this Certificate in support hereof, are made and delivered this day of , .

LEVI STRAUSS & CO., as
Borrower Representative

By:
Name:
Title:

Financial Statements

Schedule I-1

SCHEDULE II

Compliance as of _____, ____ with
Provisions of Section 6.14 of the Agreement

A. Consolidated EBITDA for the twelve Fiscal Months most recently ended (the "Measurement Period")"

1. Consolidated Net Income for the Measurement Period	$_____
2. The provision for taxes based on income or profits or utilized in computing net loss for the Measurement Period	$_____
3. Consolidated Interest Expense for the Measurement Period	$_____
4. Depreciation for the Measurement Period	$_____
5. Amortization of intangibles for the Measurement Period	$_____
6. For the Measurement Period, any non-recurring expenses relating to, or arising from, any closures of facilities; any restructuring costs; facilities relocation costs; and integration costs and fees (including cash severance payments) made in connection with acquisitions, in an aggregate amount for all such expenses pursuant to item 6 not to exceed 15% of Consolidated EBITDA for such Measurement Period prior to giving effect to this item 6	$_____
7. Any non-cash impairment charge or asset write-off (other than any such charge or write-off of Inventory) and the amortization of intangibles for the Measurement Period	$_____
8. Inventory purchase accounting adjustments and amortization and impairment charges resulting from other purchase accounting adjustments in connection with acquisitions for the Measurement Period	$_____
9. Fees and expenses related to any offering of securities, Investments permitted hereby, acquisition and incurrence of Indebtedness permitted to be incurred hereunder (whether or not successful) for the Measurement Period	$_____
10. Any other non-cash items (other than any non-cash item to the extent that it represents an accrual of or reserve for cash expenditures in any future period) for the Measurement Period	$_____
11. All non-cash items increasing Consolidated Net Income for the Measurement Period (other than any such non-cash item to the extent that it has resulted or will result in the receipt of cash payments in any period).	$_____
12. Consolidated EBITDA [A.1+A.2+A.3+A.4+A.5+A.6+A.7+A.8+A.9+A.10-A.11]	$_____

B. Consolidated Fixed Charge Coverage Ratio (Section 6.14)

1. Consolidated EBITDA for the Measurement Period (A.12)	$_____
2. Aggregate amount of all Consolidated Capital Expenditures made by the U.S. Borrower and is Subsidiaries during the Measurement Period	$_____
3. Federal, state, local and foreign income taxes paid in cash during the Measurement Period	$_____
4. Consolidated Interest Expense for the Measurement Period	$_____
5. Amount of Restricted Payments made by the U.S. Borrower during the Measurement Period in reliance on the proviso to Section 6.08(a)	$_____

6. Aggregate principal amount (or the equivalent thereto) of all scheduled repayments of Indebtedness (other than (x) intercompany Indebtedness and (y) payments of Existing Term Loans) made by the U.S. Borrower and any other Loan Party during the Measurement Period (other than to the extent such Indebtedness has been refinanced or defeased, or with respect to which restricted cash has been set aside to repay, during such period from the proceeds of new Indebtedness that is not secured by any Collateral)	$_____
7. Consolidated Fixed Charge Coverage Ratio [B1-(B2+B3)] : [B4+B5+B6]	__ to 1.00
8. Minimum required Consolidated Fixed Charge Coverage Ratio	1.00 to 1.00

SCHEDULE III

Borrowers' Applicable Rate Calculation

Requirement: The computations necessary to determine the Applicable Rate commencing on the Business Day this certificate is delivered.

Response: As of [ ], 201[ ], for the Fiscal Quarter ended [ ], 201[ ], Average Availability was $[ ], which was [ ]% of the Line Cap as of such date. Accordingly, as of the date hereof, the Applicable Rate shall be based on Level [ ] in the grid set forth in the definition of "Applicable Rate" in the Credit Agreement.

U.S. JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "Agreement"), dated as of , , 20 , is entered into between , a (the "New Subsidiary") and JPMORGAN CHASE BANK, N.A., in its capacity as administrative agent (the "Administrative Agent") under that certain Credit Agreement dated as of September 30, 2011 (as the same may be amended, modified, extended or restated from time to time, the "Credit Agreement") among Levi Strauss & Co. and Levi Strauss & Co. (Canada) Inc. (the "Borrowers"), the other Loan Parties party thereto, the Lenders party thereto, the Administrative Agent for the Lenders and JPMorgan Chase Bank, N.A., Toronto Branch, as Multicurrency Administrative Agent for the Lenders. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Administrative Agent, for the benefit of the Lenders, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will become (i) a U.S. Loan Party under the Credit Agreement and a "U.S. Loan Guarantor" for all purposes of the Credit Agreement and shall have all of the obligations of a U.S. Loan Party and a U.S. Loan Guarantor thereunder as if it had executed the Credit Agreement and (ii) a Grantor under the U.S. Security Agreement and shall have all of the obligations of a Grantor thereunder as if it had executed the U.S. Security Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement and the U.S. Security Agreement, including without limitation (a) all of the representations and warranties of the Loan Parties set forth in Article III of the Credit Agreement and in the U.S. Security Agreement, (b) all of the covenants set forth in Articles V and VI of the Credit Agreement and all of the covenants and grants of security interests in the U.S. Security Agreement, (c) all of the guaranty obligations set forth in Article X and Article XI of the Credit Agreement. Without limiting the generality of the foregoing terms of this paragraph 1, the New Subsidiary (1) subject to the limitations set forth in Sections 10.10 and 11.10 of the Credit Agreement, hereby guarantees, jointly and severally with the other U.S. Loan Guarantors, to the U.S. Lender Parties, as provided in Article X and Article XI of the Credit Agreement, the prompt payment and performance of the U.S. Guaranteed Obligations and the Canadian Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms thereof and agrees that if any of the U.S. Guaranteed Obligations or Canadian Guaranteed Obligations are not paid or performed in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the New Subsidiary will, jointly and severally together with the other U.S. Loan Guarantors and, in the case of the Canadian Secured Obligations, the Canadian Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the U.S. Guaranteed Obligations and Canadian Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal and (2) grants a security interest to the Administrative Agent for the benefit of the U.S. Lender Parties in all of the Collateral (as defined in the U.S. Security Agreement) now or hereinafter owned by such New Subsidiary to secure the Secured Obligations.

2. If required, the New Subsidiary is, simultaneously with the execution of this Agreement, executing and delivering such Collateral Documents (and such other documents and instruments) as requested by the Administrative Agent in accordance with the Credit Agreement.

3. The address of the New Subsidiary for purposes of Section 9.01 of the Credit Agreement is as follows:

_____

_____

_____

_____

4. The New Subsidiary hereby waives acceptance by the Administrative Agent and the U.S. Lender Parties of the guarantee and grant of security interest hereunder by the New Subsidiary upon the execution of this Agreement by the New Subsidiary.

5. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

6. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the U.S. Lender Parties, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By: _____
Name:
Title:

Acknowledged and accepted:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

CANADIAN JOINDER AGREEMENT

THIS JOINDER AGREEMENT (this "Agreement"), dated as of , , 20 , is entered into between , a (the "New Subsidiary") and JPMORGAN CHASE BANK, N.A., Toronto Branch, in its capacity as multicurrency administrative agent (the "Multicurrency Administrative Agent") under that certain Credit Agreement, dated as of , , 2011 (as the same may be amended, modified, extended or restated from time to time, the "Credit Agreement") among Levi Strauss & Co. and Levi Strauss & Co. (Canada) Inc. (the "Borrowers"), the other Loan Parties party thereto, the Lenders party thereto, the Multicurrency Administrative Agent and JPMORGAN CHASE BANK, N.A., as Administrative Agent for the Lenders. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement.

The New Subsidiary and the Multicurrency Administrative Agent, for the benefit of the Lenders, hereby agree as follows:

1. The New Subsidiary hereby acknowledges, agrees and confirms that, by its execution of this Agreement, the New Subsidiary will become (i) a Canadian Loan Party under the Credit Agreement and a "Canadian Guarantor" for all purposes of the Credit Agreement and shall have all of the obligations of a Canadian Loan Party and a Canadian Guarantor thereunder as if it had executed the Credit Agreement and (ii) a "Grantor" for all purposes of the Canadian Security Agreement and shall have all of the obligations of a Grantor thereunder as if it had executed the Canadian Security Agreement. The New Subsidiary hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Credit Agreement and the Canadian Security Agreement, including without limitation (a) all of the representations and warranties of the Loan Parties set forth in Article III of the Credit Agreement and in the Canadian Security Agreement, (b) all of the covenants set forth in Articles V and VI of the Credit Agreement and in the Canadian Security Agreement and (c) all of the guarantee obligations set forth in Article XI of the Credit Agreement. Without limiting the generality of the foregoing terms of this paragraph 1, the New Subsidiary (1) subject to the limitations set forth in Section 11.10 of the Credit Agreement, hereby guarantees, jointly and severally with the other Loan Guarantors, to the Canadian Administrative Agent and the Multicurrency Lender Parties, as provided in Article XI of the Credit Agreement, the prompt payment and performance of the Canadian Guaranteed Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise) strictly in accordance with the terms thereof and agrees that if any of the Canadian Guaranteed Obligations are not paid or performed in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration or otherwise), the New Subsidiary will, jointly and severally together with the other Loan Guarantors, promptly pay and perform the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Canadian Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration or otherwise) in accordance with the terms of such extension or renewal and (2) grants a security interest to the Administrative Agent for the benefit of the Multicurrency Lender Parties in all of the Collateral (as defined in the Canadian Security Agreement) now or hereinafter owned by such New Subsidiary to secure the Canadian Secured Obligations.

2. If required, the New Subsidiary is, simultaneously with the execution of this Agreement, executing and delivering such Collateral Documents (and such other documents and instruments) as requested by the Multicurrency Administrative Agent in accordance with the Credit Agreement.

3. The address of the New Subsidiary for purposes of Section 9.01 of the Credit Agreement is as follows:

_____

_____

_____

4. The New Subsidiary hereby waives acceptance by the Multicurrency Administrative Agent and the Multicurrency Lender Parties of the guarantee and grant of security interest hereunder by the New Subsidiary upon the execution of this Agreement by the New Subsidiary.

5. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

6. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the New Subsidiary has caused this Agreement to be duly executed by its authorized officer, and the Multicurrency Administrative Agent, for the benefit of the Multicurrency Lender Parties, has caused the same to be accepted by its authorized officer, as of the day and year first above written.

[NEW SUBSIDIARY]

By: _____

Name: _____

Title: _____

Acknowledged and accepted:

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Multicurrency Administrative Agent

By: _____

Name: _____

Title: _____

U.S. TAX COMPLIANCE CERTIFICATE

(For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Credit Agreement, dated as of September 30, 2011 (as it may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement,") among LEVI STRAUSS & CO., a Delaware corporation (the "U.S. Borrower"), LEVI STRAUSS & CO. (CANADA) INC., an Ontario corporation (the "Canadian Borrower" and together with the U.S. Borrower, the "Borrowers"), the other Loan Parties party thereto, the Lenders party thereto, JPMORGAN CHASE BANK, N.A., as the Administrative Agent, and JPMORGAN CHASE BANK, N.A.. TORONTO BRANCH, as the Multicurrency Administrative Agent. Capitalized terms used herein that are not defined herein shall have the meanings ascribed to them in the Credit Agreement.

Pursuant to the provisions of Section 2.17(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the U.S. Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the U.S. Borrower as described in Section 881(c)(3)(C) of the Code, and (v) the interest payments on the Loan(s) are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower Representative with a certificate of its non-U.S. person status on Internal Revenue Service Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any material respect, the undersigned shall promptly so inform the Borrower Representative and the Administrative Agent in writing and deliver promptly to the Borrower Representative and the Administrative Agent an updated certificate or other appropriate documentation (including any new documentation reasonably requested by the Borrower Representative or the Administrative Agent) or promptly notify the Borrower Representative and the Administrative Agent in writing of its inability to do so, and (2) the undersigned shall have at all times furnished the Borrower Representative and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or at such times are as reasonably requested by the Borrower Representative and the Administrative Agent.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

U.S. TAX COMPLIANCE CERTIFICATE

(For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Credit Agreement, dated as of September 30, 2011 (as it may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement,") among LEVI STRAUSS & CO., a Delaware corporation (the "U.S. Borrower"), LEVI STRAUSS & CO. (CANADA) INC., an Ontario corporation (the "Canadian Borrower" and together with the U.S. Borrower, the "Borrowers"), the other Loan Parties party thereto, the Lenders party thereto, JPMORGAN CHASE BANK, N.A., as the Administrative Agent, and JPMORGAN CHASE BANK, N.A.. TORONTO BRANCH, as the Multicurrency Administrative Agent. Capitalized terms used herein that are not defined herein shall have the meanings ascribed to them in the Credit Agreement.

Pursuant to the provisions of 2.17(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to the Credit Agreement or any other Loan Document, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of the U.S. Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the U.S. Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments on the Loan(s) are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower Representative with Internal Revenue Service Form W-8IMY accompanied by an Internal Revenue Service Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any material respect, the undersigned shall promptly so inform the Borrower Representative and the Administrative Agent in writing and deliver promptly to the Borrower Representative and the Administrative Agent an updated certificate or other appropriate documentation (including any new documentation reasonably requested by the Borrower Representative or the Administrative Agent) or promptly notify the Borrower Representative and the Administrative Agent in writing of its inability to do so, and (2) the undersigned shall have at all times furnished the Borrower Representative and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or at such times are as reasonably requested by the Borrower Representative and the Administrative Agent.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: , 20[ ]

U.S. TAX COMPLIANCE CERTIFICATE

(For Non-U.S. Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Credit Agreement, dated as of September 30, 2011 (as it may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement,") among LEVI STRAUSS & CO., a Delaware corporation (the "U.S. Borrower"), LEVI STRAUSS & CO. (CANADA) INC., an Ontario corporation (the "Canadian Borrower" and together with the U.S. Borrower, the "Borrowers"), the other Loan Parties party thereto, the Lenders party thereto, JPMORGAN CHASE BANK, N.A., as the Administrative Agent, and JPMORGAN CHASE BANK, N.A.. TORONTO BRANCH, as the Multicurrency Administrative Agent. Capitalized terms used herein that are not defined herein shall have the meanings ascribed to them in the Credit Agreement.

Pursuant to the provisions of Section 2.17(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the U.S. Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the U.S. Borrower as described in Section 881(c)(3)(C) of the Code, and (v) the interest payments with respect to such participation are not effectively connected with the undersigned's conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. person status on an Internal Revenue Service Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any material respect, the undersigned shall promptly so inform such Lender in writing and deliver promptly to such Lender an updated certificate or other appropriate documentation (including any new documentation reasonably requested by such Lender) or promptly notify such Lender in writing of its inability to do so, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or at such times are as reasonably requested by such Lender.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

U.S. TAX COMPLIANCE CERTIFICATE

(For Non-U.S. Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to that certain Credit Agreement, dated as of September 30, 2011 (as it may be amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement,") among LEVI STRAUSS & CO., a Delaware corporation (the "U.S. Borrower"), LEVI STRAUSS & CO. (CANADA) INC., an Ontario corporation (the "Canadian Borrower" and together with the U.S. Borrower, the "Borrowers"), the other Loan Parties party thereto, the Lenders party thereto, JPMORGAN CHASE BANK, N.A., as the Administrative Agent, and JPMORGAN CHASE BANK, N.A.. TORONTO BRANCH, as the Multicurrency Administrative Agent. Capitalized terms used herein that are not defined herein shall have the meanings ascribed to them in the Credit Agreement.

Pursuant to the provisions of 2.17(f) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of the U.S. Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the U.S. Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments with respect to such participation are not effectively connected with the undersigned's or its partners/members' conduct of a U.S. trade or business.

The undersigned has furnished its participating Lender with Internal Revenue Service Form W-8IMY accompanied by an Internal Revenue Service Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, or if a lapse in time or change in circumstances renders the information on this certificate obsolete, expired or inaccurate in any material respect, the undersigned shall promptly so inform such Lender in writing and deliver promptly to such Lender an updated certificate or other appropriate documentation (including any new documentation reasonably requested by such Lender) or promptly notify such Lender in writing of its inability to do so, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned or at such times are as reasonably requested by such Lender.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: , 20[ ]

U.S. SECURITY AGREEMENT

THIS SECURITY AGREEMENT (as it may be amended or modified from time to time, the "Security Agreement") is entered into as of September 30, 2011, by and between Levi Strauss & Co., a Delaware corporation (the "U.S. Borrower") and Levi's Only Stores, Inc., a Delaware corporation, Levi Strauss International, Inc., a Delaware corporation, LVC, LLC, a Delaware limited liability company, Levi's Only Stores Georgetown, LLC, a Delaware limited liability company, Levi Strauss, U.S.A., LLC, a Delaware limited liability company, Levi Strauss-Argentina, LLC, a Delaware limited liability company and Levi Strauss International, a California corporation (each a "Grantor," and together with the U.S. Borrower and any Domestic Subsidiary that executes a U.S. Joinder Agreement following the date hereof, the "Grantors"), and JPMorgan Chase Bank, N.A., in its capacity as administrative agent (the "Administrative Agent") for the lenders party to the Credit Agreement referred to below.

PRELIMINARY STATEMENT

The Grantors, the Administrative Agent, the other Loan Parties and the Lenders are entering into a Credit Agreement dated as of September 30, 2011 (as it may be amended or modified from time to time, the "Credit Agreement"). Each Grantor is entering into this Security Agreement in order to induce the Lenders to enter into and extend credit to the U.S. Borrower and Levi Strauss & Co. (Canada) Inc., an Ontario corporation under the Credit Agreement and to secure the Secured Obligations.

ACCORDINGLY, the Grantors and the Administrative Agent, on behalf of the Lender Parties, hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1. Terms Defined in Credit Agreement. All initially capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

1.2. Terms Defined in UCC. Terms defined in the UCC which are not otherwise defined in this Security Agreement are used herein as defined in the UCC.

1.3. Definitions of Certain Terms Used Herein. As used in this Security Agreement, in addition to the terms defined in the first paragraph hereof and in the Preliminary Statement, the following terms shall have the following meanings:

"Accounts" shall have the meaning set forth in Article 9 of the UCC.

"Amendment" shall have the meaning set forth in Section 4.4.

"Article" means a numbered article of this Security Agreement, unless another document is specifically referenced.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. § 101 et seq.).

"Chattel Paper" shall have the meaning set forth in Article 9 of the UCC.

"Collateral" shall have the meaning set forth in Article II.

"Collateral Access Agreement" means any landlord waiver or other agreement, in form and substance reasonably satisfactory to the Administrative Agent, between the Administrative Agent and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of any real property where any Collateral is located, as such landlord waiver or other agreement may be amended, restated, or otherwise modified from time to time.

"Collateral Deposit Account" shall have the meaning set forth in Section 7.1(a).

"Collateral Report" means any certificate (including any Borrowing Base Certificate), report or other document delivered by any Grantor to the Administrative Agent or any Lender with respect to the Collateral pursuant to any Loan Document.

"Commercial Tort Claims" shall have the meaning set forth in Article 9 of the UCC.

"Commodity Accounts" shall have the meaning set forth in Article 9 of the UCC.

"Control" shall have the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC.

"Copyrights" means, with respect to any Person, all of such Person's right, title, and interest in and to the following: (a) all copyrights, copyrightable works and rights in designs, including without any limitation copyright registrations, and copyright applications; (b) all renewals of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing, including, without limitation, damages or payments for past or future infringements for any of the foregoing; and (d) the right to sue for past, present, and future infringements of any of the foregoing.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Deposit Account Control Agreement" means an agreement, in form and substance reasonably satisfactory to the Administrative Agent, among any Loan Party, a banking institution holding such Loan Party's funds, and the Administrative Agent with respect to collection and control of all deposits and balances held in a deposit account maintained by such Loan Party with such banking institution.

"Deposit Accounts" shall have the meaning set forth in Article 9 of the UCC.

"Documents" shall have the meaning set forth in Article 9 of the UCC.

"Event of Default" means an event described in Section 5.1.

"Exhibit" refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

"General Intangibles" shall have the meaning set forth in Article 9 of the UCC.

"Goods" shall have the meaning set forth in Article 9 of the UCC.

"Instruments" shall have the meaning set forth in Article 9 of the UCC.

"Inventory" shall have the meaning set forth in Article 9 of the UCC.

"Investment Property" shall have the meaning set forth in Article 9 of the UCC.

"Licenses" means, with respect to any Person, all of such Person's right, title, and interest in and to (a) any and all licensing agreements or similar arrangements in and to the U.S. Levi's Patents, U.S. Levi's Trademarks and U.S. Levi's Copyrights or otherwise related to or used in conjunction with the Levi's brand product lines, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches thereof.

"Patents" means, with respect to any Person, all of such Person's right, title, and interest in and to: (a) any and all patents and patent applications; (b) all inventions, discoveries and improvements described and claimed therein; (c) all reissues, reexaminations, divisions, continuations, extensions, and continuations-in-part thereof; (d) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including, without limitation, damages and payments for past and future infringements thereof; and (e) all rights to sue for past, present, and future infringements thereof.

"Perfection Certificate" shall mean that certain perfection certificate dated September 30, 2011, executed and delivered by each Grantor to the Administrative Agent, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Administrative Agent) executed and delivered by the applicable Grantor to the Administrative Agent contemporaneously with the execution and delivery of each Amendment executed in accordance with Section 4.4 hereof, in each case, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the Credit Agreement.

"Pledged Collateral" means all Pledged Debt and other Instruments and Investment Property of the Grantors, whether or not physically delivered to the Administrative Agent pursuant to this Security Agreement.

"Pledged Debt" means all indebtedness from time to time owed to any Grantor by any obligor that is, or becomes, a direct or indirect Subsidiary of such Grantor, or by any obligor of which such Grantor is a direct or indirect Subsidiary, including the indebtedness set forth in Schedule 10 to the Perfection Certificate, as Schedule 10 to the Perfection Certificate may be updated upon the execution of an Amendment to this Agreement by an additional Grantor, and issued by the obligors named therein, and the instruments evidencing such indebtedness.

"Receivables" means the Accounts, Chattel Paper, Documents, Investment Property, Instruments and any other rights or claims to receive money which are General Intangibles or which are otherwise included as Collateral.

"Required Secured Parties" means (a) prior to an acceleration of the Obligations under the Credit Agreement, the Required Lenders, and (b) after an acceleration of the Obligations under the Credit Agreement but prior to the date upon which the Credit Agreement has terminated by its terms and all of the obligations thereunder have been paid in full, Lender Parties holding in the aggregate at least a majority of the total of the Aggregate Credit Exposure.

"Section" means a numbered section of this Security Agreement, unless another document is specifically referenced.

"Trademarks" means, with respect to any Person, all of such Person's right, title, and interest in and to the following: (a) all trademarks (including service marks), trade names, trade dress, and trade

styles, domain names, including all registrations and applications for registration thereof, together with the goodwill of the business symbolized by the foregoing ("Goodwill"); (b) all licenses or other rights to use any of the foregoing, whether as licensee or licensor; (c) all renewals of the foregoing; (d) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including, without limitation, damages, claims, and payments for past and future infringements, dilution or violation thereof or unfair competition with respect thereto; and (e) all rights to sue for past, present, and future infringements, dilution, violations or unfair competition with respect to any of the foregoing, including the right to settle suits involving claims and demands for royalties owing.

"UCC" means the Uniform Commercial Code, as in effect from time to time, of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the attachment, perfection or priority of, or remedies with respect to, Administrative Agent's or any Lender's Lien on any Collateral.

"U.S. Levi's Copyrights" means all Copyrights associated with or used or held for use in conjunction with the U.S. Levi's Trademarks and registered with the United States Copyright Office, including without limitation, the Copyrights set forth on Schedule 11(b) to the Perfection Certificate.

"U.S. Levi's Patents" means all Patents and applications for Patents associated with or used or held for use in conjunction with the U.S. Levi's Trademarks and registered with the United States Patent and Trademark Office, including without limitation, the Patents and applications for Patents set forth on Schedule 11(c) to the Perfection Certificate.

"U.S. Levi's Trademarks" means the name "Levi's", all associated logos and designs and all other Trademarks, in each case, associated with the Levi's brand product lines in the United States and registered with the United States Patent and Trademark Office, including without limitation, the U.S. trademark registrations and applications set forth on Schedule 11(a) to the Perfection Certificate.

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

1.4. Perfection Certificate. The Grantors, the Administrative Agent and each Lender Party agree that the Perfection Certificate and all schedules, amendments and supplements thereto are and shall at all times remain a part of this Security Agreement.

ARTICLE II
GRANT OF SECURITY INTEREST

Each Grantor hereby pledges, assigns and grants to the Administrative Agent, for the benefit of the Lender Parties, a security interest in all of its right, title and interest in, to and under the personal property and other assets described in this Article II, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Grantor (including under any trade name or derivations thereof), and whether owned or consigned by or to, or leased from or to, such Grantor, and regardless of where located (all of which will be collectively referred to as the "Collateral"):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) the U.S. Levi's Patents, U.S. Levi's Trademarks, U.S. Levi's Copyrights and Licenses (and all proceeds therefrom), including without limitation all U.S. Levi's Copyrights used in conjunction with selling, advertising and/or marketing any goods or materials bearing the U.S. Levi's Trademarks;

(iv) all Documents;

(v) all General Intangibles;

(vi) all Goods;

(vii) all Pledged Debt;

(viii) all Instruments;

(ix) all Inventory;

(x) all Investment Property;

(xi) all cash or cash equivalents;

(xii) all Deposit Accounts with any bank or other financial institution;

(xiii) all Commercial Tort Claims relating to any of the foregoing; and

(xiv) all accessions to, substitutions for and replacements, proceeds, insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing;

to secure the prompt and complete payment and performance of the Secured Obligations.

Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Grantor shall be deemed to have granted a security interest in any of such Grantor's rights or interests in any license, contract or agreement to which such Grantor is a party or any of its rights or interests thereunder to the extent, but only to the extent, that such a grant would, under the terms of such license, contract or agreement or otherwise, result in a breach of the terms of, or constitute a default under, any license, contract or agreement to which such Grantor is a party (other than to the extent that any such term would be rendered ineffective pursuant to the UCC or any other applicable law (including the Bankruptcy Code) or principles of equity); *provided*, that immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and such Grantor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect.

Notwithstanding anything herein to the contrary, neither the U.S. Borrower nor any other Grantor shall be deemed to have granted a security interest in (i) any Equity Interests of any Subsidiary, (ii) any Pledged Debt of or issued by any Subsidiary or (iii) any Equipment.

The security interest granted herein shall not apply to any U.S. intent-to-use trademark application included in the U.S. Levi's Trademarks to the extent that such grant may impair the validity or enforceability of such U.S. intent-to-use trademark application; provided, however, if a statement of use or an affidavit of use is filed and accepted by the U.S. Patent and Trademark Office with respect to such U.S. intent-to-use trademark application, the grant of the security interest hereunder shall automatically and immediately apply to such U.S. intent-to-use trademark application without the need of any further action by the parties.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

Each Grantor represents and warrants to the Administrative Agent and the Lender Parties that:

3.1. Title, Perfection and Priority. Such Grantor has good and valid rights in or the power to transfer the Collateral and title to the Collateral with respect to which it has purported to grant a security interest hereunder, free and clear of all Liens except for Liens permitted under Section 4.1(e), and has full power and authority to grant to the Administrative Agent the security interest in the Collateral pursuant hereto. When financing statements have been filed in the appropriate offices against such Grantor in the locations listed on Annex A hereto, the Administrative Agent will have a fully perfected first priority security interest in that Collateral of the Grantor in which a security interest may be perfected by filing, subject only to Liens permitted under Section 4.1(e).

3.2. Type and Jurisdiction of Organization, Organizational and Identification Numbers. The type of entity of such Grantor, its state of organization, the organizational number issued to it by its state of organization and its federal employer identification number are set forth on Schedule 1(a) to the Perfection Certificate.

3.3. Principal Location. Such Grantor's mailing address, which shall be its address for notices and other communications provided for herein and the location of its place of business (if it has only one) or its chief executive office (if it has more than one place of business), are disclosed in Schedule 2 to the Perfection Certificate; such Grantor has no other places of business except those set forth in Schedule 2 to the Perfection Certificate.

3.4. Collateral Locations. All of such Grantor's locations where Collateral consisting of Inventory (other than Inventory in transit, Inventory excluded from Eligible Inventory as disclosed in the most recent Collateral Report, Inventory located at contractors' premises or mills in the ordinary course of business, and Inventory in the form of raw materials; provided, that the aggregate amount of all Inventory in the form of raw materials subject to this parenthetical does not exceed $10,000,000) or Fixtures owned by such Grantor is located are listed on Schedule 2 to the Perfection Certificate. All of said locations are owned by such Grantor except for locations (i) which are leased by the Grantor as lessee and designated in Schedule 2 to the Perfection Certificate and (ii) at which Inventory is held in a public warehouse or is otherwise held by a bailee or on consignment as designated in Schedule 14 to the Perfection Certificate.

3.5. Deposit Accounts. All of such Grantor's Deposit Accounts are listed on Schedule 13 to the Perfection Certificate.

3.6. Exact Names. Such Grantor's name in which it has executed this Security Agreement is the exact name as it appears in such Grantor's organizational documents, as amended, as filed with such Grantor's jurisdiction of organization. Such Grantor has not, during the past five years, been known by or used any other corporate or fictitious name, or been a party to any merger or consolidation, or been a party to any acquisition other than as set forth on Schedule 1(b) to the Perfection Certificate.

3.7. Chattel Paper. Schedule 10 to the Perfection Certificate lists all Chattel Paper of such Grantor that on an individual basis bears a face amount of at least $5,000,000. All action by such Grantor necessary or reasonably requested by the Administrative Agent to protect and perfect the Administrative Agent's Lien on each item listed on Schedule 10 to the Perfection Certificate (including the delivery of all

originals and the placement of a legend on all Chattel Paper as required hereunder) has been duly taken. The Administrative Agent will have a fully perfected first priority security interest in the Collateral listed on Schedule 10 to the Perfection Certificate, subject only to Liens permitted under Section 4.1(e).

3.8. Accounts and Chattel Paper.

(a) The names of the obligors, amounts owing, due dates and other information with respect to its Accounts and Chattel Paper are and will be correctly stated in all material respects in all records of such Grantor relating thereto and in all invoices and Collateral Reports with respect thereto furnished to the Administrative Agent by such Grantor from time to time.

(b) With respect to its Accounts, except as specifically disclosed on the most recent Collateral Report, (i) all Accounts are Eligible Accounts; (ii) all Accounts represent bona fide sales of Inventory or rendering of services to Account Debtors in the ordinary course of such Grantor's business; (iii) there are no setoffs, claims or disputes existing or asserted with respect thereto and such Grantor has not made any agreement with any Account Debtor for any extension of time for the payment thereof, any compromise or settlement for less than the full amount thereof, any release of any Account Debtor from liability therefor, or any deduction therefrom except a discount or allowance allowed by such Grantor in the ordinary course of its business for prompt payment and disclosed to the Administrative Agent; (iv) to such Grantor's knowledge, there are no facts, events or occurrences which in any way impair the validity or enforceability thereof or could reasonably be expected to reduce the amount payable thereunder as shown on such Grantor's books and records and any invoices, statements and Collateral Reports with respect thereto; (v) such Grantor has not received any notice of proceedings or actions which are threatened or pending against any Account Debtor which could reasonably be expected to result in any material adverse change in such Account Debtor's financial condition; and (vi) such Grantor has no knowledge that any Account Debtor has become insolvent or is generally unable to pay its debts as they become due.

(c) In addition, with respect to all of its Accounts, (i) the amounts shown on all invoices, statements and Collateral Reports with respect thereto are actually and absolutely owing to such Grantor as indicated thereon and are not in any way contingent; (ii) no payments have been or shall be made thereon except payments promptly delivered to a Collateral Deposit Account as required pursuant to Section 7.1; and (iii) to such Grantor's knowledge, all Account Debtors have the capacity to contract.

3.9. Inventory. With respect to any of its Inventory scheduled or listed on the most recent Collateral Report, (a) such Inventory (other than Inventory in transit, Inventory excluded from Eligible Inventory as disclosed in the most recent Collateral Report, Inventory located at contractors' premises or mills in the ordinary course of business, and Inventory in the form of raw materials; provided, that the aggregate amount of all Inventory in the form of raw materials subject to this parenthetical does not exceed $10,000,000) is located at one of such Grantor's locations set forth on Schedule 2 or Schedule 14 to the Perfection Certificate, (b) no Inventory (other than Inventory in transit, Inventory excluded from Eligible Inventory as disclosed in the most recent Collateral Report, Inventory located at contractors' premises or mills in the ordinary course of business, and Inventory in the form of raw materials; provided, that the aggregate amount of all Inventory in the form of raw materials subject to this parenthetical does not exceed $10,000,000) is now, or shall at any time or times hereafter be stored at any other location except as permitted by Section 4.1(g), (c) such Grantor has good, indefeasible and merchantable title to such Inventory and such Inventory is not subject to any Lien or security interest or document whatsoever except for the security interest granted to the Administrative Agent hereunder for the benefit of the Administrative Agent and Lender Parties, and Liens constituting a Permitted Encumbrance pursuant to clause (a), (b), (f), (h) or (i) of the definition thereof and any other Permitted Encumbrance which does not have priority over the Lien in favor of the Administrative Agent and the Lender Parties, (d) except as specifically

disclosed in the most recent Collateral Report, such Inventory is Eligible Inventory of good and marketable condition, except for damaged or defective goods arising in the ordinary course of such Grantor's business, and (e) such Inventory has been produced in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder.

3.10. Intellectual Property. Schedules 11(a), 11(b) and 11(c) to the Perfection Certificate set forth a true, correct and complete list of all U.S. Levi's Patents, U.S. Levi's Trademarks and U.S. Levi's Copyrights constituting Collateral. This Security Agreement is effective to create a valid and continuing Lien and, upon filing of appropriate financing statements in the offices listed on Schedule 11(e) to the Perfection Certificate and this Security Agreement or an appropriate instrument evidencing this Security Agreement with the United States Copyright Office and the United States Patent and Trademark Office, fully perfected first priority security interests in favor of the Administrative Agent on the U.S. Levi's Patents, U.S. Levi's Trademarks, U.S. Levi's Copyrights and Licenses constituting Collateral, such perfected security interests are enforceable as such as against any and all creditors of and successors, assignees, mortgagees and purchasers from such Grantor; and all actions necessary or reasonably requested by the Administrative Agent to protect and perfect the Administrative Agent's Lien on such Grantor's U.S. Levi's Patents, U.S. Levi's Trademark, U.S. Levi's Copyrights and Licenses constituting Collateral shall have been duly taken.

3.11. Filing Requirements. None of the Collateral owned by it is of a type for which security interests or liens may be perfected by filing under any federal statute except for the U.S. Levi's Patents, U.S. Levi's Trademarks and the U.S. Levi's Copyrights and the Licenses held by such Grantor and described in Schedules 11(a), 11(b) or (11)(c) to the Perfection Certificate.

3.12. No Financing Statements, Security Agreements. No financing statement or security agreement describing all or any portion of the Collateral which has not lapsed or been terminated naming such Grantor as debtor has been filed or is of record in any jurisdiction except for financing statements or security agreements (a) naming the Administrative Agent on behalf of the Lender Parties as the secured party and (b) in respect of other Liens specifically permitted pursuant to Section 6.02 of the Credit Agreement.

3.13. Pledged Collateral.

(a) Schedule 10 to the Perfection Certificate sets forth a complete and accurate list of all Pledged Collateral owned by such Grantor that on an individual basis bears a face amount of at least $5,000,000. Such Grantor is the direct, sole beneficial owner and sole holder of record of the Pledged Collateral listed on Schedule 10 to the Perfection Certificate as being owned by it, free and clear of any Liens, except for the security interest granted to the Administrative Agent for the benefit of the Lender Parties hereunder and other Liens specifically permitted pursuant to Section 6.02 of the Credit Agreement. Such Grantor further represents and warrants that, to such Grantor's knowledge, all Pledged Collateral which represents Indebtedness owed to such Grantor has been duly authorized, authenticated or issued and delivered by the issuer of such Indebtedness, is the legal, valid and binding obligation of such issuer and such issuer is not in default thereunder.

(b) In addition, to such Grantor's knowledge, (i) none of the Pledged Collateral owned by it has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject, (ii) no options, warrants, calls or commitments of any character whatsoever exist relating to such Pledged Collateral, and (iii) no consent, approval, authorization, or other action by, and no giving of notice, filing with, any governmental authority or any other Person is required for the pledge by such Grantor of such Pledged Collateral pursuant to this Security Agreement or for the execution, delivery and performance of this Security

Agreement by such Grantor, or for the exercise by the Administrative Agent of the voting or other rights provided for in this Security Agreement or for the remedies in respect of the Pledged Collateral pursuant to this Security Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally.

ARTICLE IV
COVENANTS

From the date of this Security Agreement (except as set forth in Section 4.13), and thereafter until this Security Agreement is terminated, each Grantor agrees that:

4.1. General.

(a) Collateral Records. Such Grantor will maintain complete and accurate books and records with respect to the Collateral owned by it, and furnish to the Administrative Agent, with sufficient copies for each of the Lender Parties, such reports relating to such Collateral as the Administrative Agent shall from time to time reasonably request.

(b) Authorization to File Financing Statements; Ratification. Such Grantor hereby authorizes the Administrative Agent to file, and if requested will deliver to the Administrative Agent, all financing statements and other documents and take such other actions as may from time to time be reasonably requested by the Administrative Agent in order to maintain a first perfected security interest in and, if applicable, Control of, the Collateral owned by such Grantor. Any financing statement filed by the Administrative Agent may be filed in any filing office in any UCC jurisdiction and may (i) indicate such Grantor's Collateral by any description which reasonably approximates the description contained in this Security Agreement, and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether such Grantor is an organization, the type of organization and any organization identification number issued to such Grantor, and (B) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. Such Grantor also agrees to furnish any such information described in the foregoing sentence to the Administrative Agent promptly upon request. Such Grantor also ratifies its authorization for the Administrative Agent to have filed in any UCC jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

(c) Further Assurances. Such Grantor will, if so requested by the Administrative Agent, furnish to the Administrative Agent, as often as the Administrative Agent reasonably requests, statements and schedules further identifying and describing the Collateral owned by it and such other reports and information in connection with its Collateral as the Administrative Agent may reasonably request, all in such detail as the Administrative Agent may specify. Such Grantor also agrees to take any and all commercially reasonable actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Administrative Agent in its Collateral and the priority thereof against any Lien not expressly permitted hereunder.

(d) Disposition of Collateral. Such Grantor will not sell, lease or otherwise dispose of the Collateral owned by it except for dispositions specifically permitted pursuant to Section 6.05 of the Credit Agreement.

(e) Liens. Such Grantor will not create, incur, or suffer to exist any Lien on the Collateral owned by it except (i) the security interest created by this Security Agreement, and (ii) other Liens specifically permitted pursuant to Section 6.02 of the Credit Agreement.

(f) Other Financing Statements. Such Grantor will not authorize the filing of any financing statement naming it as debtor covering all or any portion of the Collateral owned by it, except for financing statements (i) naming the Administrative Agent on behalf of the Lender Parties as the secured party, and (ii) in respect of other Liens specifically permitted pursuant to Section 6.02 of the Credit Agreement. Such Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Administrative Agent, subject to such Grantor's rights under Section 9-509(d)(2) of the UCC.

(g) Locations. Such Grantor will not (i) maintain any Collateral owned by it (other than Inventory in transit, Inventory excluded from Eligible Inventory as disclosed in the most recent Collateral Report, Inventory located at contractors' premises or mills in the ordinary course of business, and Inventory in the form of raw materials; provided, that the aggregate amount of all Inventory in the form of raw materials subject to this parenthetical does not exceed $10,000,000) at any location other than those locations listed on Schedule 2 or Schedule 14 to the Perfection Certificate, (ii) otherwise change, or add to, such locations without the Administrative Agent's consent as and to the extent required by the Credit Agreement (and if the Administrative Agent gives such consent, such Grantor will concurrently therewith use commercially reasonable efforts to obtain a Collateral Access Agreement for each such location to the extent required by the Credit Agreement), or (iii) change its principal place of business or chief executive office from the location identified on Schedule 2 to the Perfection Certificate, other than as permitted by the Credit Agreement.

(h) Compliance with Terms. Such Grantor will perform and comply in all material respects with all obligations in respect of the Collateral owned by it and all agreements to which it is a party or by which it is bound relating to such Collateral.

4.2. Receivables.

(a) Certain Agreements on Receivables. Upon the occurrence of and during the continuance of an Event of Default, such Grantor will not make or agree to make any discount, credit, rebate or other reduction in the original amount owing on a Receivable or accept in satisfaction of a Receivable less than the original amount thereof without the Administrative Agent's prior written consent, except for discounts, credits, rebates or other reductions made or given in accordance with its present policies and in the ordinary course of business.

(b) Collection of Receivables. Except as otherwise provided in this Security Agreement, such Grantor will use commercially reasonable efforts to collect and enforce, at such Grantor's sole expense, all amounts due or hereafter due to such Grantor under the Receivables owned by it.

(c) Disclosure of Counterclaims on Receivables. If (i) any discount, credit or agreement to make a rebate or to otherwise reduce the amount owing on any Receivable in excess of $10,000,000 owned by such Grantor exists or (ii) if, to the knowledge of such Grantor, any dispute, setoff, claim, counterclaim or defense exists or has been asserted or threatened with respect to any such Receivable, such Grantor will, on a monthly basis, disclose such fact to the Administrative Agent in writing. Such Grantor shall send the Administrative Agent a copy of each credit memorandum in excess of $10,000,000 on a monthly basis, and such Grantor shall promptly report each such credit memorandum and each of the facts required to be disclosed to the Administrative Agent in accordance with this Section 4.2(c) on the Borrowing Base Certificates submitted by it.

(d) Electronic Chattel Paper. Such Grantor shall take all steps reasonably necessary to grant the Administrative Agent Control of all electronic chattel paper in accordance with the UCC and all "transferable records" as defined in each of the Uniform Electronic Transactions Act and the Electronic Signatures in Global and National Commerce Act.

4.3. Inventory.

(a) Maintenance of Goods. Such Grantor will do all things necessary to maintain, preserve, protect and keep its Inventory in saleable condition, except for damaged or defective goods arising in the ordinary course of such Grantor's business.

(b) Returned Inventory. If an Account Debtor has an authorized return and returns any Inventory covered by such return to such Grantor when no Event of Default exists, then such Grantor shall promptly determine the reason for such return and shall issue a credit memorandum to the Account Debtor in the appropriate amount. Such Grantor shall deliver a monthly report to the Administrative Agent setting forth all such returns involving an amount in excess of $10,000,000. Each such report shall indicate the reasons for the returns and the locations and condition of the returned Inventory. In the event any Account Debtor returns Inventory to such Grantor when an Event of Default exists, such Grantor, upon the request of the Administrative Agent, shall: (i) hold the returned Inventory in trust for the Administrative Agent; (ii) dispose of the returned Inventory solely according to the Administrative Agent's written instructions; and (iii) not issue any credits or allowances with respect thereto in an amount exceeding $500,000 in the aggregate during any Fiscal Month without the Administrative Agent's prior written consent. All returned Inventory shall be subject to the Administrative Agent's Liens thereon. Whenever any Inventory is returned, the related Account shall be deemed ineligible to the extent of the amount owing by the Account Debtor with respect to such returned Inventory and such returned Inventory shall not be Eligible Inventory unless such Inventory constitutes Third Party Logistics Goods.

(c) Inventory Count; Perpetual Inventory System. Such Grantor will conduct a physical count of its Inventory at least once per fiscal year, and after and during the continuation of an Event of Default, at such other times as the Administrative Agent reasonably requests. Such Grantor, at its own expense, shall deliver to the Administrative Agent promptly upon request the results of each physical verification, which such Grantor has made, or has caused any other Person to make on its behalf, of all or any portion of its Inventory. Such Grantor will maintain a perpetual inventory reporting system at all times.

4.4. Delivery of Instruments, Securities, Chattel Paper and Documents. Such Grantor will (a) deliver to the Administrative Agent promptly (but in any event within five Business Days) upon execution of this Security Agreement the originals of all Chattel Paper, Securities and Instruments constituting Collateral owned by it that on an individual basis bears a face amount of at least $5,000,000 (if any then exist), (b) hold in trust for the Administrative Agent upon receipt and promptly (but in any event within five Business Days) thereafter deliver to the Administrative Agent any such Chattel Paper, Securities and Instruments constituting Collateral owned by it that on an individual basis bears a face amount of at least $5,000,000, (c) promptly upon the Administrative Agent's request, deliver to the Administrative Agent (and thereafter hold in trust for the Administrative Agent upon receipt and promptly (but in any event within five Business Days) deliver to the Administrative Agent) any Document evidencing or constituting Collateral that on an individual basis bears a face amount of at least $5,000,000 and (d) promptly upon the Administrative Agent's request, deliver to the Administrative Agent a duly executed amendment to this Security Agreement, in the form of Exhibit A hereto (the "Amendment"), pursuant to which such Grantor will pledge such additional Collateral. Such Grantor hereby authorizes the Administrative Agent to attach each Amendment to this Security Agreement and agrees that all additional Collateral owned by it set forth in such Amendments shall be considered to be part of the Collateral.

4.5. Uncertificated Pledged Collateral. Such Grantor will permit the Administrative Agent from time to time to cause the appropriate issuers (and, if held with a securities intermediary, such securities intermediary) of uncertificated securities or other types of Pledged Collateral owned by it not represented by certificates to mark their books and records with the numbers and face amounts of all such uncertificated securities or other types of Pledged Collateral not represented by certificates and all rollovers and replacements therefor to reflect the Lien of the Administrative Agent granted pursuant to this Security Agreement. With respect to any Pledged Collateral owned by it, such Grantor will take any commercially reasonable actions necessary to cause (a) the issuers of uncertificated securities which are Pledged Collateral and (b) any securities intermediary which is the holder of any such Pledged Collateral, to cause the Administrative Agent to have and retain Control over such Pledged Collateral. Without limiting the foregoing, such Grantor will, with respect to any such Pledged Collateral held with a securities intermediary, use commercially reasonable efforts to cause such securities intermediary to enter into a control agreement with the Administrative Agent, in form and substance satisfactory to the Administrative Agent, giving the Administrative Agent Control.

4.6. Pledged Collateral.

(a) Registration of Pledged Collateral. Such Grantor will permit any registerable Pledged Collateral owned by it to be registered in the name of the Administrative Agent or its nominee at any time at the option of the Required Secured Parties.

(b) Exercise of Rights in Pledged Collateral.

(i) Without in any way limiting the foregoing and subject to clause (ii) below, such Grantor shall have the right to exercise all voting rights or other rights relating to the Pledged Collateral owned by it for all purposes not inconsistent with this Security Agreement, the Credit Agreement or any other Loan Document; *provided*, *however*, that no vote or other right shall be exercised or action taken which would have the effect of materially impairing the rights of the Administrative Agent in respect of such Pledged Collateral.

(ii) Such Grantor will permit the Administrative Agent or its nominee at any time after the occurrence and during the continuance of an Event of Default, upon written notice to such Grantor, to exercise all voting rights or other rights relating to the Pledged Collateral owned by it, including, without limitation, exchange, subscription or any other rights, privileges, or options pertaining to any Investment Property constituting such Pledged Collateral as if it were the absolute owner thereof.

(iii) Such Grantor shall be entitled to collect and receive for its own use, free and clear of the lien of this Security Agreement, all cash dividends and interest paid in respect of the Pledged Collateral owned by it to the extent not in violation of the Credit Agreement other than any of the following distributions and payments (collectively referred to as the "Excluded Payments"): (A) dividends and interest paid or payable other than in cash in respect of such Pledged Collateral, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral; (B) dividends and other distributions paid or payable in cash in respect of such Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in capital of an issuer; and (C) cash paid, payable or otherwise distributed, in respect of principal of, or in redemption of, or in exchange for, such Pledged Collateral; *provided*, *however*, that until actually paid, all rights to such distributions shall remain subject to the Lien created by this Security Agreement; and

(iv) All Excluded Payments and all other distributions in respect of any Pledged Collateral owned by such Grantor, whenever paid or made, shall be delivered to the Administrative Agent to

hold as Pledged Collateral and shall, if received by such Grantor, be received in trust for the benefit of the Administrative Agent, be segregated from the other property or funds of such Grantor, and be promptly delivered to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Pledged Collateral held by a Securities Intermediary. Within 90 days of the Effective Date (or such later date as the Administrative Agent may reasonably agree, in its sole discretion), such Grantor shall, with respect to all Pledged Collateral listed on Schedule 10 to the Perfection Certificate and held by a securities intermediary, execute and delivery to the Administrative Agent a control agreement in form reasonably satisfactory to the Administrative Agent among such Grantor, the securities intermediary and the Administrative Agent pursuant to which the Administrative Agent has Control.

4.7. Intellectual Property.

(a) Such Grantor will use commercially reasonable efforts to secure all consents and approvals necessary or appropriate for the assignment to or benefit of the Administrative Agent of any Licenses held by such Grantor and to enforce the security interests granted hereunder.

(b) Such Grantor shall not, without the prior consent of the Administrative Agent, or unless such Grantor in its commercially reasonable judgment decides otherwise, abandon, allow to lapse or otherwise dedicate to the public any application or registration relating to the U.S. Levi's Trademarks, the U.S. Levi's Patents or any U.S. Levi's Copyrights (now or hereafter existing), and shall promptly notify the Administrative Agent of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or any administrative authority) regarding such Grantor's ownership of the U.S. Levi's Trademarks, the U.S. Levi's Patents or any U.S. Levi's Copyrights, its right to register the same, the validity or enforceability of the same (whether in whole or in part) or to keep and maintain the same; provided, however, that such Grantor may take such actions with respect to the U.S. Levi's Trademarks, the U.S. Levi's Patents or any U.S. Levi's Copyrights or Licenses that will not cause a material reduction in value.

(c) Within 45 days after the end of Grantor's fiscal quarter during which Grantor acquires rights in any new U.S. Levi's Trademarks, U.S. Levi's Patents, U.S. Levi's Copyrights or Licenses, Grantor shall execute and deliver any and all security agreements as the Administrative Agent may reasonably request to evidence the Administrative Agent's first priority security interest in the new U.S. Levi's Trademarks, U.S. Levi's Patents, U.S. Levi's Copyrights and Licenses and the General Intangibles of such Grantor relating thereto or represented thereby.

(d) Such Grantor shall take all commercially reasonable actions necessary, or as requested by the Administrative Agent, to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of the U.S. Levi's Trademarks, U.S. Levi's Patents, U.S. Levi's Copyrights and Licenses (now or hereafter existing), including the payment of all fees, filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference, derivation and cancellation proceedings and other proceedings, unless such Grantor determines in its commercially reasonable judgment that such U.S. Levi's Trademarks, U.S. Levi's Patents, U.S. Levi's Copyrights or Licenses are not material to the conduct of such Grantor's business. Such Grantor shall take all commercially reasonable actions to maintain quality control over the use (including use by its licensees) of the U.S. Levi's Trademarks in accordance with, but no less than, the quality control standards employed by such Grantor as of the date hereof, and shall use commercially reasonable efforts to police any unauthorized use of or any use that would impair or otherwise damage the goodwill associated with the U.S. Levi's Trademarks, including unauthorized commercialization, counterfeiting, importation or exportation of goods or other materials bearing the U.S. Levi's Trademarks.

(e) Such Grantor shall, unless it determines in its commercially reasonable judgment that such U.S. Levi's Trademarks, U.S. Levi's Patents, U.S. Levi's Copyrights or Licenses are not material to the conduct of its business or operations, bring suits, proceedings or other actions for infringement, misappropriation, violation or dilution or unfair competition and to recover any and all damages for such infringement, misappropriation, violation or dilution or unfair competition, and shall take such other actions as the Administrative Agent shall deem appropriate under the circumstances to protect such U.S. Levi's Trademarks, U.S. Levi's Patents, U.S. Levi's Copyrights or Licenses. In the event that such Grantor institutes suit because the U.S. Levi's Trademarks, U.S. Levi's Patents or U.S. Levi's Copyrights, or Licenses is infringed upon, or misappropriated or diluted or breached by a third party or constitutes any unfair competition with respect thereto, such Grantor shall comply with Section 4.8.

4.8. Commercial Tort Claims. Such Grantor shall, on a quarterly basis, notify the Administrative Agent of any commercial tort claim (as defined in the UCC) where the amount of damages claimed is in excess of $10,000,000 relating to any Collateral that is acquired by it and, unless the Administrative Agent otherwise consents, such Grantor shall enter into an amendment to this Security Agreement, in the form of Exhibit A hereto, granting to Administrative Agent a first priority security interest in such commercial tort claim.

4.9. [Reserved].

4.10. Federal, State or Municipal Claims. Such Grantor will promptly notify the Administrative Agent of any Collateral which constitutes a claim against the United States government or any state or local government or any instrumentality or agency thereof, the assignment of which claim is restricted by federal, state or municipal law.

4.11. No Interference. Such Grantor agrees that it will not interfere with any right, power and remedy of the Administrative Agent provided for in this Security Agreement or now or hereafter existing at law or in equity or by statute or otherwise, or the exercise or beginning of the exercise by the Administrative Agent of any one or more of such rights, powers or remedies.

4.12. Insurance.

(a) In the event any Collateral is located in any area that has been designated by the Federal Emergency Management Agency as a "Special Flood Hazard Area," such Grantor shall purchase and maintain flood insurance on such Collateral (including any personal property which is located on any real property leased by such Loan Party within a "Special Flood Hazard Area"). The amount of flood insurance required by this Section shall at a minimum comply with the applicable law, including the Flood Disaster Protection Act of 1973, as amended.

(b) All insurance policies required hereunder and under Section 5.09 of the Credit Agreement shall name the Administrative Agent (for the benefit of the Administrative Agent and the Lender Parties) as an additional insured or as loss payee, as applicable, and shall contain loss payable clauses or mortgagee clauses, through endorsements in form and substance reasonably satisfactory to the Administrative Agent, which provide that: (i) all proceeds thereunder with respect to any Collateral shall be payable to the Administrative Agent; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; and (iii) such policy and loss payable or mortgagee clauses may be canceled, amended, or terminated only upon at least thirty days' prior written notice given to the Administrative Agent.

(c) All premiums on any such insurance shall be paid when due by such Grantor, and copies of the policies or certificates of insurance evidencing such policies delivered to the Administrative Agent. If such Grantor fails to obtain any insurance as required by this Section, the Administrative Agent may obtain such insurance at the Borrower's expense. By purchasing such insurance, the Administrative Agent shall not be deemed to have waived any Default arising from the Grantor's failure to maintain such insurance or pay any premiums therefor.

4.13. Collateral Access Agreements. Such Grantor shall use commercially reasonable efforts to obtain a Collateral Access Agreement, from the lessor of each leased property, mortgagee of owned property or bailee or consignee with respect to the operator of any warehouse, processor or converter facility or other location (each of which is identified on Exhibit B hereto), where Collateral in excess of $1,000,000 is stored or located at any given time (other than (i) company-owned facilities and (ii) retail stores), which agreement or letter shall provide access rights, contain a waiver or subordination of all Liens or claims that the landlord, mortgagee, bailee or consignee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to the Administrative Agent. With respect to such locations or warehouse space leased as of the Effective Date and thereafter where Collateral in excess of $1,000,000 is stored or located (other than (i) company-owned facilities and (ii) retail stores), if the Administrative Agent has not received a Collateral Access Agreement as of the Effective Date (or, if later as of the date such location is acquired or leased), the Borrower's Eligible Inventory at that location shall be subject to such Reserves as may be established by the Administrative Agent. After the Effective Date, no real property or warehouse space shall be leased by such Grantor (other than retail stores) and no Inventory shall be shipped to a processor or converter under arrangements established after the Effective Date, unless and until a satisfactory Collateral Access Agreement shall first have been obtained with respect to such location or if it has not been obtained, the Borrower's Eligible Inventory at that location shall be subject to the establishment of Reserves acceptable to the Administrative Agent. Such Grantor shall timely and fully pay and perform its obligations under all leases and other agreements with respect to each leased location or third party warehouse where any Collateral is or may be located.

4.14. Deposit Account Control Agreements. Such Grantor will provide to the Administrative Agent within 60 days of the Administrative Agent's request, a Deposit Account Control Agreement duly executed on behalf of each financial institution holding a Deposit Account of such Grantor as set forth in this Security Agreement.

4.15. Change of Name or Location. Such Grantor shall not (a) change its name as it appears in official filings in the state of its incorporation or organization, (b) change its chief executive office, principal place of business, mailing address, corporate offices or warehouses or locations at which Collateral is held or stored, or the location of its records concerning the Collateral as set forth in this Security Agreement, (c) change the type of entity that it is, (d) change its organization identification number, if any, issued by its state of incorporation or other organization, or (e) change its state of incorporation or organization, in each case, unless the Administrative Agent shall have received at least thirty days prior written notice of such change, *provided that*, any new location shall be in the continental U.S.

ARTICLE V
EVENTS OF DEFAULT AND REMEDIES

5.1. Events of Default. The occurrence of any "Event of Default" under, and as defined in, the Credit Agreement shall constitute an Event of Default hereunder.

5.2. Remedies.

(a) Upon the occurrence of an Event of Default, the Administrative Agent may exercise any or all of the following rights and remedies:

(i) those rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document; *provided*, that, this Section 5.2(a) shall not be understood to limit any rights or remedies available to the Administrative Agent and the Lender Parties prior to an Event of Default;

(ii) those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement;

(iii) give notice of sole control or any other instruction under any Deposit Account Control Agreement or and other control agreement with any securities intermediary and take any action therein with respect to such Collateral;

(iv) without notice (except as specifically provided in Section 8.1 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other Person, enter the premises of any Grantor where any Collateral is located (through self-help and without judicial process) to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice and may take place at any Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Administrative Agent may deem commercially reasonable; and

(v) concurrently with written notice to the applicable Grantor, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon and to otherwise act with respect to the Pledged Collateral as though the Administrative Agent was the outright owner thereof.

(b) The Administrative Agent, on behalf of the Lender Parties, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(c) The Administrative Agent shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Administrative Agent and the Lender Parties, the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption the Grantor hereby expressly releases.

(d) Until the Administrative Agent is able to effect a sale, lease, or other disposition of Collateral, the Administrative Agent shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or its value or for any other purpose deemed appropriate by the Administrative Agent. The Administrative Agent may, if it so elects,

seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Administrative Agent's remedies (for the benefit of the Administrative Agent and Lender Parties), with respect to such appointment without prior notice or hearing as to such appointment.

(e) Notwithstanding the foregoing, neither the Administrative Agent nor the Lender Parties shall be required to (i) make any demand upon, or pursue or exhaust any of its rights or remedies against, any Grantor, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of its rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

(f) Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof in accordance with clause (a) above. Each Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of the Pledged Collateral to register such securities for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, even if the applicable Grantor and the issuer would agree to do so.

5.3. Grantor's Obligations Upon Default. Upon the request of the Administrative Agent after the occurrence and during the continuance of an Event of Default, each Grantor will:

(a) assemble and make available to the Administrative Agent the Collateral and all books and records relating thereto at a Grantor's premises;

(b) permit the Administrative Agent, by the Administrative Agent's representatives and agents, to enter, occupy and use any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral, without any obligation to pay the Grantor for such use and occupancy;

(c) take, or cause an issuer of Pledged Collateral to take, any and all actions necessary to enable the Administrative Agent to consummate a public sale or other disposition of the Pledged Collateral; and

(d) at its own expense, cause the independent certified public accountants then engaged by each Grantor to prepare and deliver to the Administrative Agent and each Lender Party, at any time, and from time to time, promptly upon the Administrative Agent's request, the following reports with respect to the applicable Grantor: (i) a reconciliation of all Accounts; (ii) an aging of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts.

5.4. Grant of Intellectual Property License. For the purpose of enabling the Administrative Agent to exercise the rights and remedies under this Article V at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby, effective as of the date hereof, (a) grants to the Administrative Agent, for the benefit of the Administrative Agent and the Lender Parties, for use upon the occurrence and during the continuance of an Event of Default, an irrevocable,

nonexclusive license and sublicense (exercisable without payment of royalty or other compensation to any Grantor or third party) to use, license or sublicense any intellectual property rights and General Intangibles of similar nature now owned, licensed by or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof; *provided*, *however*, the license granted under this Section 5.4 shall not be construed to limit such Grantor's ability to take reasonable steps, in accordance with its then current business practices, to protect and preserve the Collateral, and (b) irrevocably agrees that the Administrative Agent may (and shall have all rights to) sell, offer of sale, commercialize, advertise and market any of such Grantor's Inventory to any person through any channel or method of sale, including without limitation persons who have previously purchased the Grantor's Inventory from such Grantor and in connection with any such sale or other enforcement of the Administrative Agent's rights under this Security Agreement, may sell, offer for sale, commercialize, advertise and market Inventory which bears any Trademark owned by or licensed to such Grantor and any Copyright owned by or licensed to such Grantor in conjunction therewith, and the Administrative Agent may finish or complete manufacture of any work or goods in process and affix any Trademark owned by or licensed to such Grantor and sell such Inventory as provided herein. The Administrative Agent, in the exercise of the rights granted herein, agrees to use reasonable efforts to maintain quality control over the use of the licensed Trademarks hereunder.

ARTICLE VI
ACCOUNT VERIFICATION; ATTORNEY IN FACT; PROXY

6.1. Account Verification. The Administrative Agent may at any time in any Grantor's or an assumed name or, after and during the continuance of an Event of Default, in the Administrative Agent's own name, in the name of a nominee of the Administrative Agent, or in the name of any Grantor communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors of any such Grantor, parties to contracts with any such Grantor and obligors in respect of Instruments of any such Grantor to verify with such Persons, to the Administrative Agent's reasonable satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Instruments, Chattel Paper, payment intangibles and/or other Receivables.

6.2. Authorization for Administrative Agent to Take Certain Action.

(a) Each Grantor irrevocably authorizes the Administrative Agent at any time and from time to time in the sole discretion of the Administrative Agent and appoints the Administrative Agent as its attorney in fact (i) to execute on behalf of such Grantor as debtor and to file financing statements necessary or desirable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Collateral, (ii) to endorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Security Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Administrative Agent's security interest in the Collateral, (iv) to contact and enter into one or more agreements with the issuers of uncertificated securities which are Pledged Collateral or with securities intermediaries holding Pledged Collateral as may be necessary or advisable to give the Administrative Agent Control over such Pledged Collateral, (v) to apply the proceeds of any Collateral received by the Administrative Agent to the Secured Obligations as provided in Section 7.1(d), (vi) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens that specifically permitted pursuant to Section 6.02 of the Credit Agreement), (vii) to contact Account Debtors for any reason in accordance with Section 6.1 hereof, (viii)

upon the occurrence and during the continuance of an Event of Default, to demand payment or enforce payment of the Receivables in the name of the Administrative Agent or such Grantor and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the Receivables, (ix) upon the occurrence and during the continuance of an Event of Default, to sign such Grantor's name on any invoice or bill of lading relating to the Receivables, drafts against any Account Debtor of the Grantor, assignments and verifications of Receivables, (x) upon the occurrence and during the continuance of an Event of Default, to exercise all of such Grantor's rights and remedies with respect to the collection of the Receivables and any other Collateral, (xi) upon the occurrence and during the continuance of an Event of Default, to settle, adjust, compromise, extend or renew the Receivables, (xii) upon the occurrence and during the continuance of an Event of Default, to settle, adjust or compromise any legal proceedings brought to collect Receivables, (xiii) to prepare, file and sign such Grantor's name on a proof of claim in bankruptcy or similar document against any Account Debtor of such Grantor, (xiv) upon the occurrence and during the continuance of an Event of Default, to prepare, file and sign such Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables, (xv) upon the occurrence and during the continuance of an Event of Default, to change the address for delivery of mail addressed to such Grantor to such address as the Administrative Agent may designate and to receive, open and dispose of all mail addressed to such Grantor, and (xvi) to do all other acts and things necessary to carry out this Security Agreement; and such Grantor agrees to reimburse the Administrative Agent on demand for any payment made or any expense reasonably incurred by the Administrative Agent in connection with any of the foregoing; *provided that*, this authorization shall not relieve such Grantor of any of its obligations under this Security Agreement or under the Credit Agreement.

(b) All acts of said attorney or designee are hereby ratified and approved. The powers conferred on the Administrative Agent, for the benefit of the Administrative Agent and Lender Parties, under this Section 6.2 are solely to protect the Administrative Agent's interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Lender Party to exercise any such powers. The Administrative Agent agrees that, except for the powers granted in Section 6.2(a)(i)-(vi) and Section 6.2(a)(xvi), it shall not exercise any power or authority granted to it unless an Event of Default has occurred and is continuing.

6.3. Proxy. SUBJECT TO THE LAST SENTENCE OF THIS SECTION 6.3, EACH GRANTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE ADMINISTRATIVE AGENT AS ITS PROXY AND ATTORNEY-IN-FACT (AS SET FORTH IN SECTION 6.2 ABOVE) WITH RESPECT TO ITS PLEDGED COLLATERAL, INCLUDING THE RIGHT TO VOTE ANY OF THE PLEDGED COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. IN ADDITION TO THE RIGHT TO VOTE ANY OF THE PLEDGED COLLATERAL, THE APPOINTMENT OF THE ADMINISTRATIVE AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF ANY OF THE PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY OF THE PLEDGED COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF THE PLEDGED COLLATERAL OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT.

6.4. Nature of Appointment; Limitation of Duty. THE APPOINTMENT OF THE ADMINISTRATIVE AGENT AS PROXY AND ATTORNEY-IN-FACT IN THIS ARTICLE VI IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE DATE ON WHICH THIS SECURITY

AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 8.13. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE ADMINISTRATIVE AGENT, NOR ANY LENDER PARTY, NOR ANY OF THEIR AFFILIATES, NOR ANY OF THEIR OR THEIR AFFILIATES' RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL HAVE ANY DUTY TO EXERCISE ANY RIGHT OR POWER GRANTED HEREUNDER OR OTHERWISE OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; PROVIDED THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

ARTICLE VII
COLLECTION AND APPLICATION OF COLLATERAL PROCEEDS; DEPOSIT ACCOUNTS

7.1. Collection of Receivables.

(a) Within 90 days of the Effective Date (or such later date as the Administrative Agent may reasonably agree, in its sole discretion), each Grantor shall execute and deliver to the Administrative Agent Deposit Account Control Agreements for each Deposit Account maintained by such Grantor into which all cash, checks or other similar payments relating to or constituting payments made in respect of Receivables will be deposited (each, a "Collateral Deposit Account"), which Collateral Deposit Accounts are identified as such on Schedule 13 to the Perfection Certificate. After the Effective Date, each Grantor will comply with the terms of Section 7.1(c).

(b) Each Grantor shall direct all of its Account Debtors to forward payments directly to Deposit Accounts subject to Deposit Account Control Agreements. If any Grantor should refuse or neglect to notify any Account Debtor to forward payments directly to a Deposit Account subject to a Deposit Account Control Agreement after notice from the Administrative Agent, the Administrative Agent shall be entitled to make such notification directly to such Account Debtor. If notwithstanding the foregoing instructions, any Grantor receives any proceeds of any Receivables, such Grantor shall receive such payments as the Administrative Agent's trustee, and shall promptly deposit all cash, checks or other similar payments related to or constituting payments made in respect of Receivables received by it to a Collateral Deposit Account.

(c) Covenant Regarding New Deposit Accounts; Lock Boxes. Before opening or replacing any Collateral Deposit Account or other Deposit Account, each Grantor shall (a) obtain the Administrative Agent's consent in writing to the opening of such Collateral Deposit Account or other Deposit Account, and (b) cause each bank or financial institution in which it seeks to open (i) a Collateral Deposit Account or other Deposit Account having assets of at least $5,000,000, to enter into a Deposit Account Control Agreement with the Administrative Agent in order to give the Administrative Agent Control of such Collateral Deposit Account or other Deposit Account. In the case of Deposit Accounts maintained with Lender Parties, the terms of such letter shall be subject to the provisions of the Credit Agreement regarding setoffs.

(d) Application of Proceeds; Deficiency. During any period commencing when (i) Availability has been less than the Minimum Excess Availability Amount for five consecutive Business Days or (ii) an Event of Default has occurred and is continuing and ending on the date when no Event of Default is continuing and Availability has been greater than the Minimum Excess Availability Amount for at least 60 consecutive days, the Administrative Agent shall instruct each bank with which a Collateral Deposit Account is maintained to transfer available balances on deposit in such Collateral Deposit Accounts

to an account of the Administrative Agent (a "Collection Account") pending application in accordance with Section 2.10(b) of the Credit Agreement. The Administrative Agent shall require all other cash proceeds of the Collateral received during the continuance of an Event of Default, which are not required to be applied to the Obligations pursuant to Section 2.10(b) of the Credit Agreement, to be deposited in a special non-interest bearing cash collateral account with the Administrative Agent and held there as security for the Secured Obligations. No Grantor shall have any control whatsoever over said cash collateral account. Any such proceeds of the Collateral shall be applied in the order set forth in Section 2.18 of the Credit Agreement unless a court of competent jurisdiction shall otherwise direct. The balance, if any, after all of the Secured Obligations (other than contingent obligations) have been satisfied, shall be returned by the Administrative Agent to the U.S. Borrower. The Grantors shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all Secured Obligations, including any attorneys' fees and other expenses incurred by Administrative Agent or any Lender Party to collect such deficiency.

ARTICLE VIII
GENERAL PROVISIONS

8.1. Waivers. Each Grantor hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under applicable law, any notice made shall be deemed reasonable if sent to the Grantors, addressed as set forth in Article IX, at least ten days prior to (i) the date of any such public sale or (ii) the time after which any such private sale or other disposition may be made. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Administrative Agent or any Lender Party arising out of the repossession, retention or sale of the Collateral, except such as arise solely out of the gross negligence or willful misconduct of the Administrative Agent or such Lender Party as finally determined by a court of competent jurisdiction. To the extent it may lawfully do so, each Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Administrative Agent or any Lender Party, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Security Agreement, or otherwise. Except as otherwise specifically provided herein, each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

8.2. Limitation on Administrative Agent's and Lender Parties' Duty with Respect to the Collateral. The Administrative Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Administrative Agent and each Lender Party shall use reasonable care with respect to the Collateral in its possession or under its control. Neither the Administrative Agent nor any Lender Party shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Administrative Agent or such Lender Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that applicable law imposes duties on the Administrative Agent to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is commercially reasonable for the Administrative Agent (i) to fail to incur expenses reasonably deemed significant by the Administrative Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to

fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as such Grantor, for expressions of interest in acquiring all or any portion of the Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Administrative Agent against risks of loss, collection or disposition of Collateral or to provide to the Administrative Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent reasonably deemed appropriate by the Administrative Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Administrative Agent in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this Section 8.2 is to provide non-exhaustive indications of what actions or omissions by the Administrative Agent would be commercially reasonable in the Administrative Agent's exercise of remedies against the Collateral and that other actions or omissions by the Administrative Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 8.2. Without limitation upon the foregoing, nothing contained in this Section 8.2 shall be construed to grant any rights to any Grantor or to impose any duties on the Administrative Agent that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this Section 8.2.

8.3. Compromises and Collection of Collateral. The Grantors and the Administrative Agent recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to a Receivable. In view of the foregoing, each Grantor agrees that the Administrative Agent may at any time and from time to time, if an Event of Default has occurred and is continuing, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Administrative Agent in its sole discretion shall determine or abandon any Receivable, and any such action by the Administrative Agent shall be commercially reasonable so long as the Administrative Agent acts in good faith based on information known to it at the time it takes any such action.

8.4. Secured Party Performance of Debtor Obligations. Without having any obligation to do so, upon and during the continuance of an Event of Default, the Administrative Agent may perform or pay any obligation which any Grantor has agreed to perform or pay in this Security Agreement and the Grantors shall reimburse the Administrative Agent for any amounts paid by the Administrative Agent pursuant to this Section 8.4. The Grantors' obligation to reimburse the Administrative Agent pursuant to the preceding sentence shall be a Secured Obligation payable on demand.

8.5. Dispositions Not Authorized. No Grantor is authorized to sell or otherwise dispose of the Collateral except as set forth in Section 4.1(d) and notwithstanding any course of dealing between any Grantor and the Administrative Agent or other conduct of the Administrative Agent, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 4.1(d)) shall be binding upon the Administrative Agent or the Lender Parties unless such authorization is in writing signed by the Administrative Agent with the consent or at the direction of the Required Secured Parties.

8.6. No Waiver; Amendments; Cumulative Remedies. No delay or omission of the Administrative Agent or any Lender Party to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Administrative Agent with the concurrence or at the direction of the Lender Parties required under Section 9.02 of the Credit Agreement and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Lender Parties until the Secured Obligations have been paid in full.

8.7. Limitation by Law; Severability of Provisions. All rights, remedies and powers provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Security Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Security Agreement invalid, unenforceable or not entitled to be recorded or registered, in whole or in part. Any provision in any this Security Agreement that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of this Security Agreement are declared to be severable.

8.8. Reinstatement. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Grantor for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

8.9. Benefit of Agreement. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantors, the Administrative Agent and the Lender Parties and their respective successors and assigns (including all persons who become bound as a debtor to this Security Agreement), except that no Grantor shall have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of the Administrative Agent. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Administrative Agent, for the benefit of the Administrative Agent and the Lender Parties, hereunder.

8.10. Survival of Representations. All representations and warranties of the Grantors contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

8.11. Taxes and Expenses. Any taxes (including income taxes) payable or ruled payable by Federal or State authority in respect of this Security Agreement shall be paid by the Grantors, together

with interest and penalties, if any. The Grantors shall reimburse the Administrative Agent for any and all reasonable and documented out-of-pocket expenses and charges (including reasonable and documented attorneys', auditors' and accountants' fees) paid or incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, collection and enforcement of this Security Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the reasonable and documented expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by the Grantors in the performance of actions required pursuant to the terms hereof shall be borne solely by the Grantors.

8.12. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

8.13. Termination. This Security Agreement shall continue in effect (notwithstanding the fact that from time to time there may be no Secured Obligations outstanding) until (i) the Credit Agreement has terminated pursuant to its express terms and (ii) all of the Secured Obligations (other than contingent indemnification obligations) have been indefeasibly paid and performed in full (or with respect to any outstanding Letters of Credit, a cash deposit or at the discretion of the Administrative Agent, a back up standby Letter of Credit satisfactory to the Administrative Agent has been delivered to the Administrative Agent as required by the Credit Agreement) and no commitments of the Administrative Agent or the Lender Parties which would give rise to any Secured Obligations are outstanding.

8.14. Entire Agreement. This Security Agreement embodies the entire agreement and understanding between the Grantors and the Administrative Agent relating to the Collateral and supersedes all prior agreements and understandings between the Grantors and the Administrative Agent relating to the Collateral.

8.15. **CHOICE OF LAW. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.**

8.16. **CONSENT TO JURISDICTION. EACH GRANTOR HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY U.S. FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK COUNTY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT AND EACH GRANTOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY LENDER PARTY TO BRING PROCEEDINGS AGAINST ANY GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ANY GRANTOR AGAINST THE ADMINISTRATIVE AGENT OR ANY LENDER PARTY OR ANY AFFILIATE OF THE AGENT OR ANY LENDER PARTY INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK COUNTY, NEW YORK.**

8.17. **WAIVER OF JURY TRIAL. EACH GRANTOR, THE ADMINISTRATIVE AGENT AND EACH LENDER PARTY HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER**.

8.18. Indemnity. Each Grantor hereby agrees to indemnify the Administrative Agent and the Lender Parties, and their respective successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Administrative Agent or any Lender Party is a party thereto) imposed on, incurred by or asserted against the Administrative Agent or the Lender Parties, or their respective successors, assigns, agents and employees, in any way relating to or arising out of this Security Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Administrative Agent or the Lender Parties or any Grantor, and any claim for patent, Trademark or Copyright infringement); *provided that* such indemnity shall not, as to any indemnitee, be available to the extent that such liabilities, damages, penalties, suits, costs, and expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such indemnitee.

8.19. Counterparts. This Security Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Security Agreement by signing any such counterpart. Delivery of an executed counterpart of a signature page of this Security Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Security Agreement.

8.20. Lien Absolute. All rights of the Administrative Agent hereunder, and all obligations of the Grantors hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document or any other agreement or instrument governing or evidencing any Secured Obligations;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument governing or evidencing any Secured Obligations;

(c) any exchange, release or non-perfection of any Collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations;

(d) the insolvency of any Person; or

(e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Grantor.

ARTICLE IX
NOTICES

9.1. Sending Notices. Any notice required or permitted to be given under this Security Agreement shall be sent in accordance with Section 9.01 of the Credit Agreement; *provided that* notices to any Grantor shall be sent to such Grantor at its mailing address set forth in Schedule 2 to the Perfection Certificate.

9.2. Change in Address for Notices. Each of the Grantors, the Administrative Agent and the Lender Parties may change the address for service of notice upon it by a notice in writing to the other parties.

ARTICLE X
THE ADMINISTRATIVE AGENT

JPMorgan Chase Bank, N.A. has been appointed Administrative Agent for the Lender Parties hereunder pursuant to Article VIII of the Credit Agreement. It is expressly understood and agreed by the parties to this Security Agreement that any authority conferred upon the Administrative Agent hereunder is subject to the terms of the delegation of authority made by the Lender Parties to the Administrative Agent pursuant to the Credit Agreement, and that the Administrative Agent has agreed to act (and any successor Administrative Agent shall act) as such hereunder only on the express conditions contained in such Article VIII. Any successor Administrative Agent appointed pursuant to Article VIII of the Credit Agreement shall be entitled to all the rights, interests and benefits of the Administrative Agent hereunder.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Grantors and the Administrative Agent have executed this Security Agreement as of the date first above written.

LEVI STRAUSS & CO.,
as Grantor

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Global Treasurer

LEVI'S ONLY STORES, INC.,
as Grantor

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Treasurer

LEVI STRAUSS INTERNATIONAL, INC.,
as Grantor

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Treasurer

LVC, LLC,
as Grantor

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Treasurer

LEVI'S ONLY STORES GEORGETOWN, LLC,
as Grantor

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Treasurer

LEVI STRAUSS, U.S.A., LLC,
as Grantor

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Treasurer

LEVI STRAUSS-ARGENTINA, LLC,
as Grantor

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Treasurer

LEVI STRAUSS INTERNATIONAL,
as Grantor

By: /s/ Johan Nystedt
Name: Johan Nystedt
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: /s/ Annaliese Fisher
Name: Annaliese Fisher
Title: Vice President

EXHIBIT A
(See Sections 4.4 and 4.8 of Security Agreement)

AMENDMENT

This Amendment, dated , is delivered pursuant to Section 4.4 of the Security Agreement referred to below. All initially capitalized terms herein shall have the meanings ascribed thereto or incorporated by reference in the Security Agreement. The undersigned hereby certifies that the representations and warranties in Article III of the Security Agreement are and continue to be true and correct. The undersigned further agrees that this Amendment may be attached to that certain U.S. Security Agreement, dated September 30, 2011, between the undersigned, as the Grantors, and JPMorgan Chase Bank, N.A., as the Administrative Agent (as amended or modified from time to time prior to the date hereof, the "Security Agreement") and that the Collateral listed on Schedule I to this Amendment shall be and become a part of the Collateral referred to in said Security Agreement and shall secure all Secured Obligations referred to in the Security Agreement.

By: _____
Name: _____
Title: _____

EXHIBIT B

COLLATERAL ACCESS AGREEMENTS' LOCATIONS

Collateral Access Agreements Schedule

Vendor Name	Services provided
Triangle International	Transload and Store Delivery
Performance Team	Transload and Store Delivery
Genco	Warehouse

Exhibit 12

LEVI STRAUSS & CO. AND SUBSIDIARIES

Statements re: Computation of Ratio of Earnings to Fixed Charges

	Year Ended				
	November 27, 2011	November 28, 2010	November 29, 2009	November 30, 2008	November 25, 2007
			(Dollars in thousands)		
Earnings:					
Income before income taxes	$ 202,827	$ 235,598	$ 189,925	$ 369,266	$ 376,535
Add: Fixed charges	192,256	190,425	199,358	197,385	253,606
Add: Amortization of capitalized interest	334	152	309	264	65
Subtract: Capitalized interest	2,009	881	39	568	1,051
Total earnings	$ 393,408	$ 425,294	$ 389,553	$ 566,347	$ 629,155
Fixed Charges:					
Interest expense (includes amortization of debt discount and costs)	$ 132,043	$ 135,823	$ 148,718	$ 154,086	$ 215,715
Capitalized interest	2,009	881	39	568	1,051
Interest factor in rental expense (1)	58,204	53,721	50,601	42,731	36,840
Total fixed charges	$ 192,256	$ 190,425	$ 199,358	$ 197,385	$ 253,606
Ratio of earnings to fixed charges	2.0x	2.2x	2.0x	2.9x	2.5x

(1) Utilized an assumed interest factor of 33% in rental expense.

Exhibit 14.1

WORLDWIDE CODE

OF BUSINESS CONDUCT

Revised on December 7, 2011

Revised on December 7, 2011

INTRODUCTION

THIS WORLDWIDE CODE OF BUSINESS CONDUCT COVERS A WIDE RANGE OF BUSINESS PRACTICES. IT DOES NOT COVER EVERY ISSUE THAT MAY ARISE; INSTEAD, IT SETS OUT BASIC PRINCIPLES TO GUIDE ALL EMPLOYEES OF THE COMPANY. LS&CO. AND ITS AFFILIATES EXPECT YOU TO CONDUCT YOURSELF ACCORDINGLY AND SEEK TO AVOID EVEN THE APPEARANCE OF IMPROPER BEHAVIOR. FOR MORE SPECIFIC GUIDANCE ABOUT APPLYING THESE POLICIES, YOU SHOULD ASK YOUR MANAGER. IF YOU VIOLATE THESE STANDARDS, YOU MAY BE SUBJECT TO DISCIPLINARY ACTION, INCLUDING TERMINATION OF EMPLOYMENT, AS APPROPRIATE AND WHERE PERMITTED BY LOCAL LAW.

Revised on December 7, 2011

ACCOUNTING PRACTICES

LS&CO.'S responsibilities to its stockholders and lenders, as well as its obligations under the laws governing corporations, require that all transactions be fully and accurately recorded in the company's books and records. False or misleading entries, unrecorded funds or assets or payments without appropriate supporting documentation and approval are strictly prohibited. All of the company's books, records, accounts and financial statements must be maintained in appropriate detail and accurately reflect the company's transactions. These documents must strictly conform to local tax and accounting requirements and practices, applicable legal requirements and the company's systems of internal and disclosure controls. In addition, any effort to coerce, manipulate or mislead our independent auditor is prohibited.

ASSETS

You have a responsibility to protect the company's property and resources. Theft, carelessness and waste have a direct impact on our business success. You should report any suspected incident of fraud or theft to your manager and the company's Security department for investigation. In addition, you should take care to ensure that assets are not loaned, sold or donated to others without proper authorization and documentation.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Obeying the law is the starting point in how we do business. Laws affect all aspects of our business, including how we make, market, promote and sell our products, how we treat each other, and how we communicate about our operations. You must respect and follow the laws where we operate. Although you are not expected to know the details of every law, it is important to know enough to determine when to seek advice from your manager or the Legal department. If a law conflicts with LS&CO.'S Worldwide Code of Business Conduct, you must comply with the law; however, if a local custom conflicts with our Code, you must comply with this Code. If you are uncertain as to what you should do, please contact your manager or the Human Resources or Legal departments.

Revised on December 7, 2011

COMPUTERS AND OTHER EQUIPMENT

You should use company equipment for company business. You can also use it for incidental and limited personal purposes. Each of us has the obligation to care for this equipment and use it responsibly. If you use LS&CO. equipment at your home or off site, you should take precautions to protect it from theft or damage, just as if it were your own. When you leave LS&CO. employment, you must immediately return all company-owned equipment.

CONFIDENTIAL INFORMATION—LS&CO.'S

LS&CO.'S confidential and proprietary information is a critically important asset. Keeping it confidential is essential to successful innovation and competitive advantage. Proprietary information which should be kept confidential includes, for example, intellectual property such as new product ideas, concepts and direction; new fabric component, finish or fit technologies; ideas for new trademarks and names; strategic and annual business plans; marketing plans; sales, volume and sell-through data; supplier pricing information; and forecasts and financial plans. Information security policies exist to protect corporate information. Unauthorized access, use or distribution of confidential information violates company policy. It could also be illegal and result in civil or even criminal penalties for the company and for you.

When you joined LS&CO., many of you signed an agreement to protect our information. This agreement remains in effect for as long as you work for the company, as well as after you leave LS&CO. Under this agreement, you may not disclose LS&CO.'S confidential information to unauthorized people or use it to benefit anyone other than LS&CO. without the company's prior written consent, unless required by law. Complying with this agreement is a fundamental term of your employment.

To be successful, we must work closely with our suppliers and other business partners. From time to time, you may need to disclose our proprietary information to them. However, you should not make such disclosures without carefully considering the potential benefits and risks. If you determine in consultation with your manager that disclosure of confidential information is necessary, you should work with the Legal department to put in place appropriate nondisclosure arrangements with our business partners before disclosure takes place.

Revised on December 7, 2011

CONFIDENTIAL INFORMATION—OTHER COMPANIES'

LS&CO. has business relationships with many companies and individuals. Sometimes they will volunteer confidential information about their products or business plans to induce LS&CO. to do business with them. At other times, we may request that a third party provide confidential information to permit us to evaluate a potential business relationship. Whatever the situation, we must take special care to handle the confidential information of others responsibly and in accordance with any agreement we may have in place with them. To that end, you should accept only the information necessary to accomplish your goal, such as a decision on whether to proceed to negotiate a deal. If more detailed or extensive confidential information is offered and it is not necessary for your immediate purposes, you should refuse it.

CONFLICTS OF INTEREST

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the company. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her company work objectively and effectively. Conflicts of interest may also arise when an employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the company. Other examples of potential conflicts include employees in a supervisor-subordinate relationship who marry, become domestic partners or become involved in a significant relationship.

In addition, it is a conflict of interest for a company employee to work simultaneously for a competitor, customer, supplier, lender or adviser. For example, you are not allowed to work for or be associated with a competitor in any capacity. Other examples of potential conflicts would include working part-time or full time as an employee for oneself or for another, or acting as a consultant or board member for a competitor. It is company policy to avoid any direct or indirect business connection with our customers, suppliers, lenders, advisers or competitors, except when working on our company's behalf or for our company's benefit.

Revised on December 7, 2011

Some situations involving conflicts of interest are called out in this document, but it would be impractical to include a complete list here. For more information, see the relevant policies on your regional Intranet. Conflicts of interest may not always be clear cut, so if you have a question or become aware of a potential conflict, you are obligated to consult with higher levels of management, Human Resources or the Legal department.

CONSULTANTS, INDEPENDENT CONTRACTORS AND OTHER SERVICE PROVIDERS

LS&CO. sometimes engages consultants, independent contractors and other third parties to provide services and to act on its behalf. Our relationships with them must always be proper, lawful and documented. Commissions, fees and discounts must always be set out in a written agreement and reflect the value to LS&CO. of the service being provided. They should never exceed amounts that are reasonable and customary in our industry. When LS&CO. engages consultants, independent contractors and other third parties, they must be made aware of and, be requested to ensure that its conduct does not violate LS&CO's policy regarding the prohibition on bribery contained in the LS&CO. Global Anti-Bribery & Anti-Corruption Policy.

CORPORATE OPPORTUNITIES

You may not take personal advantage of opportunities that are discovered through the use of corporate property, information or your position without the consent of the Board of Directors. You may not use corporate property, information or your position for personal gain, and you may not compete with LS&CO. directly or indirectly or assist any third party in doing so during the course of your employment with LS&CO. You have a duty to the company to advance its legitimate interests when the opportunity to do so arises.

Revised on December 7, 2011

CREDIT CARDS

If you are issued a corporate card, you are responsible for activity related to these credit cards, including purchases, payments, late fees and penalties. Unless local law or Company policy specifically provides otherwise, the corporate card is to be used for business-related travel, entertainment expenses and purchasing business-related operating expenses such as supplies, subscriptions, postage and printing. Company policy prohibits the use of these cards for personal expenses. Unauthorized use violates company policy and, where appropriate, will lead to disciplinary action, up to and including termination. For more information regarding the corporate card policies, see the relevant policies on your regional Intranet.

DISCIPLINARY ACTIONS

This Worldwide Code of Business Conduct is of the utmost importance to LS&CO. It helps us conduct business in accordance with our values. We expect all of our employees to adhere to these standards while working for the company. LS&CO. will take appropriate action against any employee whose conduct violates these policies or any other of LS&CO.'S specific policies. Disciplinary actions may include termination of employment, as appropriate and where permitted by local law.

DISCRIMINATION AND HARASSMENT

Our policies prohibit discrimination and harassment of any kind by any employee. Discrimination, harassment, slurs or jokes based on a person's race, color, creed, religion, national origin, citizenship, age, sex, sexual orientation, marital status or mental or physical disability, as well as other individual attributes or statuses that may be protected under local law, will not be tolerated. You should report harassment or discrimination immediately to your manager or your Human Resources representative. LS&CO. intends to provide a work environment that is fair and nondiscriminatory.

DRUGS AND ALCOHOL

You may not possess, transfer, purchase, sell or use (unless professionally prescribed) any illegal "controlled substance" or drug at work. The unauthorized use or excessive consumption of alcohol during work or at company-sponsored events is prohibited.

Revised on December 7, 2011

E-MAIL

E-mail is a convenient, fast and effective way to communicate with other employees, our business partners and customers worldwide; however, it must be used appropriately. Irresponsible, careless or insensitive statements in an e-mail can be taken out of context and used against you and the company. Similarly, disparaging comments made against others could, under certain circumstances, constitute libel or a form of harassment.

LSA/APD employees:

Your LS&CO. e-mail account is established to conduct company business and enhance your productivity. Subject to local laws, e-mail sent or received on the company's email system is the property of LS&CO., and even though a password is assigned, you have no right to privacy for documents, addresses or correspondence contained on the company's e-mail system, nor is any information on the system your "confidential information." For more information, see the relevant policies on your regional Intranet.

LSEMA employees:

Your LS&CO. e-mail account is established to conduct company business and enhance your productivity. Subject to local laws, e-mail sent or received on the company's e-mail system is the property of LS&CO. Your right to privacy of documents, addresses and correspondence contained on the company's e-mail system is protected in accordance with local provisions of law. For more information, see the relevant policies on your regional Intranet.

FAIR DEALING

We seek to outperform our competition fairly and honestly. We seek competitive advantage through superior performance and products, not through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited. You should respect the rights of and deal fairly with the company's customers, suppliers, competitors and employees. You should not take unfair advantage of

anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, bribery or any other intentional unfair business practice. Nor should you assist others at LS&CO or its consultants, independent contractors and other third parties with which it deals to take unfair advantage of anyone in these ways.

FAMILY MEMBERS

Members of the same family can work at LS&CO. and in the same general location. In order to avoid the perception of favoritism or conflict of interest, employees should avoid hiring, managing, promoting, transferring or giving work assignments to any individual who is a relative, domestic partner or other person with whom the employee has a significant personal relationship. If you wish to engage in such a transaction, you must obtain prior approval from your local Human Resources department.

In addition, you should avoid doing business with or buying goods or services for LS&CO. from a member of your family or a business in which you or one of your family members is associated in any management, ownership or other important role. If you wish to engage in such a transaction, you must obtain prior approval from LS&CO.'S General Counsel. You should conduct any company dealings with anyone related to you in a way that avoids preferential treatment.

FINANCIAL COMMUNICATIONS

LS&CO. discloses its financial results in filings with the U.S. Securities and Exchange Commission (SEC) and other authorities and through public investor conference calls and press releases. Regardless of where you are employed, you should not disclose any financial information, other than data already made public, without prior approval of the Chief Financial Officer or the Corporate Treasurer. This close control over financial disclosure is important for confidentiality reasons and to ensure that we comply with U.S. and other applicable securities laws.

Revised on December 7, 2011

In addition, LS&CO. has specific policies regarding who may communicate information to the media and the financial analyst community. When in doubt, you should refer all inquiries or calls from the media to the following: for U.S. employees—staff in the Worldwide Communications department; for LSEMA—staff in the Corporate Affairs department in Brussels; for LSAPD—staff in the Corporate Affairs department in Singapore. You should refer all financial analyst calls to staff in the Corporate Treasury department in San Francisco. For more information, see the relevant policies on your regional Intranet.

FREE AND FAIR COMPETITION

Most countries have well-developed bodies of "antitrust," "competition," or "consumer protection" laws designed to encourage and protect free and fair competition. These laws often regulate LS&CO.'S relationships with its retailers, including pricing practices, discounting, credit terms, promotional allowances, exclusive distributorships, franchisee relationships, licensee relationships, restrictions on carrying competing products, termination and many other practices.

They also govern, usually quite strictly, relationships between LS&CO. and its competitors. As a general rule, contacts with competitors should be limited and should always avoid subjects such as prices or other terms and conditions of sale, customers and suppliers. Participating with competitors in a trade association may be acceptable within defined limitations.

LS&CO. is committed to obeying these laws. The consequences of not doing so can be severe. The application of these laws to particular situations can be quite complex; you should involve our Legal department early on when questions arise.

GIFTS

Never accept or give payments, gifts, loans or any other favors from or to anyone who is doing, or wishes to do, business with LS&CO. There are exceptions to this general rule; they are outlined in the Global Gifts Policy in the Human Resources section of your regional Intranet. Please note that in some countries where we are located, such gifts, loans or other favors are illegal. For information on gifts from and to suppliers, as well as honorariums, see the relevant policies on your regional Intranet website. The Legal department also can provide guidance.

Revised on December 7, 2011

BRIBERY OF GOVERNMENT PERSONNEL AND PRIVATE INDIVIDUALS

LS&CO. will only conduct business in compliance with the law. This means that we will not authorize, pay, promise or offer to give anything to a government official or to a private individual in order to improperly influence that individual to act favorably towards LS&CO. We will not request or authorize any third party to make any such payment, promise or offer. Such behavior constitutes bribery and is unacceptable business conduct wherever LS&CO. operates or wherever its products are sold or sourced. It is prohibited to receive a bribe on behalf of LS&CO from a government official or a private person. Failure to comply with any provision of this policy or other related company policy is a serious violation, and may result in disciplinary action, up to and including termination, as well as civil or criminal charges. For more guidance on interactions with government personnel, please see the LS&CO. Global Anti-Bribery & Anti-Corruption Policy on your regional Intranet or contact the Legal Department.

Facilitation payments, made to low-level government officials in order to expedite or "facilitate" routine government actions over which such officials have no discretion are considered a form of bribery and are also prohibited, subject to certain exceptions and procedures set out in the LS&CO. Global Anti-Bribery & Anti-Corruption Policy .

HEALTH AND SAFETY

You are required to obey the company's safety and health rules and practices, to report accidents, injuries and unsafe equipment, practices or conditions, and to exercise caution in all of your work activities. Violence and threatening behavior are not permitted and will result in disciplinary action, including termination of employment. You should report any unsafe condition to your supervisor immediately.

Revised on December 7, 2011

INSIDER TRADING

You may have access to information about LS&CO.'S business performance that has not been released publicly. Material non-public information about LS&CO.'S business is called "inside" information and can be financial or other information that an investor would, or would likely, consider important in evaluating our bonds or other securities.

Trading bonds on the basis of inside information, regardless of the size of the trade, and providing inside information to any party who may use such information to trade, may be a serious violation of U.S. securities laws and the laws of other countries as well. This is true regardless of where in the world you reside. Likewise, if you have material, nonpublic information on our suppliers, trading in their securities may also raise legal issues. For more information, see the relevant policies on your regional Intranet.

INTERNAL APPROVAL REQUIREMENTS

Employees at various levels of the organization are authorized to make external commitments and expenditures on behalf of LS&CO. You are responsible for understanding and complying with the policy that applies to you. For more information, see the relevant policies on your regional Intranet.

INTERNET

Internet access through LS&CO. should be used to conduct company business and to enhance our expertise and productivity. Incidental and limited personal use is permitted. For more information, see the relevant policies on your regional Intranet. In addition, please remember that any screen display or printout of any subject, article or Web page you access via the Internet can be viewed by others just as they might view a poster on your wall. You should take care to ensure that you are not displaying images that might be deemed offensive or a form of harassment.

Revised on December 7, 2011

LOANS

Loans by LS&CO. to directors, officers and employees are subject to legal and contractual limitations and, in some cases, are illegal. Any loan by LS&CO. to a director, officer or employee requires approval in writing by the Senior Vice President, Worldwide Human Resources and by the Chief Financial Officer.

LOCAL REQUIREMENTS

Because LS&CO. operates in many countries around the world with their own laws, LS&CO. may, and will, apply this Code in different ways appropriate for the locality. Nothing in this Code is intended to cover conduct in a way that is inconsistent with local law.

MEDIA RELATIONS

As an industry leader with iconic brands, LS&CO. receives extensive media coverage worldwide. To help manage the communications process, the company has media relations guidelines for employees. For example, you should always consult with the communications professionals in your region before responding to media calls or participating in media interviews. For more information, see the relevant policies on your regional Intranet.

OUTSIDE EMPLOYMENT

You may not engage in employment outside of LS&CO., including self-employment, unless approved in advance by your manager. Outside employment should not interfere with your performance or responsibilities to LS&CO., and you should never use any LS&CO. personnel or property for such purposes. Under no circumstances can you work for or receive any compensation from a supplier, customer, competitor or lender while you are employed at LS&CO.

Revised on December 7, 2011

PERSONNEL INFORMATION

LS&CO. considers personal employee information such as compensation, performance and development information, home address and phone number, as well as organizational charts, confidential and highly sensitive. Unauthorized access, use or distribution of such information violates company policy and may violate legal requirements.

POLITICAL CONTRIBUTIONS

LS&CO. may communicate its position on important issues to elected representatives and other government officials, and the company encourages its employees to exercise their civic rights and responsibilities. However, you may not use LS&CO. funds or assets for political donations, campaigns or political practices, under any circumstances anywhere in the world, without the prior written approval of LS&CO.'S General Counsel.

PRODUCT SAMPLES

Product samples are considered company property and should be used during the course of employment for legitimate business purposes only. We must protect the Company's product samples from loss, damage, theft, sabotage or unauthorized use or disposal. This applies to product samples located in the office, supplier warehouses, retail locations, customer premises or product samples ready for CIT donation. Taking or using product samples of any value for personal usage without authorization or purchase at a Company sanctioned sample sale is considered theft of company property. Theft of company property may result in disciplinary action, up to and including termination, as well as civil or criminal charges, subject to local law.

RECORDS

Business records and communications often become public. In business communications, you should avoid inaccurate statements, exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people or companies that could be misunderstood. This applies equally to e-mail, internal memos and formal reports. Records should

always be retained or destroyed according to the company's record retention policies, which are established by each LS&CO. business affiliate around the world in compliance with local laws. Altering, destroying, mutilating or concealing documents or other records when LS&CO. is, or has reason to believe that it may be, involved in litigation or a governmental proceeding may have serious legal consequences. If you are involved in company-related litigation or a governmental or internal investigation, please consult the Legal department regarding any questions about documents.

REPORTING ILLEGAL BEHAVIOR OR CODE VIOLATIONS

You are encouraged to talk to your manager, director or other leaders in the Human Resources and Legal departments about observed illegal or unethical behavior, violations of this Worldwide Code of Business Conduct, questionable accounting, internal controls or auditing matters or when you have doubts about the best course of action in a particular situation. It is the company's policy not to allow retaliation for reports of misconduct by others based on your belief of illegal behavior or Code violations. You are expected to cooperate in internal investigations of misconduct.

Alternatively, if you are uncomfortable raising an issue or a question internally, you can call Levi Strauss & Co.'s Ethics & Compliance Reportline, a service through which you can anonymously report any observed unethical or illegal behavior, violations of the Code, or questionable accounting, internal controls or auditing matters. You can call the Reportline toll-free, 24 hours a day, seven days a week, at 1-800-405-8953. If you are calling from outside the U.S., toll-free country access codes are available, and can be found online at http://lsweb/exec/coc/faq/index.htm

LS&CO. may establish additional ways for employees to report complaints and concerns about accounting, internal controls and auditing matters.

Revised on December 7, 2011

SOFTWARE

Our Information Technology department must authorize all software used by employees to conduct company business. Never make or use unauthorized copies of any software for company business, whether in the office, at home or on business travel. Doing so may expose you and LS&CO. to potential civil and criminal liability.

STOCK PURCHASES AND OTHER BUSINESS INTERESTS

If you want to buy stock or otherwise make an investment in a customer, supplier or competitor, you must first take great care to ensure that the investment does not compromise your responsibilities to LS&CO. You should consider the size and nature of the investment; the relationship between LS&CO. and the other business (including whether we are buying goods and services from them); your access to LS&CO. confidential information; and your ability to influence LS&CO. decisions. If you have questions about this subject, you should talk with the company's Chief Financial Officer.

SUPPLIERS

LS&CO.'s suppliers are critical to our success. You may not discuss a supplier's performance with anyone outside LS&CO. without the supplier's permission. A supplier is free to sell its products or services to LS&CO.'s competitors, except where they have been designed, fabricated or developed to LS&CO.'s specifications, or where we have made a specific agreement regarding exclusivity and confidentiality.

TRAVEL AND ENTERTAINMENT EXPENSES

The company reimburses employees for necessary business travel and reasonable entertainment expenses. A full description of the company's policies and procedures on this subject should be reviewed at the appropriate site for you:

Revised on December 7, 2011

- LSUS/global staff

  http://lsweb/gfweb/policiescontents.htm#travelAndEntertainment

- LSUS field employees

  http://lsweb/gfweb/fam.htm#Travel

- LSEMA employees

  http://lsemaweb/t&e/guidelines.htm

- LSAPD employees

  http://lsweb/gfweb/policies/contents.htm#travelAndEntertainment

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your manager or financial controller. All travel and entertainment transactions requiring reimbursement or payment by the company must contain documentation that fully and accurately describes the nature of the transaction. You should process expense reports in a timely way.

All travel and entertainment transactions must comply with the LS&CO. Global Anti-Bribery & Anti-Corruption Policy.

UPDATES

The company will publish any updates or other changes to this Code initially online, including any new information about how to report concerns or questions. Please see your regional Intranet for updates.

Revised on December 7, 2011

WAIVERS OF THE WORLDWIDE CODE OF BUSINESS CONDUCT

Any waiver of this Code for executive officers, other than the Chief Executive Officer ("CEO"), must be approved by the CEO. Any waiver of this Code for any director or the CEO must be approved by the Board of Directors.

# # #

Revised on December 7, 2011

Subsidiaries of the Registrant

LEVI STRAUSS & CO.

Subsidiary	Jurisdiction of Formation
Levi's Only Stores, Inc.	Delaware
Levi Strauss International, Inc.	Delaware
Levi Strauss Japan Kabushiki Kaisha	Japan
Levi Strauss (Hong Kong) Limited	Hong Kong
Levi's Only Stores Georgetown, LLC	Delaware
LVC, LLC	Delaware
Majestic Insurance International, Ltd.	Bermuda
Levi Strauss International	California
Levi Strauss Commerce (Shanghai) Limited	China
Levi Strauss de Mexico, S.A. de C.V.	Mexico
Levi Strauss & Co. (Canada) Inc.	Canada
The Great Western Garment Company (N.B.) Limited	Canada
Levi Strauss-Argentina, LLC	Delaware
Levi Strauss Eximco de Colombia Limitada	Colombia
Levi Strauss, U.S.A., LLC	Delaware
Levi Strauss Asia Pacific Division, PTE. LTD.	Singapore
Levi Strauss do Brasil Industria e Comercio Ltda.	Brazil
Levi Strauss (Australia) Pty. Ltd.	Australia
Levi Strauss Mauritius Limited	Mauritius
Levi Strauss Korea Ltd.	Korea
Levi Strauss New Zealand Limited	New Zealand
Levi Strauss (Malaysia) Sdn. Bhd.	Malaysia
LS Retail (Malaysia) Sdn. Bhd.	Malaysia
Levi Strauss Philippines, Inc.	Philippines
Levi Strauss Philippines, Inc. II	Philippines
Levi Strauss de Espana, S.A.	Spain
Levi Strauss Italia S.R.L.	Italy
Levi Strauss Germany GmbH	Germany
Levi Strauss Suisse, SA	Spain
Levi Strauss Hungary Trading Limited Liability Company	Hungary
Levi Strauss Continental S.A.	Belgium
PT Levi Strauss Indonesia	Indonesia
Levi Strauss Japan, Ltd.	Japan
Levi Strauss (India) Private Limited	India
Levi Strauss Pakistan (Private) Limited	Pakistan
Levi Strauss Global Trading Company Limited	Hong Kong
Levi Strauss Nederland B.V.	Netherlands
Levi Strauss Nederland Holding B.V.	Netherlands
Levi Strauss & Co. Europe SCA	Belgium
Levi Strauss International Group Finance Coordination Services	Belgium
Levi Strauss Istanbul Konfekslyon Sanayi ve Ticaret A.S.	Turkey
Levi Strauss South Africa (Proprietary) Limited	South Africa
Levi Strauss Poland SP z.o.o.	Poland
LVC B.V.	Netherlands
Levi Strauss Praha, spol. s.r.o.	Czech Republic
Levi Strauss Hellas S.A.	Greece
Levi Strauss Benelux Retail BVBA	Belgium
Levi Strauss (U.K.) Limited	United Kingdom
Paris—O.L.S. S.A.R.L.	France
Levi Strauss Dis Ticaret Limited Sirketi	Turkey
Levi Strauss Pension Trustee Ltd.	United Kingdom

505 Finance C.V.	Netherlands
Levi Strauss do Brasil Franqueadora Ltda.	Brazil
Original Denim Investments Limited	Cyprus
“Levi Strauss Moscow” Limited Liability Company	Russian Federation
World Wide Logistics S.R.L.	Italy
Levi’s Footwear & Accessories Spain S.A.	Spain
Levi’s Footwear & Accessories Italy SpA	Italy
Levi’s Footwear & Accessories UK Limited	England
Levi’s Footwear & Accessories France S.A.S.	France
Levi’s Footwear & Accessories (Switzerland) S.A.	Switzerland
Levi’s Footwear & Accessories HK Limited	Hong Kong
Levi’s Footwear & Accessories (China) Ltd	China
Distribuidora Levi Strauss Mexico, S.A. de C.V.	Mexico
Administradora Levi Strauss Mexico, S.A. de C.V.	Mexico
Levi Strauss Vietnam Co. Ltd	Vietnam
LVC JP Kabushiki Kaisha	Japan
Levi Strauss Global Trading Company II, Limited	Hong Kong

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Charles V. Bergh, certify that:

1. I have reviewed this annual report on Form 10-K of Levi Strauss & Co.;

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

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

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

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

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

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

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

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

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

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

/s/ Charles V. Bergh
Charles V. Bergh
President and Chief Executive Officer

Date: February 7, 2012

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Blake Jorgensen, certify that:

1. I have reviewed this annual report on Form 10-K of Levi Strauss & Co.;

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

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

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

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

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

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

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

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

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

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

/s/ BLAKE JORGENSEN
Blake Jorgensen
Executive Vice President and Chief Financial Officer

Date: February 7, 2012

Exhibit 32

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

This certification is not to be deemed filed pursuant to the Securities Exchange Act of 1934, as amended, and does not constitute a part of the Annual Report of Levi Strauss & Co., a Delaware corporation (the "Company"), on Form 10-K for the period ended November 27, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report").

In connection with the Report, each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

/s/ Charles V. Bergh
Charles V. Bergh
President and Chief Executive Officer

February 7, 2012

/s/ Blake Jorgensen
Blake Jorgensen
Executive Vice President and Chief Financial Officer

February 7, 2012

Document and Entity Information

Document and Entity Information (USD $)	12 Months Ended 11/27/2011
Entity Registrant Name	LEVI STRAUSS CO
Entity Central Index Key	0000094845
Document Type	10-K
Document Period End Date	2011-11-27
Amendment Flag	false
Document Fiscal Year Focus	2,011
Document Fiscal Period Focus	FY
Current Fiscal Year End Date	--11-27
Entity Well-known Seasoned Issuer	No
Entity Voluntary Filers	Yes
Entity Current Reporting Status	No
Entity Filer Category	Non-accelerated Filer
Entity Public Float	$ 0
Entity Common Stock, Shares Outstanding	37,354,021

Consolidated Balance Sheets

Consolidated Balance Sheets (USD $) (in Thousands)	11/27/2011	11/28/2010
Accumulated Other Comprehensive Income (Loss) [Member]		
Stockholders' Deficit:		
Total stockholders' deficit	$ (346,002)	$ (272,168)
Additional Paid-in Capital [Member]		
Stockholders' Deficit:		
Total stockholders' deficit	29,266	18,840
Common Stock [Member]		
Stockholders' Deficit:		
Total stockholders' deficit	374	373
Noncontrolling Interest [Member]		
Stockholders' Deficit:		
Total stockholders' deficit	8,761	10,808
Retained Earnings [Member]		
Stockholders' Deficit:		
Total stockholders' deficit	150,770	33,346
ASSETS		
Current Assets:		
Cash and cash equivalents	204,542	269,726
Trade receivables, net of allowance for doubtful accounts of $22,684 and $24,617	654,903	553,385
Inventories:		
Raw materials	7,086	6,770
Work-in-process	9,833	9,405
Finished goods	594,483	563,728
Total inventories	611,402	579,903
Deferred tax assets, net	99,544	137,892
Other current assets	172,830	110,226
Total current assets	1,743,221	1,651,132
Property, plant and equipment, net of accumulated depreciation of $731,859 and $683,258	502,388	488,603
Goodwill	240,970	241,472
Other intangible assets, net	71,818	84,652
Non-current deferred tax assets, net	613,161	559,053
Other non-current assets	107,997	110,337
Total assets	3,279,555	3,135,249
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Short-term debt	154,747	46,418
Current maturities of capital leases	1,714	1,777
Accounts payable	204,897	212,935
Other accrued liabilities	256,316	275,443
Accrued salaries, wages and employee benefits	235,530	196,152
Accrued interest payable	9,679	9,685
Accrued income taxes	9,378	17,115
Total current liabilities	872,261	759,525
Long-term debt	1,817,625	1,816,728

Long-term capital leases	1,999	3,578
Postretirement medical benefits	140,108	147,065
Pension liability	427,422	400,584
Long-term employee related benefits	75,520	102,764
Long-term income tax liabilities	42,991	50,552
Other long-term liabilities	51,458	54,281
Total liabilities	3,429,384	3,335,077
Commitments and contingencies	0	0
Temporary equity	7,002	8,973
Stockholders' Deficit:		
Levi Strauss Co. stockholders' deficit		
Common stock - $.01 par value; 270,000,000 shares authorized; 37,354,021 shares and 37,322,358 shares issued and outstanding	374	373
Additional paid-in capital	29,266	18,840
Retained earnings	150,770	33,346
Accumulated other comprehensive loss	(346,002)	(272,168)
Total Levi Strauss Co. stockholders' deficit	(165,592)	(219,609)
Noncontrolling interest	8,761	10,808
Total stockholders' deficit	(156,831)	(208,801)
Total liabilities, temporary equity and stockholders' deficit	$ 3,279,555	$ 3,135,249

Consolidated Statements of Income

Consolidated Statements of Income (USD $) (in Thousands)	12 Months Ended 11/27/2011	12 Months Ended 11/28/2010	12 Months Ended 11/29/2009
Accumulated Other Comprehensive Income (Loss) [Member]			
Net income	$ 0	$ 0	$ 0
Additional Paid-in Capital [Member]			
Net income	0	0	0
Common Stock [Member]			
Net income	0	0	0
Noncontrolling Interest [Member]			
Net income	(2,841)	(7,057)	(1,163)
Retained Earnings [Member]			
Net income	137,953	156,503	151,875
Net sales	4,674,426	4,325,908	4,022,854
Licensing revenue	87,140	84,741	82,912
Net revenues	4,761,566	4,410,649	4,105,766
Cost of goods sold	2,469,327	2,187,726	2,132,361
Gross profit	2,292,239	2,222,923	1,973,405
Selling, general and administrative expenses	1,955,846	1,841,562	1,595,317
Operating income	336,393	381,361	378,088
Interest expense	(132,043)	(135,823)	(148,718)
Loss on early extinguishment of debt	(248)	(16,587)	0
Other income (expense), net	(1,275)	6,647	(39,445)
Income before income taxes	202,827	235,598	189,925
Income tax expense	67,715	86,152	39,213
Net income	135,112	149,446	150,712
Net loss attributable to noncontrolling interest	2,841	7,057	1,163
Net income attributable to Levi Strauss Co.	$ 137,953	$ 156,503	$ 151,875

Consolidated Statements of Stockholders' Deficit and Comprehensive Income

Consolidated Statements of Stockholders' Deficit and Comprehensive Income (USD $) (in Thousands)	12 Months Ended 11/27/2011	12 Months Ended 11/28/2010	12 Months Ended 11/29/2009
Accumulated Other Comprehensive Income (Loss) [Member]			
Balance Beginning	$ (272,168)	$ (249,867)	$ (127,915)
Net Income (Loss)	0	0	0
Other comprehensive (loss) income (net of tax)	(73,834)	(22,301)	(121,952)
Stock-based compensation and dividends, net	0	0	0
Repurchase of common stock	0	0	
Cash dividend paid	0	0	0
Balance Ending	(346,002)	(272,168)	(249,867)
Additional Paid-in Capital [Member]			
Balance Beginning	18,840	39,532	53,057
Net Income (Loss)	0	0	0
Other comprehensive (loss) income (net of tax)	0	0	0
Stock-based compensation and dividends, net	10,436	(601)	6,476
Repurchase of common stock	(10)	(78)	
Cash dividend paid	0	(20,013)	(20,001)
Balance Ending	29,266	18,840	39,532
Common Stock [Member]			
Balance Beginning	373	373	373
Net Income (Loss)	0	0	0
Other comprehensive (loss) income (net of tax)	0	0	0
Stock-based compensation and dividends, net	1	0	0
Repurchase of common stock	0	0	
Cash dividend paid	0	0	0
Balance Ending	374	373	373
Noncontrolling Interest [Member]			
Balance Beginning	10,808	17,735	17,982
Net Income (Loss)	(2,841)	(7,057)	(1,163)
Other comprehensive (loss) income (net of tax)	794	130	1,894
Stock-based compensation and dividends, net	0	0	0
Repurchase of common stock	0	0	
Cash dividend paid	0	0	(978)
Balance Ending	8,761	10,808	17,735
Retained Earnings [Member]			
Balance Beginning	33,346	(123,157)	(275,032)
Net Income (Loss)	137,953	156,503	151,875
Other comprehensive (loss) income (net of tax)	0	0	0
Stock-based compensation and dividends, net	(27)	0	0
Repurchase of common stock	(479)	0	
Cash dividend paid	(20,023)	0	0
Balance Ending	150,770	33,346	(123,157)
Balance Beginning	(208,801)	(315,384)	(331,535)
Net Income (Loss)	135,112	149,446	150,712
Other comprehensive (loss) income (net of tax)	(73,040)	(22,171)	(120,058)
Total comprehensive income	62,072	127,275	30,654

Stock-based compensation and dividends, net	10,410	(601)	6,476
Repurchase of common stock	(489)	(78)	
Cash dividend paid	(20,023)	(20,013)	(20,979)
Balance Ending	$ (156,831)	$ (208,801)	$ (315,384)

Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows (USD $) (in Thousands)	12 Months Ended 11/27/2011	12 Months Ended 11/28/2010	12 Months Ended 11/29/2009
Accumulated Other Comprehensive Income (Loss) [Member]			
Cash Flows from Operating Activities:			
Net income	$ 0	$ 0	$ 0
Additional Paid-in Capital [Member]			
Cash Flows from Operating Activities:			
Net income	0	0	0
Common Stock [Member]			
Cash Flows from Operating Activities:			
Net income	0	0	0
Noncontrolling Interest [Member]			
Cash Flows from Operating Activities:			
Net income	(2,841)	(7,057)	(1,163)
Retained Earnings [Member]			
Cash Flows from Operating Activities:			
Net income	137,953	156,503	151,875
Cash Flows from Operating Activities:			
Net income	135,112	149,446	150,712
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	117,793	104,896	84,603
Asset impairments	5,777	6,865	16,814
Gain on disposal of property, plant and equipment	(2)	(248)	(175)
Unrealized foreign exchange (gains) losses	(5,932)	(17,662)	14,657
Realized loss on settlement of forward foreign exchange contracts not designated for hedge accounting	9,548	16,342	50,760
Employee benefit plans' amortization from accumulated other comprehensive loss	(8,627)	3,580	(19,730)
Employee benefit plans' curtailment loss, net	129	106	1,643
Noncash (loss) gain on extinguishment of debt, net of write-off of unamortized debt issuance costs	226	(13,647)	0
Amortization of deferred debt issuance costs	4,345	4,332	4,344
Stock-based compensation	8,439	6,438	7,822
Allowance for doubtful accounts	4,634	7,536	7,246
Deferred income taxes	16,153	31,113	(5,128)
Change in operating assets and liabilities:			
Trade receivables	(116,003)	(30,259)	27,568
Inventories	(6,848)	(148,533)	113,014
Other current assets	(39,231)	(20,131)	5,626
Other non-current assets	4,780	(7,160)	(11,757)
Accounts payable and other accrued liabilities	(55,300)	39,886	(58,185)
Income tax liabilities	(15,242)	6,330	(3,377)
Accrued salaries, wages and employee benefits and long-term employee related benefits	(55,846)	(12,128)	6,789
Other long-term liabilities	(2,358)	19,120	(4,452)
Other, net	301	52	(11)
Net cash provided by operating activities	1,848	146,274	388,783
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	(130,580)	(154,632)	(82,938)

Proceeds from sale of property, plant and equipment	171	1,549	939
Payments on settlement of forward foreign exchange contracts not designated for hedge accounting	(9,548)	(16,342)	(50,760)
Acquisitions, net of cash acquired	0	(12,242)	(100,270)
Other	(1,000)	(114)	0
Net cash used for investing activities	(140,957)	(181,781)	(233,029)
Cash Flows from Financing Activities:			
Proceeds from issuance of long-term debt	0	909,390	0
Repayments of long-term debt and capital leases	(1,848)	(866,051)	(72,870)
Proceeds from senior revolving credit facility	305,000	0	0
Repayments of senior revolving credit facility	(213,250)	0	0
Short-term borrowings, net	19,427	27,311	(2,704)
Debt issuance costs	(7,307)	(17,546)	0
Restricted cash	(3,803)	(700)	(602)
Repurchase of common stock	(489)	(78)	0
Dividends to noncontrolling interest shareholders	0	0	(978)
Dividend to stockholders	(20,023)	(20,013)	(20,001)
Net cash provided by (used for) financing activities	77,707	32,313	(97,155)
Effect of exchange rate changes on cash and cash equivalents	(3,782)	2,116	1,393
Net (decrease) increase in cash and cash equivalents	(65,184)	(1,078)	59,992
Beginning cash and cash equivalents	269,726	270,804	210,812
Ending cash and cash equivalents	204,542	269,726	270,804
Cash paid during the period for:			
Interest	129,079	147,237	135,576
Income taxes	$ 56,229	$ 52,912	$ 56,922

Consolidated Balance Sheets (Parenthetical)

Consolidated Balance Sheets (Parenthetical) (USD $) (in Thousands except Share Data)	11/27/2011	11/28/2010
ASSETS		
Net of accumulated depreciation	$ 731,859	$ 683,259
Current Assets:		
Net of allowance for doubtful accounts	$ 22,684	$ 24,617
Levi Strauss Co. stockholders' deficit		
Common stock, par value	$ 0.01	$ 0.01
Common stock, shares authorized	270,000,000	270,000,000
Common stock, shares issued	37,354,021	37,322,358
Common stock, shares outstanding	37,354,021	37,322,358

Significant Accounting Policies (USD $)	12 Months Ended 11/27/2011
SIGNIFICANT ACCOUNTING POLICIES	**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Levi Strauss & Co. (the "Company") is one of the world's leading branded apparel companies. The Company designs and markets jeans, casual and dress pants, tops, shorts, skirts, jackets, footwear and related accessories, for men, women and children under the Levi's®, Dockers®, Signature by Levi Strauss & Co.™ and Denizen® brands. The Company markets its products in three geographic regions: Americas, Europe and Asia Pacific.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company and its wholly-owned and majority-owned foreign and domestic subsidiaries are prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"). All significant intercompany balances and transactions have been eliminated. The Company is privately held primarily by descendants of the family of its founder, Levi Strauss, and their relatives.

The Company's fiscal year ends on the last Sunday of November in each year, although the fiscal years of certain foreign subsidiaries end on November 30. Each quarter of fiscal years 2011, 2010 and 2009 consists of 13 weeks. All references to years relate to fiscal years rather than calendar years.

Subsequent events have been evaluated through the issuance date of these financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the related notes to consolidated financial statements. Estimates are based upon historical factors, current circumstances and the experience and judgment of the Company's management. Management evaluates its assumptions and estimates on an ongoing basis and may employ outside experts to assist in its evaluations. Changes in such estimates, based on more accurate future information, or different assumptions or conditions, may affect amounts reported in future periods.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents are stated at fair value.

Restricted Cash

Restricted cash primarily relates to required cash deposits for customs and rental guarantees to support the Company's international operations. Restricted cash is included in "Other current assets" and "Other non-current assets" on the consolidated balance sheets.

Accounts Receivable, Net

The Company extends credit to its wholesale customers that satisfy pre-defined credit criteria. Accounts receivable, which include receivables related to the Company's net sales and licensing revenues, are recorded net of an allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based upon an analysis of the aging of accounts receivable at the date of the consolidated financial statements, assessments of collectability based on historic trends, customer-specific circumstances, and an evaluation of economic conditions. Actual write-off of receivables may differ from estimates due to changes in customer and economic circumstances.

Inventory Valuation

The Company values inventories at the lower of cost or market value. Inventory cost is determined using the first-in first-out method. The Company includes product costs, labor and

related overhead, sourcing costs, inbound freight, internal transfers, and the cost of operating its remaining manufacturing facilities, including the related depreciation expense, in the cost of inventories. The Company estimates quantities of slow-moving and obsolete inventory, by reviewing on-hand quantities, outstanding purchase obligations and forecasted sales. The Company determines inventory market values by estimating expected selling prices based on the Company's historical recovery rates for slow-moving and obsolete inventory and other factors, such as market conditions, expected channel of distribution and current consumer preferences.

Income Tax Assets and Liabilities

The Company is subject to income taxes in both the United States and numerous foreign jurisdictions. The Company computes its provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. Significant judgments are required in order to determine the realizability of these deferred tax assets. In assessing the need for a valuation allowance, the Company's management evaluates all significant available positive and negative evidence, including historical operating results, estimates of future taxable income and the existence of prudent and feasible tax planning strategies.

The Company does not recognize deferred taxes with respect to temporary differences between the book and tax bases in its investments in foreign subsidiaries, unless it becomes apparent that these temporary differences will reverse in the foreseeable future.

The Company continuously reviews issues raised in connection with all ongoing examinations and open tax years to evaluate the adequacy of its liabilities. The Company evaluates uncertain tax positions under a two-step approach. The first step is to evaluate the uncertain tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained upon examination based on its technical merits. The second step, for those positions that meet the recognition criteria, is to measure the tax benefit as the largest amount that is more than fifty percent likely to be realized. The Company believes that its recorded tax liabilities are adequate to cover all open tax years based on its assessment. This assessment relies on estimates and assumptions and involves significant judgments about future events. To the extent that the Company's view as to the outcome of these matters change, the Company will adjust income tax expense in the period in which such determination is made. The Company classifies interest and penalties related to income taxes as income tax expense.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation. The cost is depreciated on a straight-line basis over the estimated useful lives of the related assets. Certain costs relating to internal-use software development are capitalized when incurred during the application development phase. Buildings are depreciated over 20 to 40 years, and leasehold improvements are depreciated over the lesser of the life of the improvement or the initial lease term. Machinery and equipment includes furniture and fixtures, automobiles and trucks, and networking communication equipment, and is depreciated over a range from three to 20 years. Capitalized internal-use software is depreciated over periods ranging from three to seven years.

Goodwill and Other Intangible Assets

Goodwill resulted primarily from a 1985 acquisition of the Company by Levi Strauss Associates Inc., a former parent company that was subsequently merged into the Company in 1996, and the Company's 2009 acquisitions. Goodwill is not amortized; intangible assets are comprised of owned trademarks with indefinite useful lives which are not being amortized and acquired contractual rights and customers lists with finite lives which are being amortized over periods ranging from four to eight years.

Impairment

The Company reviews its goodwill and other non-amortized intangible assets for impairment annually in the fourth quarter of its fiscal year, or more frequently as warranted by events or changes in circumstances which indicate that the carrying amount may not be recoverable. Beginning in the fourth quarter of 2011, for certain reporting units, the Company elected to early adopt the option to qualitatively assess goodwill impairment to determine whether it is

more likely than not that the fair value of a reporting unit is less than its carrying amount. For goodwill not qualitatively assessed and for other non-amortized intangible assets, a two-step quantitative approach is utilized. In the first step, the Company compares the carrying value of the reporting unit or applicable asset to its fair value, which the Company estimates using a discounted cash flow analysis or by comparison with the market values of similar assets. If the carrying amount of the reporting unit or asset exceeds its estimated fair value, the Company performs the second step, and determines the impairment loss, if any, as the excess of the carrying value of the goodwill or intangible asset over its fair value.

The Company reviews its other long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. If the carrying amount of an asset exceeds the expected future undiscounted cash flows, the Company measures and records an impairment loss for the excess of the carrying value of the asset over its fair value.

To determine the fair value of impaired assets, the Company utilizes the valuation technique or techniques deemed most appropriate based on the nature of the impaired asset and the data available, which may include the use of quoted market prices, prices for similar assets or other valuation techniques such as discounted future cash flows or earnings.

Debt Issuance Costs

The Company capitalizes debt issuance costs, which are included in “Other non-current assets” in the Company's consolidated balance sheets. Bond issuance costs are generally amortized utilizing the effective interest method whereas revolving credit facility issuance costs are amortized utilizing the straight-line method. Amortization of debt issuance costs is included in “Interest expense” in the consolidated statements of income.

Deferred Rent

The Company is obligated under operating leases of property for manufacturing, finishing and distribution facilities, office space, retail stores and equipment. Rental expense relating to operating leases are recognized on a straight-line basis over the lease term after consideration of lease incentives and scheduled rent escalations beginning as of the date the Company takes physical possession or control of the property. Differences between rental expense and actual rental payments are recorded as deferred rent liabilities included in “Other accrued liabilities” and “Other long-term liabilities” on the consolidated balance sheets.

Fair Value of Financial Instruments

The fair values of the Company's financial instruments reflect the amounts that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value estimates presented in this report are based on information available to the Company as of November 27, 2011, and November 28, 2010.

The carrying values of cash and cash equivalents, trade receivables and short-term borrowings approximate fair value. The Company has estimated the fair value of its other financial instruments using the market and income approaches. Rabbi trust assets and forward foreign exchange contracts are carried at their fair values. The Company's debt instruments are carried at historical cost and adjusted for amortization of premiums or discounts, foreign currency fluctuations and principal payments.

Pension and Postretirement Benefits

The Company has several non-contributory defined benefit retirement plans covering eligible employees. The Company also provides certain health care benefits for U.S. employees who meet age, participation and length of service requirements at retirement. In addition, the Company sponsors other retirement or post-employment plans for its foreign employees in accordance with local government programs and requirements. The Company retains the right to amend, curtail or discontinue any aspect of the plans, subject to local regulations.

The Company recognizes either an asset or a liability for any plan's funded status in its consolidated balance sheets. The Company measures changes in funded status using actuarial models which utilize an attribution approach that generally spreads individual events either over the estimated service lives of the remaining employees in the plan, or, for plans where participants will not earn additional benefits by rendering future service — which, beginning in the second quarter of 2011, includes the Company's U.S. plans — over the plan participants' estimated remaining lives. The Company's policy is to fund its retirement plans based upon

actuarial recommendations and in accordance with applicable laws, income tax regulations and credit agreements. Net pension and postretirement benefit income or expense is generally determined using assumptions which include expected long-term rates of return on plan assets, discount rates, compensation rate increases and medical trend rates. The Company considers several factors including actual historical rates, expected rates and external data to determine the assumptions used in the actuarial models.

Pension benefits are primarily paid through trusts funded by the Company. The Company pays postretirement benefits to the healthcare service providers on behalf of the plan's participants.

Employee Incentive Compensation

The Company maintains short-term and long-term employee incentive compensation plans. These plans are intended to reward eligible employees for their contributions to the Company's short-term and long-term success. Provisions for employee incentive compensation are recorded in “Accrued salaries, wages and employee benefits” and “Long-term employee related benefits” in the Company's consolidated balance sheets. The Company accrues the related compensation expense over the period of the plan and changes in the liabilities for these incentive plans generally correlate with the Company's financial results and projected future financial performance.

Stock-Based Compensation

The Company has stock-based incentive plans which reward certain employees and directors with cash or equity. Compensation cost for these awards is estimated based on the number of awards that are expected to vest. Compensation cost for equity awards is measured based on the fair value at the grant date, while liability award expense is measured and adjusted based on the fair value at the end of each quarter. No compensation cost is ultimately recognized for awards which are unvested and forfeited at an employees' termination date or for liability awards which are out-of-the-money at the award expiration date. Compensation cost is recognized on a straight-line basis over the period that an employee provides service for that award, which generally is the vesting period.

The Company's common stock is not listed on any established stock exchange. Accordingly, the stock's fair market value is determined by the Board based upon a valuation performed by an independent third-party, Evercore Group LLC (“Evercore”). Determining the fair value of the Company's stock requires complex judgments. The valuation process includes comparison of the Company's historical and estimated future financial results with selected publicly-traded companies and application of an appropriate discount for the illiquidity of the stock to derive the fair value of the stock. The Company uses this valuation for, among other things, making determinations under its stock-based compensation plans, such as the grant date fair value of awards.

The fair value of equity awards granted to employees is estimated on the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions including volatility. Due to the fact that the Company's common stock is not publicly traded, the computation of expected volatility is based on the average of the historical and implied volatilities, over the expected life of the awards, of comparable companies from a representative peer group of publicly-traded entities, selected based on industry and financial attributes. Other assumptions include expected life, risk-free rate of interest and dividend yield. Expected life is computed using the simplified method. The risk-free interest rate is based on zero coupon U.S. Treasury bond rates corresponding to the expected life of the awards. Dividend assumptions are based on historical experience.

The fair value of equity awards granted to directors is based on the fair value of the common stock at the date of grant. The fair value of liability awards granted to employees is also based on the Black-Scholes option pricing model and is calculated based on the common stock value and assumptions at each quarter end.

Due to the job function of the award recipients, the Company has included stock-based compensation cost in “Selling, general and administrative expenses” in the consolidated statements of income.

Self-Insurance

The Company self-insures, up to certain limits, workers' compensation risk and employee and eligible retiree medical health benefits. The Company carries insurance policies covering claim exposures which exceed predefined amounts, per occurrence and/or in the aggregate, for

workers' compensation claims and for the medical claims of active employees as well as those salaried retirees who retired after June 1, 2001. Accruals for losses are made based on the Company's claims experience and actuarial assumptions followed in the insurance industry, including provisions for incurred but not reported losses.

Derivative Financial Instruments and Hedging Activities

The Company recognizes all derivatives as assets and liabilities at their fair values. The Company uses derivatives to manage exposures that are sensitive to changes in market conditions, such as foreign currency risk. Additionally, some of the Company's contracts contain provisions that are accounted for as embedded derivative instruments. The Company does not designate its derivative instruments for hedge accounting; changes in the fair values of these instruments are recorded in “Other income (expense), net” in the Company's consolidated statements of income.

In the second quarter of 2011, the Company identified that certain of its leases contained embedded foreign currency derivatives that had not been accounted for in prior periods. The Company determined that the effect of not accounting for these embedded derivatives in its previously issued financial statements was not material and recorded a correcting entry in the second quarter of 2011. The correction had the effect of increasing the fair value of the Company's derivative net assets and of recognizing other income. The correction had no effect on operating income or cash flows, and increased income before income taxes and net income in the second quarter of 2011 by $6.5 million and $4.7 million, respectively.

The non-derivative instruments the Company designates and that qualify for hedge accounting treatment hedge the Company's net investment position in certain of its foreign subsidiaries. For these instruments, the Company documents the hedge designation by identifying the hedging instrument, the nature of the risk being hedged and the approach for measuring hedge effectiveness. The ineffective portions of these hedges are recorded in “Other income (expense), net” in the Company's consolidated statements of income. The effective portions of these hedges are recorded in “Accumulated other comprehensive loss” in the Company's consolidated balance sheets and are not reclassified to earnings until the related net investment position has been liquidated.

Foreign Currency

The functional currency for most of the Company's foreign operations is the applicable local currency. For those operations, assets and liabilities are translated into U.S. Dollars using period-end exchange rates, income and expenses are translated at average monthly exchange rates, and equity accounts are translated at historical rates. Net changes resulting from such translations are recorded as a component of translation adjustments in “Accumulated other comprehensive income (loss)” in the Company's consolidated balance sheets.

Foreign currency transactions are transactions denominated in a currency other than the entity's functional currency. At each balance sheet date, each entity remeasures the recorded balances related to foreign-currency transactions using the period-end exchange rate. Gains or losses arising from the remeasurement of these balances are recorded in “Other income (expense), net” in the Company's consolidated statements of income. In addition, at the settlement date of foreign currency transactions, foreign currency gains and losses are recorded in “Other income (expense), net” in the Company's consolidated statements of income to reflect the difference between the rate effective at the settlement date and the historical rate at which the transaction was originally recorded.

Noncontrolling Interest

Noncontrolling interest includes a 16.4% minority interest of third parties in Levi Strauss Japan K.K., the Company's Japanese subsidiary.

Stockholders' Deficit

The accumulated deficit component of stockholders' deficit at November 29, 2009, and prior, primarily resulted from a 1996 recapitalization transaction in which the Company's stockholders created new long-term governance arrangements, including a voting trust and stockholders' agreement. As a result, shares of stock of a former parent company, Levi Strauss Associates Inc., including shares held under several employee benefit and compensation plans, were converted into the right to receive cash. The funding for the cash payments in this transaction was provided in part by cash on hand and in part from proceeds of approximately $3.3 billion of borrowings under bank credit facilities.

Revenue Recognition

Net sales is primarily comprised of sales of products to wholesale customers, including franchised stores, and direct sales to consumers at the Company's company-operated and online stores and at the Company's company-operated shop-in-shops located within department stores. The Company recognizes revenue on sale of product when the goods are shipped or delivered and title to the goods passes to the customer provided that: there are no uncertainties regarding customer acceptance; persuasive evidence of an arrangement exists; the sales price is fixed or determinable; and collectability is reasonably assured. The revenue is recorded net of an allowance for estimated returns, discounts and retailer promotions and other similar incentives. Licensing revenues from the use of the Company's trademarks in connection with the manufacturing, advertising, and distribution of trademarked products by third-party licensees are earned and recognized as products are sold by licensees based on royalty rates set forth in the licensing agreements.

The Company recognizes allowances for estimated returns in the period in which the related sale is recorded. The Company recognizes allowances for estimated discounts, retailer promotions and other similar incentives at the later of the period in which the related sale is recorded or the period in which the sales incentive is offered to the customer. The Company estimates non-volume based allowances based on historical rates as well as customer and product-specific circumstances. Sales and value-added taxes collected from customers and remitted to governmental authorities are presented on a net basis in the consolidated statements of income.

Net sales to the Company's ten largest customers totaled approximately 30%, 33% and 36% of net revenues for 2011, 2010 and 2009, respectively. No customer represented 10% or more of net revenues in any of these years.

Cost of Goods Sold

Cost of goods sold includes the expenses incurred to acquire and produce inventory for sale, including product costs, labor and related overhead, sourcing costs, inbound freight, internal transfers, and the cost of operating the Company's remaining manufacturing facilities, including the related depreciation expense. Costs relating to the Company's licensing activities are included in “Selling, general and administrative expenses” in the consolidated statements of income.

Selling, General and Administrative Expenses

Selling, general and administrative expenses are primarily comprised of costs relating to advertising, marketing, selling, distribution, information technology and other corporate functions. Selling costs include all occupancy costs associated with company-operated stores and with the Company's company-operated shop-in-shops located within department stores. The Company expenses advertising costs as incurred. For 2011, 2010 and 2009, total advertising expense was $313.8 million, $327.8 million and $266.1 million, respectively. Distribution costs include costs related to receiving and inspection at distribution centers, warehousing, shipping to the Company's customers, handling and certain other activities associated with the Company's distribution network. These expenses totaled $183.9 million, $185.1 million and $185.7 million for 2011, 2010 and 2009, respectively.

Recently Issued Accounting Standards

The following recently issued accounting standards have been grouped by their required effective dates for the Company:

Second Quarter of 2012

- In May 2011, the FASB issued Accounting Standards Update No. 2011-04, *“Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs,”* (“ASU 2011-04”). ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and IFRS. ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively. The Company anticipates that the adoption of this standard will not materially change its consolidated financial statement footnote disclosures.

Fourth Quarter of 2012

- In September 2011, the FASB issued Accounting Standards Update No. 2011-09, *"Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80),"* ("ASU 2011-09"). ASU 2011-09 requires that employers provide additional separate disclosures for multiemployer pension plans and multiemployer other postretirement benefit plans. The additional quantitative and qualitative disclosures will provide users with more detailed information about an employer's involvement in multiemployer pension plans. This new guidance is to be applied retrospectively. The Company anticipates that the adoption of this standard will expand its consolidated financial statement footnote disclosures.

First Quarter of 2013

- In June 2011, the FASB issued Accounting Standards Update No. 2011-05, *"Comprehensive Income (Topic 220): Presentation of Comprehensive Income,"* ("ASU 2011-05"). ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in equity. ASU 2011-05 requires that all nonowner changes in stockholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. In December 2011, the FASB issued Accounting Standards Update No. 2011-12 ("ASU 2011-12") which defers certain requirements within ASU 2011-05. These amendments are being made to allow the FASB time to redeliberate whether to present on the face of the financial statements the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income in all periods presented. This new guidance is to be applied retrospectively. The Company anticipates that the adoption of this standard may materially change the presentation of its consolidated financial statements.

First Quarter of 2014

- In December 2011, the FASB issued Accounting Standards Update No. 2011-11, *"Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities,"* ("ASU 2011-11"). ASU 2011-11 enhances disclosures regarding financial instruments and derivative instruments. Entities are required to provide both net information and gross information for these assets and liabilities in order to enhance comparability between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. This new guidance is to be applied retrospectively. The Company anticipates that the adoption of this standard will expand its consolidated financial statement footnote disclosures.

Property, Plant and Equipment (USD $)	12 Months Ended 11/27/2011
Property, Plant and Equipment Disclosure [Text Block]	**NOTE 2: PROPERTY, PLANT AND EQUIPMENT**

The components of property, plant and equipment ("PP&E") were as follows:

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
Land	$ 30,236	$ 29,728
Buildings and leasehold improvements	422,020	406,644
Machinery and equipment	477,895	493,325
Capitalized internal-use software	286,662	186,905
Construction in progress	17,434	55,259
Subtotal	1,234,247	1,171,861
Accumulated depreciation	(731,859)	(683,258)
PP&E, net	$ 502,388	$ 488,603

Depreciation expense for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, was $104.8 million, $88.9 million and $76.8 million, respectively.

Capitalized internal-use software at November 27, 2011, and November 28, 2010, primarily related to the implementation of the Company's enterprise resource planning system and various information technology systems. Construction in progress at November 27, 2011, and November 28, 2010, primarily related to the installation of various information technology systems and leasehold improvements.

Goodwill and Other Intangible Assets (USD $)	12 Months Ended 11/27/2011
GOODWILL AND OTHER INTANGIBLE ASSETS	

NOTE 3: GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill by business segment for the years ended November 27, 2011, and November 28, 2010, were as follows:

	Americas	Europe	Asia Pacific	Total
	(Dollars in thousands)			
Balance, November 29, 2009	$ 207,423	$ 32,080	$ 2,265	$ 241,768
Additions	-	2,115	-	2,115
Foreign currency fluctuation	4	(2,592)	177	(2,411)
Balance, November 28, 2010	$ 207,427	$ 31,603	$ 2,442	$ 241,472
Foreign currency fluctuation	(9)	(80)	(413)	(502)
Balance, November 27, 2011	$ 207,418	$ 31,523	$ 2,029	$ 240,970

Other intangible assets, net, were as follows:

	November 27, 2011			November 28, 2010		
	Gross Carrying Value	Accumulated Amortization	Total	Gross Carrying Value	Accumulated Amortization	Total
	(Dollars in thousands)					
Non-amortized intangible assets:						
Trademarks	$ 42,743	$ -	$ 42,743	$ 42,743	$ -	$ 42,743
Amortized intangible assets:						
Acquired contractual rights	41,667	(23,051)	18,616	45,712	(17,765)	27,947
Customer lists	20,018	(9,559)	10,459	20,037	(6,075)	13,962
Total	$ 104,428	$ (32,610)	$ 71,818	$ 108,492	$ (23,840)	$ 84,652

For the years ended November 27, 2011, and November 28, 2010, amortization of these intangible assets were $12.1 million and $14.8 million, respectively. The amortization of these intangible assets, which is included in “Selling, general and administrative expenses” in the Company's consolidated statements of income, in the succeeding fiscal years is approximately $12.2 million in 2012, $11.0 million in 2013, and immaterial thereafter.

As of November 27, 2011, there was no impairment to the carrying value of the Company's goodwill or non-amortized intangible assets.

Fair Value of Financial Instruments (USD $)	12 Months Ended 11/27/2011
FAIR VALUE OF FINANCIAL INSTRUMENTS	

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the Company's financial instruments that are carried at fair value.

	November 27, 2011			November 28, 2010		
		Fair Value Estimated Using			Fair Value Estimated Using	
	Fair Value	Level1 1 Inputs (1)	Level 2 Inputs (2)	Fair Value	Level1 1 Inputs (1)	Level 2 Inputs (2)
	(Dollars in thousands)					
Financial assets carried at fair value						
Rabbi trust assets	$ 18,064	$ 18,064	$ -	$ 18,316	$ 18,316	$ -
Forward foreign exchange contracts, net (3)	25,992	-	25,992	1,385	-	1,385
Total	$ 44,056	$ 18,064	$ 25,992	$ 19,701	$ 18,316	$ 1,385
Financial liabilities carried at fair value						
Forward foreign exchange contracts, net (3)	$ 5,256	$ -	$ 5,256	$ 5,003	$ -	$ 5,003
Total	$ 5,256	$ -	$ 5,256	$ 5,003	$ -	$ 5,003

(1) Fair values estimated using Level 1 inputs are inputs which consist of quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. Rabbi trust assets consist of a diversified portfolio of equity, fixed income and other securities. See Note 12 for more information on rabbi trust assets.

(2) Fair values estimated using Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly and include among other things, quoted prices for similar assets or liabilities in markets that are active or inactive as well as inputs other than quoted prices that are observable. For forward foreign exchange contracts, inputs include foreign currency exchange and interest rates and, where applicable, credit default swap prices.

(3) The Company's over-the-counter forward foreign exchange contracts are subject to International Swaps and Derivatives Association, Inc. master agreements. These agreements permit the net-settlement of these contracts on a per-institution basis.

The following table presents the carrying value—including accrued interest—and estimated fair value of the Company's financial instruments that are carried at adjusted historical cost.

	November 27, 2011		November 28, 2010	
	Carrying Value	Estimated Fair Value (1)	Carrying Value	Estimated Fair Value (1)
	(Dollars in thousands)			
Financial liabilities carried at adjusted historical cost				
Senior revolving credit facility	$ 200,267	$ 199,767	$ 108,482	$ 107,129
	324,663	316,562	324,423	311,476

Senior term loan due 2014				
8.875% senior notes due 2016	354,918	366,293	355,004	373,379
4.25% Yen-denominated Eurobonds due 2016	118,618	102,508	109,429	98,063
7.75% Euro senior notes due 2018	401,495	381,478	401,982	407,993
7.625% senior notes due 2020	526,446	519,883	526,557	542,307
Short-term borrowings	54,975	54,975	46,722	46,722
Total	$ 1,981,382	$ 1,941,466	$ 1,872,599	$ 1,887,069

- Fair value estimate incorporates mid-market price quotes.

Derivative Instruments and Hedging Activities (USD $)	12 Months Ended 11/27/2011
DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES	

NOTE 5: DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company's foreign currency management objective is to minimize the effect of fluctuations in foreign exchange rates on nonfunctional currency cash flows of the Company and its subsidiaries and selected assets or liabilities of the Company and its subsidiaries without exposing the Company to additional risk associated with transactions that could be regarded as speculative. Forward exchange contracts on various currencies are entered into to manage foreign currency exposures associated with certain product sourcing activities, some intercompany sales, foreign subsidiaries' royalty payments, interest payments, earnings repatriations, net investment in foreign operations and funding activities. The Company manages certain forecasted foreign currency exposures and uses a centralized currency management operation to take advantage of potential opportunities to naturally offset foreign currency exposures against each other. The Company designates its outstanding Euro senior notes and a portion of its outstanding Yen-denominated Eurobonds as net investment hedges to manage foreign currency exposures in its foreign operations. The Company does not apply hedge accounting to its derivative transactions. As of November 27, 2011, the Company had forward foreign exchange contracts to buy $875.6 million and to sell $415.8 million against various foreign currencies. These contracts are at various exchange rates and expire at various dates through November 2012.

The table below provides data about the carrying values of derivative and non-derivative instruments:

	November 27, 2011			November 28, 2010		
	Assets	(Liabilities)		Assets	(Liabilities)	
	Carrying Value	Carrying Value	Derivative Net Carrying Value	Carrying Value	Carrying Value	Derivative Net Carrying Value
	(Dollars in thousands)					
Derivatives not designated as hedging instruments						
Forward foreign exchange contracts (1)	$ 31,906	$ (5,914)	$ 25,992	$ 7,717	$ (6,332)	$ 1,385
Forward foreign exchange contracts (2)	4,547	(9,803)	(5,256)	4,266	(9,269)	(5,003)
Total	$ 36,453	$ (15,717)		$ 11,983	$ (15,601)	
Non-derivatives designated as hedging instruments						
4.25% Yen-denominated Eurobonds due 2016	$ -	$ (46,115)		$ -	$ (61,075)	
7.75% Euro senior notes due 2018	-	(400,350)		-	(400,740)	
Total	$ -	$ (446,465)		$ -	$ (461,815)	

(1) Included in “Other current assets” or “Other non-current assets” on the Company's consolidated balance sheets.

(2) Included in “Other accrued liabilities” on the Company's consolidated balance sheets.

The table below provides data about the amount of gains and losses related to derivative instruments and non-derivative instruments designated as net investment hedges included in “Accumulated other comprehensive loss” (“AOCI”) on the Company's consolidated balance sheets, and in “Other income (expense), net” in the Company's consolidated statements of income:

	Gain or (Loss) Recognized in AOCI (Effective Portion)		Gain or (Loss) Recognized in Other Income (Expense), net (Ineffective Portion and Amount Excluded from Effectiveness Testing)		
	As of	As of	Year Ended		
	November 27, 2011	November 28, 2010	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)				
Forward foreign exchange contracts	$ 4,637	$ 4,637	$ -	$ -	$ -
Yen-denominated Eurobonds	(28,525)	(24,377)	(5,033)	2,254	(13,094)
Euro senior notes	(23,281)	(23,671)	-	-	-
Cumulative income taxes	18,476	17,022			
Total	$ (28,693)	$ (26,389)			

The table below provides data about the amount of gains and losses related to derivatives not designated as hedging instruments included in “Other income (expense), net” in the Company's consolidated statements of income:

	Gain or (Loss) Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Forward foreign exchange contracts:			
Realized	$ (9,548)	$ (16,342)	$ (50,760)
Unrealized	24,858	10,163	(18,794)
Total	$ 15,310	$ (6,179)	$ (69,554)

Debt (USD $)	12 Months Ended 11/27/2011
DEBT	**NOTE 6: DEBT**

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
Long-term debt		
Secured:		
Senior revolving credit facility	$ 100,000	$ 108,250
Unsecured:		
Senior term loan due 2014	324,032	323,676
8.875% senior notes due 2016	350,000	350,000
4.25% Yen-denominated Eurobonds due 2016	118,243	109,062
7.75% Euro senior notes due 2018	400,350	400,740
7.625% senior notes due 2020	525,000	525,000
Total unsecured	1,717,625	1,708,478
Total long-term debt	$ 1,817,625	$ 1,816,728
Short-term debt		
Senior revolving credit facility	$ 100,000	$ -
Short-term borrowings	54,747	46,418
Total short-term debt	$ 154,747	$ 46,418
Total long-term and short-term debt	$ 1,972,372	$ 1,863,146

Senior Revolving Credit Facility

On September 30, 2011, the Company entered into a credit agreement for a new senior secured revolving credit facility. The credit agreement provides for an asset-based facility, in which the borrowing availability is primarily based on the value of the U.S. Levi's® trademarks and the levels of accounts receivable and inventory in the United States and Canada, as further described below.

Availability, interest and maturity. The maximum availability under the credit agreement is $850.0 million, of which $800.0 million is available to the Company for revolving loans in U.S. Dollars and $50.0 million is available to the Company for revolving loans either in U.S. Dollars or Canadian Dollars. Subject to the level of this borrowing base, the Company may make and repay borrowings from time to time until the maturity of the credit agreement. The Company may make voluntary prepayments of borrowings at any time and must make mandatory prepayments if certain events occur. Borrowings under the credit agreement will bear an interest rate of LIBOR plus 150 to 275 basis points, depending on borrowing base availability, and undrawn availability bears a rate of 37.5 to 50 basis points. The credit agreement has a maturity date of September 30, 2016, which may be accelerated to December 26, 2013, if the senior unsecured term loan due 2014 is still outstanding on that date and the Company has not met other conditions set forth in the credit agreement. Upon the maturity date, all of the obligations outstanding under the credit agreement become due.

The Company's unused availability under its senior secured revolving credit facility was $494.7 million at November 27, 2011, as the Company's total availability of $577.8 million, based on the collateral levels discussed above, was reduced by $83.1 million of letters of credit and other credit usage allocated under the facility. The $83.1 million was comprised of $17.6 million of other credit usage and $65.5 million of stand-by letters of credit with various international banks which serve as guarantees to cover U.S. workers' compensation claims and the working capital requirements for certain subsidiaries, primarily India.

Guarantees and security. The Company's obligations under the credit agreement are guaranteed by its domestic subsidiaries. The obligations under the agreement are secured by, among other domestic assets, certain U.S. trademarks associated with the Levi's® brand and accounts receivable, goods and inventory in the United States. Additionally, the obligations of Levi Strauss & Co. (Canada) Inc. under the credit agreement are secured by Canadian accounts receivable, goods, inventory and other Canadian assets. The lien on the U.S. Levi's® trademarks and related intellectual property may be released at the Company's discretion so long as it meets certain conditions; such release would reduce the borrowing

base.

Covenants. The credit agreement contains customary covenants restricting the Company's activities as well as those of the Company's subsidiaries, including limitations on the ability to sell assets; engage in mergers; enter into transactions involving related parties or derivatives; incur or prepay indebtedness or grant liens or negative pledges on the Company's assets; make loans or other investments; pay dividends or repurchase stock or other securities; guaranty third-party obligations; and make changes in the Company's corporate structure. There are exceptions to these covenants, and some are only applicable when unused availability falls below specified thresholds. In addition, the credit agreement includes, as a financial covenant, a springing fixed charge coverage ratio of 1.0:1.0, which arises when availability falls below a specified threshold.

Events of default. The credit agreement contains customary events of default, including payment failures; failure to comply with covenants; failure to satisfy other obligations under the credit agreements or related documents; defaults in respect of other indebtedness; bankruptcy, insolvency and inability to pay debts when due; material judgments; pension plan terminations or specified underfunding; substantial stock ownership changes; and specified changes in the composition of the Company's board of directors. The cross-default provisions in the agreement apply if a default occurs on other indebtedness in excess of $50.0 million and the applicable grace period in respect of the indebtedness has expired, such that the lenders of or trustee for the defaulted indebtedness have the right to accelerate. If an event of default occurs under the credit agreement, the lenders may terminate their commitments, declare immediately payable all borrowings under the agreement and foreclose on the collateral.

Use of proceeds. In connection with the new senior secured revolving credit facility, the Company terminated the previous amended and restated senior secured revolving credit facility. Borrowings outstanding under the previous facility were refinanced into the new senior secured revolving credit facility.

Euro Notes due 2013

On March 11, 2005, the Company issued €150.0 million in notes to qualified institutional buyers (the “Euro Notes due 2013”). The Euro Notes due 2013 were unsecured obligations that ranked equally with all of the Company's other existing and future unsecured and unsubordinated debt.

On March 17, 2006, the Company issued an additional €100.0 million in Euro Notes due 2013 to qualified institutional buyers. These notes had the same terms and are part of the same series as the €150.0 million aggregate principal amount of Euro Notes due 2013 the Company issued in March 2005, except that these notes were offered at a premium of 3.5%, or $4.2 million, which original issuance premium was amortized over the term of the notes while still outstanding.

The Company redeemed all of the outstanding Euro Notes due 2013 in May 2010, as described below.

Senior Term Loan due 2014

On March 27, 2007, the Company entered into a senior unsecured term loan agreement (the “Term Loan”). The Term Loan consists of a single borrowing of $325.0 million, net of a 0.75% discount to the lenders. The Term Loan matures on April 4, 2014, and bears interest at 2.25% over LIBOR or 1.25% over the base rate. The Term Loan could not have been prepaid during the first year but thereafter may be prepaid without premium or penalty.

Covenants. The agreement governing the Term Loan contains covenants that limit the Company and its subsidiaries' ability to incur additional debt; pay dividends or make other restricted payments; consummate specified asset sales; enter into transactions with affiliates; incur liens; impose restrictions on the ability of a subsidiary to pay dividends or make payments to the Company and its subsidiaries; merge or consolidate with any other person; and sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Company's assets or its subsidiaries' assets. The Company and its subsidiaries would not be required to comply with certain of these covenants if the Term Loan receives and maintains an investment grade rating by both Standard and Poor's and Moody's and the Company and its subsidiaries are and remain in compliance with the agreement.

Asset sales. The agreement governing the Term Loan provides that the Company's asset sales must be at fair market value and the consideration must consist of at least 75% cash or cash equivalents or the assumption of liabilities. The Company would be required to use the net proceeds from the asset sale within 360 days after receipt either to repay bank debt, with an equivalent permanent reduction in the available commitment in the case of a repayment under the Company's senior secured revolving credit facility, or to invest in additional assets in a business related to the Company's business. To the extent proceeds not so used within the time period exceed $10.0 million, the Company would be required to make an offer to prepay the Term Loan plus accrued but unpaid interest, if any, to the date of prepayment.

Change in control. If the Company experienced a change in control as defined in the agreement, then the Company is required under the agreement to make an offer to prepay the Term Loan at 101% of the principal amount plus accrued and unpaid interest, if any, to the date of prepayment.

Events of default. The agreement contains customary events of default, including failure to pay principal, failure to pay interest after a 30-day grace period, failure to comply with the merger, consolidation and sale of property covenant, failure to comply with other covenants in the agreement for a period of 30 days after notice given to the Company, failure to satisfy

certain judgments in excess of $25.0 million after a 30-day grace period, and certain events involving bankruptcy, insolvency or reorganization. The agreement also contains a cross-acceleration event of default that applies if debt of the Company or any restricted subsidiary in excess of $25.0 million is accelerated or is not paid when due at final maturity.

Use of proceeds – redemption of senior notes due 2012. On April 4, 2007, the Company borrowed the maximum available of $322.6 million under the Term Loan and used the borrowings plus cash on hand of $66.4 million to redeem all of its then-outstanding $380.0 million floating rate senior notes due 2012 and to pay related redemption premiums, transaction fees and expenses, and accrued interest of $9.0 million.

Senior Notes due 2015

Principal, interest and maturity. On December 22, 2004, the Company issued $450.0 million in notes to qualified institutional buyers (the "Senior Notes due 2015"). The Senior Notes due 2015 were unsecured obligations that ranked equally with all of the Company's other existing and future unsecured and unsubordinated debt. During the third quarter of 2008, the Company repurchased $3.8 million of the Senior Notes due 2015 on the open market for a net gain of $0.2 million. The Company redeemed all of the remaining outstanding Senior Notes due 2015 in May 2010, as described below.

Senior Notes due 2016

Principal, interest and maturity. On March 17, 2006, the Company issued $350.0 million in notes to qualified institutional buyers (the "Senior Notes due 2016"). The Senior Notes due 2016 are unsecured obligations that rank equally with all of the Company's other existing and future unsecured and unsubordinated debt. They are 10-year notes maturing on April 1, 2016, and bear interest at 8.875% per annum, payable semi-annually in arrears on April 1 and October 1. They were redeemable by the Company, in whole or in part, at any time prior to April 1, 2011, at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to the date of redemption and a "make-whole" premium. Starting on April 1, 2011, the Company may redeem all or any portion of the Senior Notes due 2016, at once or over time, at redemption prices specified in the indenture, after giving the required notice under the indenture. The Senior Notes due 2016 were offered at par. Costs representing underwriting fees and other expenses of $8.0 million are amortized over the term of the notes to interest expense.

The covenants, events of default, asset sale, change of control, and other terms of the Senior Notes due 2016 are comparable to those contained in the indentures governing the Company's Term Loan described above, including the covenant suspension term that was in effect at November 27, 2011, and will remain in effect until such time as the Company obtains the required investment grade rating.

Exchange offer. In July 2006, after a required exchange offer, all of the Senior Notes due 2016 were exchanged for new notes on identical terms, except that the new notes are registered under the Securities Act of 1933.

Use of proceeds — Prepayment of term loan. In March 2006, the Company used the proceeds of the additional Euro Notes due 2013 and the Senior Notes due 2016 plus cash on hand to prepay the remaining balance of the existing Term Loan of $488.8 million.

Yen-denominated Eurobonds due 2016

In 1996, the Company issued ¥20 billion principal amount Eurobonds (equivalent to approximately $180.0 million at the time of issuance) due in November 2016, with interest payable at 4.25% per annum. The bond is redeemable at the option of the Company at a make-whole redemption price. The Company repurchased a portion of the Yen-denominated Eurobonds due 2016 in May 2010, as described below.

The agreement governing these bonds contains customary events of default and restricts the Company's ability and the ability of its subsidiaries and future subsidiaries to incur liens; engage in sale and leaseback transactions and engage in mergers and sales of assets. The agreement contains a cross-acceleration event of default that applies if any of the Company's debt in excess of $25.0 million is accelerated and the debt is not discharged or acceleration rescinded within 30 days after the Company's receipt of a notice of default from the fiscal agent or from the holders of at least 25% of the principal amount of the bond.

Euro Notes due 2018 and Senior Notes due 2020

Principal, interest and maturity. On May 6, 2010, the Company issued €300.0 million in aggregate principal amount of 7.75% Euro senior notes due 2018 (the "Euro Notes due 2018") and $525.0 million in aggregate principal amount of 7.625% senior notes due 2020 (the "Senior Notes due 2020") to qualified institutional buyers. The notes are unsecured obligations that rank equally with all of the Company's other existing and future unsecured and unsubordinated debt. The Euro Notes due 2018 mature on May 15, 2018, and the Senior Notes due 2020 mature on May 15, 2020. Interest on the notes is payable semi-annually in arrears on May 15 and November 15, commencing on November 15, 2010. The Company may redeem some or all of the Euro Notes due 2018 prior to May 15, 2014, and some or all of the Senior Notes due 2020 prior to May 15, 2015, each at a price equal to 100% of the principal amount plus accrued and unpaid interest and a "make-whole" premium; after these dates, the Company may redeem all or any portion of the notes, at once or over time, at redemption prices specified in the indenture governing the notes, after giving the required notice under the indenture. In addition, at any time prior to May 15, 2013, the Company may redeem up to a maximum of 35% of the original aggregate

principal amount of each series of notes with the proceeds of one or more public equity offerings at a redemption price of 107.750% and 107.625% of the principal amount of the Euro Notes due 2018 and Senior Notes due 2020, respectively, plus accrued and unpaid interest, if any, to the date of redemption. Costs representing underwriting fees and other expenses of $17.5 million are amortized over the term of the notes to interest expense.

Covenants. The indenture governing both notes contains covenants that limit, among other things, the Company's and certain of the Company's subsidiaries' ability to incur additional debt; make certain restricted payments; consummate specified asset sales; enter into transactions with affiliates; incur liens; impose restrictions on the ability of its subsidiaries to pay dividends or make payments to the Company and its restricted subsidiaries; enter into sale and leaseback transactions; merge or consolidate with another person; and dispose of all or substantially all of the Company's assets. The indenture provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants in the indenture, payment defaults or acceleration of other indebtedness, a failure to pay certain judgments and certain events of bankruptcy and insolvency. Generally, if an event of default occurs, the trustee under the indenture or holders of at least 25% in principal amount of the then outstanding notes may declare all notes to be due and payable immediately. Upon the occurrence of a change in control (as defined in the indenture), each holder of notes may require the Company to repurchase all or a portion of the notes in cash at a price equal to 101% of the principal amount of notes to be repurchased, plus accrued and unpaid interest, if any, thereon to the date of purchase.

Exchange offer. In accordance with a registration rights agreement, the Company conducted an exchange offer to allow holders to exchange the notes for new notes in the same principal amount and with substantially identical terms, except that the new notes were registered under the Securities Act of 1933.

Use of Proceeds – Tender offer, redemption and partial repurchase. On April 22, 2010, the Company commenced a cash tender offer for the outstanding principal amount of its Euro Notes due 2013 and its Senior Notes due 2015. The tender offer expired May 19, 2010, and the Company redeemed all remaining notes that were not tendered in the offer on May 25, 2010. The Company purchased all of the outstanding Euro Notes due 2013 and its Senior Notes due 2015 pursuant to the tender offer and subsequent redemption.

On May 21, 2010, the Company also repurchased ¥10,883,500,000 in principal amount tendered of the Yen-denominated Eurobonds due 2016 for total consideration of $100.0 million including accrued interest.

The tender offer, redemption and partial repurchase described above, as well as underwriting fees associated with the new issuance, were funded with the proceeds from the issuance of the Euro Notes due 2018 and the Senior Notes due 2020.

Short-term Borrowings

Short-term borrowings consist of term loans and revolving credit facilities at various foreign subsidiaries which the Company expects to either pay over the next twelve months or refinance at the end of their applicable terms. Certain

Loss on Early Extinguishment of Debt

For the year ended November 27, 2011, the Company recorded a loss on early extinguishment of debt of $0.2 million as a result of the credit facility refinancing activities during the fourth quarter of 2011.

For the year ended November 28, 2010, the Company recorded a loss of $16.6 million on early extinguishment of debt, comprised of tender premiums of $30.2 million and the write-off of $7.6 million of unamortized debt issuance costs, net of applicable premium, offset by a gain of $21.2 million related to the partial repurchase of Yen-denominated Eurobonds at a discount to their par value.

Principal Payments on Short-term and Long-term Debt

The table below sets forth, as of November 27, 2011, the Company's required aggregate short-term and long-term debt principal payments (inclusive of premium and discount) for the next five fiscal years and thereafter.

	(Dollars in thousands)
2012	$ 154,747
2013	-
2014	324,032
2015	-
2016	568,243
Thereafter	925,350
Total future debt principal payments	$ 1,972,372

Interest Rates on Borrowings

The Company's weighted-average interest rate on average borrowings outstanding during 2011, 2010 and 2009 was 6.90%, 7.05% and 7.44%, respectively. The weighted-average interest rate on average borrowings outstanding includes the amortization of capitalized bank fees and underwriting fees, and excludes interest on obligations to participants under deferred compensation plans.

Dividends and Restrictions

The terms of certain of the indentures relating to the Company's unsecured notes and its senior secured revolving credit facility agreement contain covenants that restrict the Company's ability to pay dividends to its stockholders. The Company paid cash dividends of $20 million in each of 2011, 2010 and 2009. For further information, see Note 14. As of November 27, 2011, and at the time the dividends were paid, the Company met the requirements of its debt instruments. Subsidiaries of the Company that are not wholly-owned subsidiaries are permitted under the indentures to pay dividends to all stockholders either on a pro rata basis or on a basis that results in the receipt by the Company of dividends or distributions of greater value than it would receive on a pro rata basis. There are no restrictions under the Company's senior secured revolving credit facility or its indentures on the transfer of the assets of the Company's subsidiaries to the Company in the form of loans, advances or cash dividends without the consent of a third party.

Guarantees

Guarantees (USD $)	12 Months Ended 11/27/2011
Guarantees [Text Block]	**NOTE 7: GUARANTEES**

Indemnification agreements. In the ordinary course of business, the Company enters into agreements containing indemnification provisions under which the Company agrees to indemnify the other party for specified claims and losses. For example, the Company's trademark license agreements, real estate leases, consulting agreements, logistics outsourcing agreements, securities purchase agreements and credit agreements typically contain such provisions. This type of indemnification provision obligates the Company to pay certain amounts associated with claims brought against the other party as the result of trademark infringement, negligence or willful misconduct of Company employees, breach of contract by the Company including inaccuracy of representations and warranties, specified lawsuits in which the Company and the other party are co-defendants, product claims and other matters. These amounts generally are not readily quantifiable; the maximum possible liability or amount of potential payments that could arise out of an indemnification claim depends entirely on the specific facts and circumstances associated with the claim. The Company has insurance coverage that minimizes the potential exposure to certain of such claims. The Company also believes that the likelihood of substantial payment obligations under these agreements to third parties is low.

Covenants. The Company's long-term debt agreements contain customary covenants restricting its activities as well as those of its subsidiaries, including limitations on its, and its subsidiaries', ability to sell assets; engage in mergers; enter into capital leases or certain leases not in the ordinary course of business; enter into transactions involving related parties or derivatives; incur or prepay indebtedness or grant liens or negative pledges on its assets; make loans or other investments; pay dividends or repurchase stock or other securities; guaranty third-party obligations; make capital expenditures; and make changes in its corporate structure. For additional information see Note 6.

Employee Benefit Plans (USD $)	12 Months Ended 11/27/2011
EMPLOYEE BENEFIT PLANS	

NOTE 8: EMPLOYEE BENEFIT PLANS

Pension plans. The Company has several non-contributory defined benefit retirement plans covering eligible employees. Plan assets are invested in a diversified portfolio of securities including stocks, bonds, real estate investment funds, cash equivalents, and alternative investments. Benefits payable under the plans are based on years of service, final average compensation, or both. The Company retains the right to amend, curtail or discontinue any aspect of the plans, subject to local regulations.

Postretirement plans. The Company maintains plans that provide postretirement benefits to eligible employees, principally health care, to substantially all U.S. retirees and their qualified dependents. These plans were established with the intention that they would continue indefinitely. However, the Company retains the right to amend, curtail or discontinue any aspect of the plans at any time. The plans are contributory and contain certain cost-sharing features, such as deductibles and coinsurance. The Company's policy is to fund postretirement benefits as claims and premiums are paid.

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
	(Dollars in thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 1,131,765	$ 1,061,265	$ 164,308	$ 176,765
Service cost	10,241	7,794	478	474
Interest cost	60,314	59,680	7,629	8,674
Plan participants' contribution	1,177	1,212	5,832	6,115
Plan amendments	-	3,138	-	-
Actuarial loss (gain) (1)	75,268	67,276	2,323	(2,005)
Net curtailment (gain) loss	(7,132)	93	-	-
Impact of foreign currency changes	(2,027)	(7,004)	-	-
Plan settlements	(4,051)	(3,115)	-	-
Special termination benefits	120	312	-	-
Benefits paid	(61,998)	(58,886)	(24,510)	(25,715)
Benefit obligation at end of year	$ 1,203,677	$ 1,131,765	$ 156,060	$ 164,308
Change in plan assets:				
Fair value of plan assets at beginning of year	$ 731,676	$ 681,008	$ -	$ -
Actual return on plan assets	39,091	76,546	-	-
Employer contribution	67,584	37,945	18,678	19,600
Plan participants' contributions	1,177	1,212	5,832	6,115
Plan settlements	(4,051)	(3,115)	-	-
Impact of foreign currency changes	(1,565)	(3,034)	-	-
Benefits paid	(61,998)	(58,886)	(24,510)	(25,715)
Fair value of plan assets at end of year	771,914	731,676	-	-
Unfunded status at end of year	$ (431,763)	$ (400,089)	$ (156,060)	$ (164,308)

- Actuarial losses and (gains) in the Company's pension benefit plans resulted from changes in discount rate assumptions, primarily for the Company's U.S. plans. Changes in financial markets during 2011, including a decrease in corporate bond yield indices, caused a reduction in the discount rates used to measure the benefit obligations.

Amounts recognized in the consolidated balance sheets as of November 27, 2011, and November 28, 2010, consist of the following:

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
	(Dollars in thousands)			
Prepaid benefit cost	$ -	$ 264	$ -	$ -
Accrued benefit liability - current portion	(7,876)	(7,903)	(15,954)	(17,243)
Accrued benefit liability - long-term portion	(423,887)	(392,450)	(140,108)	(147,065)
	$ (431,763)	$ (400,089)	$ (156,062)	$ (164,308)
Accumulated other comprehensive loss:				
Net actuarial loss	$ (395,554)	$ (326,417)	$ (46,393)	$ (49,094)
Net prior service benefit (cost)	806	(2,096)	16,849	45,794
	$ (394,748)	$ (328,513)	$ (29,544)	$ (3,300)

The accumulated benefit obligation for all defined benefit plans was $1.2 billion and $1.1 billion at November 27, 2011, and November 28, 2010, respectively. Information for the Company's defined benefit plans with an accumulated or projected benefit obligation in excess of plan assets is as follows:

	Pension Benefits	
	2011	2010
	(Dollars in thousands)	
Accumulated benefit obligations in excess of plan assets:		
Aggregate accumulated benefit obligation	$ 1,133,801	$ 1,045,871
Aggregate fair value of plan assets	713,818	665,029
Projected benefit obligations in excess of plan assets:		
Aggregate projected benefit obligation	$ 1,203,677	$ 1,124,777
Aggregate fair value of plan assets	771,914	724,425

The components of the Company’s net periodic benefit cost (income) were as follows:

	Pension Benefits			Postretirement Benefits		
	2011	2010	2009	2011	2010	2009
	(Dollars in thousands)					
Net periodic benefit cost (income):						
Service cost	$ 10,241	$ 7,794	$ 5,254	$ 478	$ 474	$ 428
Interest cost	60,314	59,680	61,698	7,629	8,674	11,042
Expected return on plan assets	(52,959)	(46,085)	(42,191)	-	-	-
Amortization of prior service cost (benefit) (1)	47	453	792	(28,945)	(29,566)	(39,698)
	14,908	26,660	17,082	5,025	5,608	1,734

Amortization of actuarial loss						
Curtailment loss	129	106	1,176	-	-	467
Special termination benefit	120	312	78	-	-	-
Net settlement loss	714	425	1,655	-	-	-
Net periodic benefit cost (income)	33,514	49,345	45,544	(15,813)	(14,810)	(26,027)
Changes in accumulated other comprehensive loss:						
Actuarial loss (gain) (2)	84,593	40,223		2,324	(2,005)	
Amortization of prior service (cost) benefit (1)	(47)	(453)		28,945	29,566	
Amortization of actuarial loss	(14,908)	(26,660)		(5,025)	(5,608)	
Curtailment loss	(3,064)	(13)		-	-	
Net settlement loss	(338)	(425)		-	-	
Total recognized in accumulated other comprehensive loss	66,236	12,672		26,244	21,953	
Total recognized in net periodic benefit cost (income) and accumulated other comprehensive loss	$ 99,750	$ 62,017		$ 10,431	$ 7,143	

(1) Postretirement benefits amortization of prior service benefit recognized during each of years 2011, 2010, and 2009 relates primarily to the favorable impact of the February 2004 and August 2003 plan amendments.

(2) Reflects the impact of the changes in the discount rate assumptions at year-end remeasurement for the pension and postretirement benefit plans for 2011 and 2010.

The amounts that will be amortized from “Accumulated other comprehensive loss” into net periodic benefit cost (income) in 2012 for the Company's defined benefit pension and postretirement benefit plans are expected to be a cost of $12.5 million and a benefit of $11.2 million, respectively.

Assumptions used in accounting for the Company's benefit plans were as follows:

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
Weighted-average assumptions used to determine net periodic benefit cost:				
Discount rate	5.5%	5.8%	4.9%	5.2%
Expected long-term rate of return on plan assets	6.9%	6.9%		
Rate of compensation increase	4.0%	4.0%		
Weighted-average assumptions used to determine benefit obligations:				

Discount rate	4.9%	5.4%	4.5%	4.9%
Rate of compensation increase	3.5%	3.9%		
Assumed health care cost trend rates were as follows:				
Health care trend rate assumed for next year			7.6%	7.8%
Rate trend to which the cost trend is assumed to decline			4.5%	4.5%
Year that rate reaches the ultimate trend rate			2028	2028

For the Company's U.S. benefit plans, the discount rate used to determine the present value of the future pension and postretirement plan obligations was based on a yield curve constructed from a portfolio of high quality corporate bonds with various maturities. Each year's expected future benefit payments are discounted to their present value at the appropriate yield curve rate, thereby generating the overall discount rate. The Company utilized a variety of country-specific third-party bond indices to determine the appropriate discount rates to use for the benefit plans of its foreign subsidiaries.

The Company bases the overall expected long-term rate of return on assets on anticipated long-term returns of individual asset classes and each pension plans' target asset allocation strategy based on current economic conditions. For the U.S. pension plan, the expected long-term returns for each asset class are determined through a mean-variance model to estimate 20 year returns for the plan.

Health care cost trend rate assumptions are a significant input in the calculation of the amounts reported for the Company's postretirement benefits plans. A one percentage-point change in assumed health care cost trend rates would have no significant effect on the total service and interest cost components or on the postretirement benefit obligation.

Consolidated pension plan assets relate primarily to the U.S. pension plan. The Company utilizes the services of independent third-party investment managers to oversee the management of U.S. pension plan assets. The Company's investment strategy is to invest plan assets in a diversified portfolio of domestic and international equity securities, fixed income securities and real estate and other alternative investments with the objective of generating long-term growth in plan assets at a reasonable level of risk. Prohibited investments for the U.S. pension plan include certain privately placed or other non-marketable debt instruments, letter stock, commodities or commodity contracts and derivatives of mortgage-backed securities, such as interest-only, principal-only or inverse floaters. The current target allocation percentages for the Company's U.S. pension plan assets are 43-47% for equity securities, 43-47% for fixed income securities and 8-12% for other alternative investments, including real estate.

The fair value of the Company’s pension plan assets by asset class are as follows:

	Year Ended November 27, 2011			
Asset Class	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
		(Dollars in thousands)		
Cash and cash equivalents	$ 6,050	$ 6,050	$ -	$ -
Equity securities (1)				
U.S. large cap	168,347	-	168,347	-
U.S. small cap	32,513	-	32,513	-
International	139,931	-	139,931	-
Fixed income securities (2)	353,887	-	353,887	-
Other alternative investments				
Real estate (3)	53,766	-	53,766	-
Private equity (4)	4,611	-	-	4,611
Hedge fund (5)	4,677	-	4,677	-
Other (6)	8,132	-	8,132	-
Total investments at fair value	$ 771,914	$ 6,050	$ 761,253	$ 4,611

- Primarily comprised of equity index funds that track various market indices.

- Predominantly includes bond index funds that invest in U.S. government and investment grade corporate bonds.
- Primarily comprised of investments in U.S. Real Estate Investment Trusts.

- Represents holdings in a diversified portfolio of private equity funds and direct investments in companies located primarily in North America. Fair values are determined by investment fund managers using primarily unobservable market data.

- Primarily invested in a diversified portfolio of equities, bonds, alternatives and cash with a low tolerance for capital loss.

- Primarily relates to accounts held and managed by a third-party insurance company for employee-participants in Belgium. Fair values are based on accumulated plan contributions plus a contractually-guaranteed return plus a share of any incremental investment fund profits.

The fair value of plan assets are composed of U.S. plan assets of approximately $649 million and non-U.S. plan assets of approximately $123 million. The fair values of the substantial majority of the equity, fixed income and real estate investments are based on the net asset value of comingled trust funds that passively track various market indices.

The Company’s estimated future benefit payments to participants, which reflect expected future service, as appropriate,

are anticipated to be paid as follows:

Fiscal year	Pension Benefits	Postretirement Benefits	Total
		(Dollars in thousands)	
2012	$ 57,354	$ 18,632	$ 75,986
2013	58,375	18,137	76,512
2014	57,910	17,657	75,567
2015	59,538	17,249	76,787
2016	60,267	16,776	77,043
2017-2021	339,084	75,636	414,720

At November 27, 2011, the Company's contributions to its pension plans in 2012 were estimated to be approximately $64.5 million.

Employee Investment Plans

Employee Investment Plans (USD $)	12 Months Ended 11/27/2011
EMPLOYEE INVESTMENT PLANS	**NOTE 9: EMPLOYEE INVESTMENT PLANS** The Company's Employee Savings and Investment Plan (“ESIP”) is a qualified plan that covers eligible home office employees. The Company matches 125% of ESIP participant's contributions to all funds maintained under the qualified plan up to the first 6.0% of eligible compensation. Total amounts charged to expense for the Company's employee investment plans for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, were $10.3 million, $9.7 million and $10.0 million, respectively.

Employee Incentive Compensation Plans (USD $)	12 Months Ended 11/27/2011
EMPLOYEE INCENTIVE COMPENSATION PLANS	**NOTE 10: EMPLOYEE INCENTIVE COMPENSATION PLANS**

Annual Incentive Plan

The Annual Incentive Plan ("AIP") provides a cash bonus that is earned based upon business unit and consolidated financial results as measured against pre-established internal targets and upon the performance and job level of the individual. The Company's home office employees are eligible for this plan. Total amounts charged to expense for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, were $54.0 million, $46.1 million and $51.9 million, respectively. As of November 27, 2011, and November 28, 2010, the Company had accrued $52.6 million and $49.8 million, respectively, for the AIP.

Long-Term Incentive Plans

2006 Equity Incentive Plan ("EIP"). In July 2006, the Company's board of directors adopted, and the stockholders approved, the EIP. For more information on this plan, see Note 11.

2005 Long-Term Incentive Plan ("LTIP"). The Company established a long-term cash incentive plan effective at the beginning of 2005. Executive officers are not participants in this plan. The plan is intended to reward management for its long-term impact on total Company earnings performance. Performance will be measured at the end of a three-year period based on the Company's performance over the period measured against the following pre-established targets: (i) the target compound annual growth rate of the Company's earnings adjusted for certain items such as interest and taxes for the three-year period; and (ii) the target compound annual growth rate in the Company's net revenues over the three-year period. Individual target amounts are set for each participant based on job level. Awards will be paid out in the quarter following the end of the three-year period based on Company performance against objectives.

The Company recorded a net reversal of expense for the LTIP of $2.5 million for the year ended November 27, 2011, and expense for the LTIP of $10.6 million and $10.2 million for the years ended November 28, 2010, and November 29, 2009, respectively. As of November 27, 2011, and November 28, 2010, the Company had accrued a total of $14.9 million and $26.5 million, respectively, for the LTIP, of which $11.3 million was recorded in "Accrued salaries, wages and employee benefits" as of November 27, 2011, and $3.6 million and $17.4 million were recorded in "Long-term employee related benefits" as of November 27, 2011, and November 28, 2010, respectively, on the Company's consolidated balance sheets.

Stock-Based Incentive Compensation Plans

Stock-Based Incentive Compensation Plans (USD $)	12 Months Ended 11/27/2011
Disclosure of Compensation Related Costs, Share-based Payments [Text Block]	**NOTE 11: STOCK-BASED INCENTIVE COMPENSATION PLANS** The Company recognized stock-based compensation expense of $6.6 million, $11.7 million and $9.1 million, and related income tax benefits of $2.7 million, $4.5 million and $3.3 million, respectively, for the years ended November 27, 2011, November 28, 2010, and November 29, 2009. As of November 27, 2011, there was $11.1 million of total unrecognized compensation cost related to nonvested awards, which cost is expected to be recognized on a straight-line basis over a weighted-average period of 2.9 years. Total unrecognized compensation cost related to nonvested awards includes the net estimated expense for awards to be granted in February 2012 under the employment agreement with the Company's chief executive officer, for which the first cliff vesting period will be on September 1, 2012. No stock-based compensation cost has been capitalized in the accompanying consolidated financial statements. **2006 Equity Incentive Plan** Under the Company's 2006 Equity Incentive Plan (“EIP”), a variety of stock awards, including stock options, restricted stock, restricted stock units (“RSUs”), and stock appreciation rights (“SARs”) may be granted. The EIP also provides for the grant of performance awards in the form of cash or equity. The aggregate number of shares of common stock authorized for issuance under the EIP is 700,000 shares. At November 27, 2011, 624,217 shares remained available for issuance. Under the EIP, stock awards have a maximum contractual term of ten years and generally must have an exercise price at least equal to the fair market value of the Company's common stock on the date the award is granted. The Company's common stock is not listed on any stock exchange. Accordingly, as provided by the EIP, the stock's fair market value is determined by the Board based upon a valuation performed by Evercore. Awards vest according to terms determined at the time of grant. Unvested stock awards are subject to forfeiture upon termination of employment prior to vesting, but are subject in some cases to early vesting upon specified events, including certain corporate transactions as defined in the EIP or as otherwise determined by the Board in its discretion. Some stock awards are payable in either shares of the Company's common stock or cash at the discretion of the Board as determined at the time of grant. Upon the exercise of a SAR, the participant will receive a share of common stock in an amount equal to the product of (i) the excess of the per share fair market value of the Company's common stock on the date of exercise over the exercise price, multiplied by (ii) the number of shares of common stock with respect to which the SAR is exercised. Only non-employee members of the Company's board of directors have received RSUs. Each recipient's initial grant of RSUs is converted to a share of common stock six months after discontinuation of service with the Company for each fully vested RSU held at that date. Subsequent grants of RSUs provide recipients with the opportunity to make deferral elections regarding when the Company's common stock are to be delivered in settlement of vested RSUs. If the recipient does not elect to defer the receipt of common stock, then the RSUs are immediately converted to common stock upon vesting. The RSUs additionally have “dividend equivalent rights,” of which dividends paid by the Company on its common stock are credited by the equivalent addition of RSUs. Shares of common stock will be issued from the Company's authorized but unissued shares and are subject to the Stockholders Agreement that

govern all shares.

Put rights. Prior to an initial public offering ("IPO") of the Company's common stock, a participant (or estate or other beneficiary of a deceased participant) may require the Company to repurchase shares of the common stock held by the participant at then-current fair market value (a "put right"). Put rights may be exercised only with respect to shares of the Company's common stock that have been held by a participant for at least six months following their issuance date, thus exposing the holder to the risk and rewards of ownership for a reasonable period of time. Accordingly, the SARs and RSUs are classified as equity awards, and are reported in "Stockholders' deficit" in the accompanying consolidated balance sheets.

Call rights. Prior to an IPO, the Company also has the right to repurchase shares of its common stock held by a participant (or estate or other beneficiary of a deceased participant, or other permitted transferee) at then-current fair market value (a "call right"). Call rights apply to an award as well as any shares of common stock acquired pursuant to the award. If the award or common stock is transferred to another person, that person is subject to the call right. As with the put rights, call rights may be exercised only with respect to shares of common stock that have been held by a participant for at least six months following their issuance date.

Temporary equity. Equity-classified awards that may be settled in cash at the option of the holder are presented on the balance sheet outside permanent equity. Accordingly, "Temporary equity" on the face of the accompanying consolidated balance sheets includes the portion of the intrinsic value of these awards relating to the elapsed service period since the grant date as well as the fair value of common stock issued pursuant to the EIP.

SARs. The Company grants SARs to a small group of the Company's senior executives. SAR activity during the years ended November 27, 2011, and November 28, 2010, was as follows:

	Units	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)
Outstanding at November 29, 2009	1,712,556	$ 41.73	4.7
Granted	589,092	36.50	
Exercised	(6,889)	24.75	
Forfeited	(133,914)	36.89	
Expired	(245,825)	43.35	
Outstanding at November 28, 2010	1,915,020	$ 40.32	4.5
Granted	599,370	43.06	
Exercised	(26,381)	27.26	
Forfeited	(380,332)	41.08	
Expired	(86,666)	55.15	
Outstanding at November 27, 2011	2,021,011	$ 40.52	3.9
Vested and expected to vest at November 27, 2011	1,979,703	$ 40.54	3.9
Exercisable at November 27, 2011	1,555,052	$ 41.17	3.4

The vesting terms of SARs range from two-and-a-half to four years, and have maximum contractual lives ranging from six-and-a-half to ten years.

The weighted-average grant date fair value of SARs was estimated using the Black-Scholes option valuation model. The weighted-average grant

date fair values and corresponding weighted-average assumptions used in the model were as follows:

	SARs Granted		
	2011	2010	2009
Weighted-average grant date fair value	$ 16.08	$ 13.10	$ 11.98
Weighted-average assumptions:			
Expected life (in years)	4.6	4.5	4.5
Expected volatility	46.9%	48.0%	59.2%
Risk-free interest rate	2.0%	2.1%	1.9%
Expected dividend	1.2%	2.0%	0.4%

RSUs. The Company grants RSUs to certain members of its Board of Directors. RSU activity during the years ended November 27, 2011, and November 28, 2010, was as follows:

	Units	Weighted-Average Fair Value
Outstanding at November 29, 2009	75,840	$ 34.63
Granted	28,032	35.34
Converted	(37,617)	31.65
Forfeited	-	-
Outstanding at November 28, 2010	66,255	$ 36.63
Granted	30,584	39.57
Converted	(37,331)	35.88
Forfeited	-	-
Outstanding, vested and expected to vest at November 27, 2011	59,508	$ 38.61

The weighted-average grant date fair value of RSUs was estimated using the Evercore stock valuation.

RSUs vest in a series of three equal installments at thirteen months, twenty-four months and thirty-six months following the date of grant. However, if the recipient's continuous service terminates for reason other than cause after the first vesting installment, but prior to full vesting, then the remaining unvested portion of the award becomes fully vested as of the date of such termination.

Total Shareholder Return Plan

In 2008, the Company established the Total Shareholder Return Plan (“TSRP”) as a cash-settled plan under the EIP to provide long-term incentive compensation for the Company's senior management. The TSRP provides for grants of units that vest over a three-year performance period. Upon vesting of a TSRP unit, the participant will receive a cash payout in an amount equal to the excess of the per share value of the Company's common stock at the end of the three-year performance period over the per share value at the date of grant. The common stock values used in the determination of the TSRP grants and payouts are approved by the Board based on the Evercore stock valuation. Unvested units are subject to forfeiture upon termination of employment, but are subject in some cases to early vesting upon specified events, as defined in the agreement. The TSRP units are classified as liability instruments due to their cash settlement feature and are required to be remeasured to fair value at the end of each reporting period until settlement.

TSRP activity during the years ended November 27, 2011, and November 28, 2010, was as follows:

	Units	Weighted-Average Exercise Price	Weighted-Average Fair Value At Period End
Outstanding at November 29, 2009	908,075	$ 32.52	$ 8.56
Granted	473,275	36.40	
Exercised	-	-	
Forfeited	(139,925)	33.39	
Outstanding at November 28, 2010	1,241,425	$ 33.91	$ 13.20
Granted	431,925	42.65	
Exercised	-	-	
Forfeited	(255,750)	32.37	
Expired	(248,850)	49.80	
Outstanding at November 27, 2011	1,168,750	$ 34.09	$ 6.59
Vested and expected to vest at November 27, 2011	1,029,758	$ 33.22	$ 6.73
Exercisable at November 27, 2011	436,875	$ 24.84	$ 8.40

The weighted-average fair value of TSRPs at November 27, 2011, and November 28, 2010, was estimated using the Black-Scholes option valuation model. The weighted-average assumptions used in the model were as follows:

	TSRPs Outstanding at	
	November 27, 2011	November 28, 2010
Weighted-average assumptions:		
Expected life (in years)	1.1	1.2
Expected volatility	46.9%	46.2%
Risk-free interest rate	0.1%	0.3%
Expected dividend	1.2%	2.0%

Long-term Employee Related Benefits (USD $)	12 Months Ended 11/27/2011
LONG-TERM EMPLOYEE RELATED BENEFITS	

NOTE 12: LONG-TERM EMPLOYEE RELATED BENEFITS

The liability for long-term employee related benefits was comprised of the following:

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
Workers' compensation	$ 17,394	$ 18,073
Deferred compensation	53,064	60,418
Non-current portion of liabilities for long-term and stock-based incentive plans	5,062	24,273
Total	$ 75,520	$ 102,764

Workers' Compensation

The Company maintains a workers' compensation program in the U.S. that provides for statutory benefits arising from work-related employee injuries. As of November 27, 2011, and November 28, 2010, the current portions of workers' compensation liabilities were $2.3 million and $2.7 million, respectively, and were included in “Accrued salaries, wages and employee benefits” on the Company's consolidated balance sheets.

Deferred Compensation

Deferred compensation plan for executives and outside directors, established January 1, 2003. The Company has a non-qualified deferred compensation plan for executives and outside directors that was established on January 1, 2003 and amended thereafter. The deferred compensation plan obligations are payable in cash upon retirement, termination of employment and/or certain other times in a lump-sum distribution or in installments, as elected by the participant in accordance with the plan. As of November 27, 2011, and November 28, 2010, these plan liabilities totaled $21.1 million and $18.8 million, respectively, of which $6.3 million and $1.1 million was included in “Accrued salaries, wages and employee benefits” as of November 27, 2011, and November 28, 2010, respectively. The Company held funds of approximately $18.1 million and $18.3 million in an irrevocable grantor's rabbi trust as of November 27, 2011, and November 28, 2010, respectively, related to this plan. Rabbi trust assets are included in “Other current assets” or “Other non-current assets” on the Company's consolidated balance sheets.

Deferred compensation plan for executives, prior to January 1, 2003. The Company also maintains a non-qualified deferred compensation plan for certain management employees relating to compensation deferrals for the period prior to January 1, 2003. The rabbi trust is not a feature of this plan. As of November 27, 2011, and November 28, 2010, liabilities for this plan totaled $43.1 million and $48.9 million, respectively, of which $4.9 million and $6.2 million, respectively, was included in “Accrued salaries, wages and employee benefits” on the Company's consolidated balance sheets.

Interest earned by the participants in deferred compensation plans was $0.7 million, $5.6 million and $10.1 million for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, respectively. The charges were included in “Interest expense” in the Company's consolidated statements of income.

Commitments and Contingencies (USD $)	12 Months Ended 11/27/2011
COMMITMENTS AND CONTINGENCIES	

NOTE 13: COMMITMENTS AND CONTINGENCIES

Operating Lease Commitments

The Company is obligated under operating leases for manufacturing, finishing and distribution facilities, office space, retail stores and equipment. At November 27, 2011, obligations for future minimum payments under operating leases were as follows:

	(Dollars in thousands)
2012	$ 148,864
2013	117,007
2014	90,555
2015	75,208
2016	64,229
Thereafter	194,383
Total future minimum lease payments	$ 690,246

In general, leases relating to real estate include renewal options of up to approximately 27 years, except for the San Francisco headquarters office lease, which contains multiple renewal options of up to 57 years. Some leases contain escalation clauses relating to increases in operating costs. Rental expense for the years ended November 27, 2011, November 28, 2010, and November 29, 2009, was $174.6 million, $161.2 million and $151.8 million, respectively.

Foreign Exchange Contracts

The Company uses over-the-counter derivative instruments to manage its exposure to foreign currencies. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the forward foreign exchange contracts. However, the Company believes that its exposures are appropriately diversified across counterparties and that these counterparties are creditworthy financial institutions. Please see Note 5 for additional information.

Other Contingencies

Other litigation. In the ordinary course of business, the Company has various pending cases involving contractual matters, facility- and employee-related matters, distribution questions, product liability claims, trademark infringement and other matters. The Company does not believe there are any of these pending legal proceedings that will have a material impact on its financial condition, results of operations or cash flows.

NOTE 14: DIVIDEND PAYMENT

The Company paid cash dividends of $20 million in the first quarter of 2011 and in the second quarters of 2010 and 2009. The Company does not have an established annual dividend policy. The Company will continue to review its ability to pay cash dividends at least annually, and dividends may be declared at the discretion of the Company's Board of Directors depending upon, among other factors, the income tax impact to the dividend recipients, the Company's financial condition and compliance with the terms of the Company's debt agreements. In 2010 and 2009, the payments resulted in a decrease to “Additional paid-in capital” as the Company was in an accumulated deficit position when the dividend was paid.

Comprehensive Income (Loss) (USD $)	12 Months Ended 11/27/2011
ACCOUNTABLE OTHER COMPREHENSIVE LOSS	

NOTE 15: ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive income (loss) is summarized below:

	Levi Strauss & Co.						
		Translation Adjustments		Unrealized			
	Pension and Postretirement Benefits (1)	Net Investment Hedges	Foreign Currency Translation	Gain (Loss) on Marketable Securities	Total	Noncontrolling Interest	Totals
	(Dollars in thousands)						
Accumulated other comprehensive income (loss) at November 30, 2008	**$ (68,161)**	**$ (12,297)**	**$ (43,476)**	**$ (3,981)**	**$(127,915)**	**$ 8,051**	**$(119,864)**
Gross changes	(178,577)	(59,429)	21,550	3,178	(213,278)	1,894	(211,384)
Tax	69,858	22,409	331	(1,272)	91,326	-	91,326
Other comprehensive income (loss), net of tax	(108,719)	(37,020)	21,881	1,906	(121,952)	1,894	(120,058)
Accumulated other comprehensive income (loss) at November 29, 2009	**(176,880)**	**(49,317)**	**(21,595)**	**(2,075)**	**(249,867)**	**9,945**	**(239,922)**
Gross changes	(34,625)	37,143	(20,833)	3,615	(14,700)	130	(14,570)
Tax	12,698	(14,215)	(4,701)	(1,383)	(7,601)	-	(7,601)
Other comprehensive income (loss), net of tax	(21,927)	22,928	(25,534)	2,232	(22,301)	130	(22,171)
Accumulated other comprehensive income (loss) at November 28, 2010	**(198,807)**	**(26,389)**	**(47,129)**	**157**	**(272,168)**	**10,075**	**(262,093)**
Gross changes	(92,480)	(3,758)	(10,881)	(1,149)	(108,268)	794	(107,474)
Tax	35,603	1,454	(3,068)	445	34,434	-	34,434
Other comprehensive income (loss), net of tax	(56,877)	(2,304)	(13,949)	(704)	(73,834)	794	(73,040)
Accumulated other comprehensive income (loss) at November 27, 2011	**$ (255,684)**	**$ (28,693)**	**$ (61,078)**	**$ (547)**	**$(346,002)**	**$ 10,869**	**$(335,133)**

- Pension and postretirement benefit amounts primarily resulted from the actuarial losses recorded in conjunction with the year-end remeasurements of pension obligations, and were principally due to a decline in discount rates caused by changes in the financial markets, including a decrease in corporate bond yield indices.

Other Income (Expense), Net (USD $)	12 Months Ended 11/27/2011

OTHER INCOME (EXPENSE), NET

NOTE 16: OTHER INCOME (EXPENSE), NET

The following table summarizes significant components of "Other income (expense), net":

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in Thousands)		
Foreign exchange management gains (losses) (1)	$ 15,310	$ (6,179)	$ (69,554)
Foreign currency transaction (losses) gains (2)	(20,251)	9,940	25,651
Interest income	1,618	2,232	2,537
Other	2,048	654	1,921
Total other income (expense), net	$ (1,275)	$ 6,647	$ (39,445)

- Foreign exchange management gains and losses reflect the impact of foreign currency fluctuation on the Company's forward foreign exchange contracts. Gains in 2011 primarily resulted from favorable currency fluctuations in the fourth quarter, relative to negotiated contract rates, including the appreciation of the U.S. Dollar against various foreign currencies. Losses in 2010 were primarily due to the weakening of the U.S. Dollar against the Australian Dollar and the Swedish Krona relative to the contracted rates.

- Foreign currency transaction gains and losses reflect the impact of foreign currency fluctuation on the Company's foreign currency denominated balances. Losses in 2011 were primarily due to the depreciation of the U.S. Dollar, the Turkish Lira and the Polish Zloty against various foreign currencies. Gains in 2010 were primarily due to the appreciation of British Pound Sterling against the Euro during the year, and the appreciation of the U.S. Dollar against the Japanese Yen in the first half of the year.

Income Taxes (USD $)	12 Months Ended 11/27/2011

INCOME TAXES

NOTE 17: INCOME TAXES

The Company's income tax expense was $67.7 million, $86.2 million and $39.2 million for the years 2011, 2010 and 2009, respectively. The decrease in income tax expense for 2011 as compared to 2010 was primarily caused by the decrease in income before income taxes, an increase in the proportion of the Company's 2011 earnings in foreign jurisdictions where the Company is subject to lower tax rates, as well as an unfavorable net impact of income tax charges recognized in 2010. In 2010, the Company recognized a $27.5 million tax charge for the valuation allowance to fully offset the amount of deferred tax assets in Japan and a $14.5 million tax charge for a reduction in deferred tax assets as a result of the enactment of the Patient Protection and Affordable Care Act (Health Care Act). These charges in 2010 were partially offset by a $34.2 million tax benefit arising from plans to repatriate the prior undistributed earnings of foreign subsidiaries.

The 2010 increase in income tax expense as compared to 2009 was primarily driven by the $42.0 million income tax charges recognized in 2010 relating to a valuation allowance in Japan and the enactment of the Health Care Act, as described above, as well as the increase in income before income taxes.

The U.S. and foreign components of income before income taxes were as follows:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Domestic	$ 114,236	$ 165,489	$ 45,992
Foreign	88,591	70,109	143,933
Total income before income taxes	$ 202,827	$ 235,598	$ 189,925

Income tax expense (benefit) consisted of the following:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
U.S. Federal			
Current	$ 19,992	$ 12,259	$ 17,949
Deferred	40,435	24,507	(11,866)
	60,427	36,766	6,083
U.S. State			
Current	(10)	2,854	5,361
Deferred	(617)	2,454	5,077
	(627)	5,308	10,438
Foreign			
Current	31,580	39,926	21,031
Deferred	(23,665)	4,152	1,661
	7,915	44,078	22,692
Consolidated			
Current	51,562	55,039	44,341
Deferred	16,153	31,113	(5,128)
Total income tax expense	$ 67,715	$ 86,152	$ 39,213

The Company's effective tax rate was 33.4%, 36.6% and 20.6% for 2011, 2010 and 2009, respectively. The Company's income tax expense differed from the amount computed by applying the U.S. federal statutory income tax rate of 35% to income before income taxes as follows:

	Year Ended					
	November 27, 2011		November 28, 2010		November 29, 2009	
	(Dollars in thousands)					
Income tax expense at U.S. federal statutory rate	$ 70,990	35.0%	$ 82,459	35.0%	$ 66,474	35.0%
State income taxes, net of U.S. federal impact	1,535	0.8%	1,894	0.8%	6,976	3.7%
Change in Health Care Act legislation	-	-	14,481	6.2%	-	-
Change in valuation allowance	(2,421)	(1.2)%	28,278	12.0%	4,090	2.2%
Impact of foreign operations	(2,148)	(1.1)%	(40,668)	(17.3)%	(38,703)	(20.4)%
Reassessment of tax liabilities due to change in estimate	(51)	-	162	0.1%	(917)	(0.5)%
Other, including non-deductible expenses	(190)	(0.1)%	(454)	(0.2)%	1,293	0.6%
Total	$ 67,715	33.4%	$ 86,152	36.6%	$ 39,213	20.6%

Change in Health Care Act legislation. In 2010, the $14.5 million tax charge was caused by the reduction in the related deferred tax assets resulting from the enactment of the Health Care Act. The tax treatment of Medicare Part D subsidies changed during the second quarter of 2010 as a result of the Health Care Act. The Health Care Act includes a provision eliminating, beginning in the Company's tax year 2014, the tax deductibility of the costs of providing Medicare Part D-equivalent prescription drug benefits to retirees to the extent of the Federal subsidy received. Accordingly, the Company recorded a non-recurring, non-cash tax charge to recognize the reduction in the related deferred tax assets in the period the legislation was enacted.

Change in valuation allowance. This item relates to changes in the Company's expectations regarding its ability to realize certain deferred tax assets. In 2011, the $2.4 million net release was primarily driven by a valuation allowance reversal relating to state net operating loss carryforwards and foreign deferred tax assets in certain foreign jurisdictions.

The following table details the changes in valuation allowance during the year ended November 27, 2011:

	Valuation Allowance at November 28, 2010	Changes in Related Gross Deferred Tax Asset	Release	Valuation Allowance at November 27, 2011
	(Dollars in thousands)			
U.S. state net operating loss carryforwards	$ 2,079	$ (835)	$ (1,244)	$ -
Foreign net operating loss carryforwards and other foreign deferred tax assets	94,947	4,966	(1,177)	98,736
	$ 97,026	$ 4,131	$ (2,421)	$ 98,736

In 2010, the $28.3 million charge primarily relates to the recognition of a valuation allowance to fully offset the net deferred tax assets in certain foreign jurisdictions, mostly pertaining to the Company's subsidiary in Japan. Due primarily to the recent negative financial performance of its subsidiary in Japan, the Company recorded a non-recurring, non-cash tax expense of $14.2 million during the second quarter of 2010 to recognize a valuation allowance to fully offset the amount of the subsidiary's deferred tax assets existing as of the beginning of the year, as the Company determined it is more likely than not these assets will not be realized. Additionally, the Company was not able to benefit current year losses in Japan during 2010, which further increased the valuation allowance by

$13.3 million.
Impact of foreign operations. The $2.1 million benefit in 2011 is primarily due to the taxation of foreign profits in jurisdictions with tax rates lower than the U.S. statutory rate of 35%, net of the additional U.S. income tax imposed upon distributions of foreign earnings in 2011.

The $40.7 million benefit in 2010 was primarily driven by a $34.2 million tax benefit arising from the Company's implementation of specific plans during the fourth quarter of 2010 to repatriate the prior undistributed earnings of certain foreign subsidiaries during 2011. As a result of the planned distribution, as of November 28, 2010, the Company recognized a deferred tax asset and a corresponding tax benefit of $34.2 million, for the foreign tax credits in excess of the associated U.S. federal income tax liability that are expected to become available upon the planned distribution. This distribution was completed during 2011.
The $38.7 million benefit in 2009 was primarily driven by a $33.2 million tax benefit arising from the Company's implementation of specific plans during the fourth quarter of 2009 to repatriate the prior undistributed earnings of certain foreign subsidiaries during 2010. As a result of the planned distribution, as of November 29, 2009, the Company recognized a deferred tax asset and a corresponding tax benefit of $33.2 million, for the foreign tax credits in excess of the associated U.S. federal income tax liability that were expected to become available upon the planned distribution. This distribution was completed during 2010.

Deferred Tax Assets and Liabilities

The Company’s deferred tax assets and deferred tax liabilities were as follows:

	November 27, 2011	November 28, 2010
	(Dollars in thousands)	
Basis differences in foreign subsidiaries	$ -	$ 34,203
Foreign tax credit carryforwards	247,003	195,032
State net operating loss carryforwards	14,861	13,555
Foreign net operating loss carryforwards	126,365	100,796
Employee compensation and benefit plans	274,534	264,828
Prepaid royalties	-	44,050
Restructuring and special charges	18,703	12,755
Sales returns and allowances	35,429	34,656
Inventory	10,240	8,249
Property, plant and equipment	16,037	16,189
Unrealized gains/losses on investments	19,385	18,125
Other	48,884	51,533
Total gross deferred tax assets	811,441	793,971
Less: Valuation allowance	(98,736)	(97,026)
Total net deferred tax assets	$ 712,705	$ 696,945
Current		
Deferred tax assets	$ 108,726	$ 148,698
Valuation allowance	(9,182)	(10,806)
Total current deferred tax assets	$ 99,544	$ 137,892
Long-term		
Deferred tax assets	$ 702,715	$ 645,273
Valuation allowance	(89,554)	(86,220)
Total long-term deferred tax assets	$ 613,161	$ 559,053

Basis differences in foreign subsidiaries. The Company recognizes deferred taxes with respect to basis differences in its investments in foreign subsidiaries that are expected to reverse in the foreseeable future and which exist primarily

due to undistributed foreign earnings. In 2011, no deferred tax asset is recognized for this item. In 2010, as further described above, the Company recognized a $34.2 million deferred tax asset relating to the planned repatriation of prior undistributed earnings of certain foreign subsidiaries which occurred during 2011.

Foreign tax credit carryforwards. As of November 27, 2011, the Company had a gross deferred tax asset for foreign tax credit carryforwards of $247.0 million. This asset increased from $195.0 million in the prior year period primarily due to foreign tax credits in excess of the associated U.S. federal income tax liability arising from the repatriation of foreign earnings, net of the amount of the anticipated utilization in the 2011 federal income tax return. The foreign tax credit carryforward of $247.0 million existing at November 27, 2011, is subject to expiration from 2012 to 2021, if not utilized.

State net operating loss carryforwards. As of November 27, 2011, the Company had a gross deferred tax asset of $14.9 million for state net operating loss carryforwards of approximately $299.4 million. These loss carryforwards are subject to expiration from 2012 to 2031, if not utilized.

Foreign net operating loss carryforwards. As of November 27, 2011, cumulative foreign operating losses of $422.9 million generated by the Company are available to reduce future taxable income. Approximately $239.8 million of these operating losses expire between the years 2012 and 2027. The remaining $183.1 million are available as indefinite carryforwards under applicable tax law. The gross deferred tax asset for the cumulative foreign operating losses of $126.4 million is partially offset by a valuation allowance of $89.6 million to reduce this gross asset to the amount that will more likely than not be realized.

Uncertain Income Tax Positions

As of November 27, 2011, the Company's total amount of unrecognized tax benefits was $143.4 million, of which $87.9 million would impact the Company's effective tax rate, if recognized. As of November 28, 2010, the Company's total gross amount of unrecognized tax benefits was $150.7 million, of which $87.2 million would impact the Company's effective tax rate, if recognized. The reduction in gross unrecognized tax benefits was primarily due to the change in recognition of the benefit associated with certain tax positions, primarily in foreign jurisdictions, as a result of the expiration of applicable statute of limitations.

The following table reflects the changes to the Company’s unrecognized tax benefits for the year ended November 27,

2011, and November 28, 2010:

	(Dollars in thousands)
Gross unrecognized tax benefits as of November 29, 2009	$ 160,538
Increases related to current year tax positions	5,305
Increases related to tax positions from prior years	1,115
Decreases related to tax positions from prior years	(3,465)
Settlement with tax authorities	(566)
Lapses of statutes of limitation	(11,093)
Other, including foreign currency translation	(1,132)
Gross unrecognized tax benefits as of November 28, 2010	150,702
Increases related to current year tax positions	4,309
Increases related to tax positions from prior years	307
Decreases related to tax positions from prior years	(2,357)
Settlement with tax authorities	(1,676)
Lapses of statutes of limitation	(6,226)
Other, including foreign currency translation	(1,662)
Gross unrecognized tax benefits as of November 27, 2011	$ 143,397

The Company believes that it is reasonably possible that unrecognized tax benefits could decrease within the next twelve months by as much as $97.9 million, of which as much as $69.1 million would impact the Company's effective tax rate, due primarily to the potential resolution of a refund claim with the State of California. However, at this point it is not possible to estimate whether the Company will realize any significant income tax benefit upon the resolution of this claim.

As of November 27, 2011, and November 28, 2010, accrued interest and penalties primarily relating to non-U.S. jurisdictions were $16.5 million and $16.6 million, respectively.

The Company's income tax returns are subject to examination in the U.S. federal and state jurisdictions and numerous foreign jurisdictions. The IRS examination of the Company's 2003-2008 U.S. federal income tax returns was still in progress as of November 27, 2011. The following table summarizes the tax years that are either currently under audit or remain open and subject to examination by the tax authorities in the major jurisdictions in which the Company operates:

Jurisdiction	Open Tax Years
U.S. federal	2003-2011
California	1986- 2011
Belgium	2008- 2011
United Kingdom	2010- 2011
Spain	2007- 2011
Mexico	2005- 2011
Canada	2004-2011
Hong Kong	2005-2011
Italy	2005-2011
France	2008-2011
Turkey	2007-2011

Related Parties (USD $)	12 Months Ended 11/27/2011
RELATED PARTIES	**NOTE 18: RELATED PARTIES**

Directors

Robert D. Haas, a director and Chairman Emeritus of the Company, is the President of the Levi Strauss Foundation, which is not a consolidated entity of the Company. During 2011, 2010 and 2009, the Company donated $1.6 million, $3.1 million and $5.5 million, respectively, to the Levi Strauss Foundation.

Stephen C. Neal, a director and, effective September 1, 2011, Chairman of the Board of Directors, is Chairman of the law firm Cooley LLP. In 2010 and 2009, the Company paid fees to Cooley LLP of approximately $0.2 million and $0.6 million, respectively.

Business Segment Information (USD $)	12 Months Ended 11/27/2011
BUSINESS SEGMENT INFORMATION	

NOTE 19: BUSINESS SEGMENT INFORMATION

The Company manages its business according to three regional segments, the Americas, Europe and Asia Pacific. The Company considers its chief executive officer to be the Company's chief operating decision maker. The Company's management, including the chief operating decision maker, manages business operations, evaluates performance and allocates resources based on the regional segments' net revenues and operating income. The Company reports net trade receivables and inventories by segment as that information is used by the chief operating decision maker in assessing segment performance. The Company does not report its other assets by segment as that information is not used by the chief operating decision maker in assessing segment performance.

In each of 2010 and 2011, accountability for information technology, human resources, advertising and promotion, and marketing staff costs of a global nature, that in prior years had been captured in the Company's geographic regions, was centralized under corporate management. Subsequent to these changes, these costs were classified as corporate expenses. These costs were not significant to any of the Company's regional segments individually in any of the periods presented herein, and accordingly business segment information for prior years has not been revised.

Business segment information for the Company was as follows:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Net revenues:			
Americas	$ 2,715,925	$ 2,549,086	$ 2,357,662
Europe	1,174,138	1,105,264	1,042,131
Asia Pacific	871,503	756,299	705,973
Total net revenues	$ 4,761,566	$ 4,410,649	$ 4,105,766
Operating income:			
Americas	$ 393,906	$ 402,530	$ 346,329
Europe	182,306	163,475	154,839
Asia Pacific	108,065	86,274	90,967
Regional operating income	684,277	652,279	592,135
Corporate expenses	347,884	270,918	214,047
Total operating income	336,393	381,361	378,088
Interest expense	(132,043)	(135,823)	(148,718)
Loss on early extinguishment of debt	(248)	(16,587)	-
Other income (expense), net	(1,275)	6,647	(39,445)
Income before income taxes	$ 202,827	$ 235,598	$ 189,925

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Depreciation and amortization expense:			

Americas	$ 53,804	$ 51,050	$ 44,492
Europe	23,803	25,485	21,599
Asia Pacific	12,878	11,798	11,238
Corporate	27,308	16,563	7,274
Total depreciation and amortization expense	$ 117,793	$ 104,896	$ 84,603

	November 27, 2011				
	Americas	Europe	Asia Pacific	Unallocated	Consolidated Total
	(Dollars in thousands)				
Assets:					
Trade receivables, net	$ 404,401	$ 164,077	$ 66,779	$ 19,646	$ 654,903
Inventories	332,955	141,764	130,953	5,730	611,402
All other assets	-	-	-	2,013,250	2,013,250
Total assets					$ 3,279,555

	November 28, 2010				
	Americas	Europe	Asia Pacific	Unallocated	Consolidated Total
	(Dollars in thousands)				
Assets:					
Trade receivables, net	$ 360,027	$ 105,189	$ 69,762	$ 18,407	$ 553,385
Inventories	313,920	158,139	104,630	3,214	579,903
All other assets	-	-	-	2,001,961	2,001,961
Total assets					$ 3,135,249

Geographic information for the Company was as follows:

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Net revenues:			
United States	$ 2,380,096	$ 2,248,340	$ 2,107,055
Foreign countries	2,381,470	2,162,309	1,998,711
Total net revenues	$ 4,761,566	$ 4,410,649	$ 4,105,766

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Deferred tax assets:			
United States	$ 643,767	$ 646,050	$ 677,245
Foreign countries	68,938	50,895	59,789

Total deferred tax assets	$ 712,705	$ 696,945	$ 737,034

	Year Ended		
	November 27, 2011	November 28, 2010	November 29, 2009
	(Dollars in thousands)		
Long-lived assets:			
United States	$ 365,907	$ 337,592	$ 270,344
Foreign countries	152,874	169,557	181,023
Total long-lived assets	$ 518,781	$ 507,149	$ 451,367

Quarterly Financial Data (Unaudited) (USD $)	12 Months Ended 11/27/2011
Quarterly Financial Information [Text Block]	**NOTE 20: QUARTERLY FINANCIAL DATA (UNAUDITED)**

Set forth below are the consolidated statements of operations for the first, second, third and fourth quarters of 2011 and 2010.

Year Ended November 27, 2011	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Dollars in thousands)			
Net sales	$ 1,099,885	$ 1,074,400	$ 1,183,890	$ 1,316,251
Licensing revenue	20,808	18,522	20,127	27,683
Net revenues	1,120,693	1,092,922	1,204,017	1,343,934
Cost of goods sold	562,726	552,226	634,573	719,802
Gross profit	557,967	540,696	569,444	624,132
Selling, general and administrative expenses	459,093	475,720	488,545	532,488
Operating income	98,874	64,976	80,899	91,644
Interest expense	(34,866)	(33,515)	(30,208)	(33,454)
Loss on early extinguishment of debt	-	-	-	(248)
Other income (expense), net	(5,959)	(1,006)	(5,779)	11,469
Income before taxes	58,049	30,455	44,912	69,411
Income tax expense	18,881	9,944	13,612	25,278
Net income	39,168	20,511	31,300	44,133
Net loss (income) attributable to noncontrolling interest	1,507	460	893	(19)
Net income attributable to Levi Strauss & Co.	$ 40,675	$ 20,971	$ 32,193	$ 44,114

Year Ended November 28, 2010	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Dollars in thousands)			
Net sales	$ 1,016,007	$ 957,959	$ 1,090,448	$ 1,261,494
Licensing revenue	19,199	18,570	18,557	28,415
Net revenues	1,035,206	976,529	1,109,005	1,289,909
Cost of goods sold	502,278	477,108	565,393	642,947
Gross profit	532,928	499,421	543,612	646,962
Selling, general and administrative expenses	425,677	430,199	457,309	528,377
Operating income	107,251	69,222	86,303	118,585
Interest expense	(34,173)	(34,440)	(31,734)	(35,476)
Loss on early extinguishment of debt	-	(16,587)	-	-
Other income (expense), net	12,463	6,694	(7,695)	(4,815)
Income before taxes	85,541	24,889	46,874	78,294
Income tax expense (benefit)	29,672	43,279	20,252	(7,051)
Net income (loss)	55,869	(18,390)	26,622	85,345
Net loss attributable to noncontrolling interest	485	4,009	1,556	1,007
Net income (loss) attributable to Levi Strauss & Co.	$ 56,354	$ (14,381)	$ 28,178	$ 86,352

Schedule II (USD $)	12 Months Ended 11/27/2011
Schedule II - Valuation and Qualifying Accounts	

SCHEDULE II

LEVI STRAUSS & CO. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

Allowance for Doubtful Accounts	**Balance at Beginning of Period**	**Additions Charged to Expenses**	**Deductions (1)**	**Balance at End of Period**
		(Dollars in thousands)		
November 27, 2011	$ 24,617	$ 4,634	$ 6,567	$ 22,684
November 28, 2010	$ 22,523	$ 7,536	$ 5,442	$ 24,617
November 29, 2009	$ 16,886	$ 7,246	$ 1,609	$ 22,523

Sales Returns	**Balance at Beginning of Period**	**Additions Charged to Net Sales**	**Deductions (1)**	**Balance at End of Period**
		(Dollars in thousands)		
November 27, 2011	$ 47,691	$ 139,068	$ 135,736	$ 51,023
November 28, 2010	$ 33,106	$ 133,012	$ 118,427	$ 47,691
November 29, 2009	$ 37,333	$ 115,554	$ 119,781	$ 33,106

Sales Discounts and Incentives	**Balance at Beginning of Period**	**Additions Charged to Net Sales**	**Deductions (1)**	**Balance at End of Period**
		(Dollars in thousands)		
November 27, 2011	$ 90,560	$ 277,016	$ 265,217	$ 102,359
November 28, 2010	$ 85,627	$ 274,903	$ 269,970	$ 90,560
November 29, 2009	$ 95,793	$ 257,022	$ 267,188	$ 85,627

Valuation Allowance Against Deferred Tax Assets	**Balance at Beginning of Period**	**Charges/ (Releases) to Tax Expense**	**(Additions) / Deductions (1)**	**Balance at End of Period**
		(Dollars in thousands)		
November 27, 2011	$ 97,026	$ (2,421)	$ (4,131)	$ 98,736
November 28, 2010	$ 72,986	$ 28,278	$ 4,238	$ 97,026
November 29, 2009	$ 58,693	$ 4,090	$ (10,203)	$ 72,986

- The charges to the accounts are for the purposes for which the allowances were created.

ABOUT THIS REPORT

As part of our commitment to embed sustainability throughout our business practices, the Levi Strauss & Co. 2011 Annual Report was produced exclusively in digital format. We saved more than 3,000 pounds of paper, over 5 billion BTUs of energy, almost 3,000 gallons of waste water and offset more than 1,400 KWh of electricity. We encourage people to view the report online. If you must print a copy, please print double-sided to save paper.