

NWHI LITIGATION TRUST FREQUENTLY ASKED QUESTIONS
Updated as of July 18, 2019

PLEASE NOTE THAT THESE FAQs PROVIDE A SUMMARY OF CERTAIN FEATURES OF THE TRUST AND ARE INTENDED FOR INFORMATIONAL PURPOSES ONLY. FOR MORE DETAILED INFORMATION REGARDING THE TRUST, PLEASE CONSULT THE CONFIRMATION ORDER, THE PLAN, OR THE TRUST AGREEMENT (ALL AS DEFINED BELOW). TO THE EXTENT THAT THERE IS ANY CONFLICT WITH THESE FAQs, THE PLAN, THE CONFIRMATION ORDER AND THE TRUST AGREEMENT, AS APPLICABLE, SHALL PREVAIL. THESE FAQs ARE SUBJECT TO CHANGE FROM TIME TO TIME, WITHOUT PRIOR NOTICE. PLEASE CONSULT THE LATEST VERSION OF THESE FAQs (AVAILABLE AT [HTTPS://CASES.PRIMECLERK.COM/NWHILIGATIONTRUST](https://cases.primeclerk.com/nwhiligationtrust)) IF YOU HAVE ANY QUESTIONS. ALL CAPITALIZED TERMS NOT OTHERWISE DEFINED ON THIS WEBSITE HAVE THE MEANING ASCRIBED TO THEM IN THE PLAN OR TRUST AGREEMENT.

1. What is the purpose of the Trust?

The primary purpose of the Trust is to prosecute or settle, on behalf of the Trust's beneficiaries, all claims and causes of action of the Debtors or their bankruptcy estates arising under state or federal law relating to the 2014 going-private buyout transaction in which The Jones Group Inc. (the "Jones Group") and its affiliated brands were purchased, certain of its businesses were sold off, and its shareholders received cash for their shares (collectively, the "2014 Transaction"). The claims transferred to the Trust include claims against (a) any person or entity that received consideration, directly or indirectly, in exchange for common stock of the Jones Group in connection with the 2014 transaction, (b) directors, officers, or managers of the Jones Group, and (c) the Jones Group's financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, subject to certain limitations and exceptions set forth in the Plan.

2. How is the Trust governed?

A Trustee, Marc S. Kirschner, has been appointed to administer the Trust. The Trust has five Trust Advisory Board Members: Ephraim Diamond, Patrick J. Healy, Joshua Hertz, Edward E. Neiger, and David Tiomkin. Mr. Tiomkin resigned on June 12, 2019. Effective September 12, 2019, Dennis Prieto will replace Mr. Tiomkin as a Board Member. The respective rights, powers and duties of the Trustee and Advisory Board are set forth in the Trust Agreement, dated as of March 20, 2019 (the "Trust Agreement").

3. How long will the Trust exist?

The Trust will have an initial term of five years from the March 20, 2019 Effective Date, subject to extension as provided under Article XI of the Trust Agreement.

4. Who are the registered owners of the Litigation Trust Interests?

The registered owners consist of (a) the Indenture Trustees for the former 2019 Notes and 2034 Notes on behalf of those holders of 2019 Notes and 2034 Notes that did not make the “Cash-Out Election” (as defined in the Plan) and who currently hold one of the Escrow CUSIPs set forth in the table in paragraph 5 below; (b) the former holders of General Unsecured Claims against Nine West Holdings, Inc. that did not make a Cash-Out Election; and (c) the entities that funded the Cash-Out Election and received the Litigation Trust Interests that would otherwise have been held by the former note and trade creditors that made a Cash-Out Election.

Ownership in the Trust is evidenced by percentage “Interests” in the Trust, as recorded in the books and records of the Trust. Wilmington Savings Fund Society, FSB (“WSFS”) is Registrar and Transfer Agent for the Trust and will maintain the official record of Interests in the Trust. WSFS can be contacted at 500 Delaware Avenue, Wilmington, Delaware 19801; (302) 792-6000; Attn: Patrick J. Healy, Senior Vice President; phealy@wsfsbank.com.

5. What CUSIP numbers are associated with the former noteholders’ right to receive potential future distributions under the Plan?

The 2019 Notes and 2034 Notes were cancelled pursuant to Article IV(L) of the Plan and the CUSIPs associated with those Notes were retired. To earmark the holders of those 2019 Notes and 2034 Notes that did *not* make the Cash-Out Election and are therefore entitled to receive distributions under the Trust, the Debtors allocated the Escrow CUSIPs set forth in the table below. If you hold one of these Escrow CUSIPs, you hold an interest in the Trust.

| <i>Description of Notes</i> <i>(cancelled, but set forth below for reference purposes)</i> | <i>Original CUSIP</i> <i>(cancelled, but set forth below for reference purposes)</i> | <i>Escrow CUSIP¹</i> |
|---|---|---------------------------------|
| 6.125% Senior Unsecured Notes due Nov. 15, 2034 | 480081AK4 | 480ESCAA0 |
| 6.875% Senior Unsecured Notes due Mar. 15, 2019 | 48020UAA6 | 480ESCAB8 |
| 8.25% Senior Unsecured Notes (144A) due Mar. 15, 2019 | 65442LAA0 | 654ESCAA0 |
| 8.25% Senior Unsecured Notes (REG-S) due Mar. 15, 2019 | U65426AA3 | U65ESCAA0 |

6. Are the Escrow CUSIPs transferable?

The Escrow CUSIPs are frozen and not transferable from one beneficial owner to another. The Escrow CUSIPs will be used by the administrator of the Trust to effectuate distributions to the former noteholders that hold interests in the Trust.

¹ These Escrow CUSIPs were allocated as part of the distribution to holders of 2019 Notes and 2034 Notes to “tag” those holders that had not made the Cash-Out Election. Different Escrow CUSIPs were allocated to those holders that made the Cash-Out Election.

7. Are Litigation Trust Interests freely transferable?

No. The conditions for transferability are described in Section 3.5 of the Trust Agreement, which states, in relevant part:

Transferability of Non-Released Party Trust Interests. No transfer, assignment, pledge, hypothecation, or other disposition of a Non-Released Party Trust Interest may be effected until (i) such action is unanimously approved by the Non-Released Party Trust Advisory Board, (ii) the Non-Released Party Trustee and the Non-Released Party Trust Advisory Board have received such legal advice or other information that they, in their sole and absolute discretion, deem necessary to assure that any such disposition shall not cause the Non-Released Party Trust to be subject to entity-level taxation for U.S. federal income tax purposes, and (iii) either (x) the Non-Released Party Trustee and the Non-Released Party Trust Advisory Board, acting unanimously, have received such legal advice or other information that they, in their sole and absolute discretion, deem necessary or appropriate to assure that any such disposition shall not require the Non-Released Party Trust to comply with the registration and reporting requirements of the Securities Act of 1933, as amended (the “Securities Act”), the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Trust Indenture Act of 1939, as amended (the “TIA”), or the Investment Company Act of 1940, as amended (the “Investment Company Act”), or (y) the Non-Released Party Trust Advisory Board, acting unanimously, has determined, in its sole and absolute discretion, to cause the Non-Released Party Trust to become a public reporting company and/or make periodic reports under the Exchange Act to enable such disposition to be made. . . .

(Please refer to the complete text of the Trust Agreement under the “Key Documents” tab of this website for the full text of Section 3.5 and other provisions of the Trust Agreement.)

The Litigation Trustee does not presently intend to recommend to the Trust Advisory Board that it approve transfers of Trust Interests.

8. Will Interests in the Trust be evidenced by certificates?

No.

9. Are Interests in the Trust tied in any way to the securities of the Reorganized Debtors?

No.

10. How are assets in the Trust valued?

Under Section 2.7 of the Trust Agreement, as soon as reasonably practicable following the Effective Date of the Trust, the Trustee is required to value the Trust Assets for all U.S.

federal income tax purposes. Interests in the Trust will be valued by the Trustee for income tax purposes. The value to be established will be posted on this website. The precise nature and amount of any future distribution to the holders of the Interests in the Trust is subject to litigation and is speculative. At this time, the actual amount of recoveries cannot be determined with any certainty.

11. Has the Trust retained counsel to investigate and prosecute potential claims against third parties?

Yes. The Trust has retained Friedman Kaplan Seiler & Adelman LLP to investigate and prosecute certain claims assigned to the Trust against third parties not released under the Plan. The investigation concerns, among other things, the actions taken or not taken and consideration given by Jones Group's directors, officers, and advisors in connection with the 2014 Transaction, the effect of that transaction on Jones Group's solvency, capital adequacy, and ability to pay its debts as they mature, the identity of the beneficial recipients of the cash transferred to shareholders in connection with the 2014 Transaction, and whether any of the foregoing give rise to causes of action, including claims for breach of fiduciary duty and fraudulent conveyance.

Friedman Kaplan is a 50-lawyer firm based in New York City that has substantial experience in complex financial litigation. It is co-counsel to the litigation trustee appointed in the Tribune Company bankruptcy in pursuing fraudulent transfer and other claims arising out of the 2007 Tribune LBO, led the discovery efforts during the Nine West bankruptcy that were aimed at identifying the recipients of the Jones Group LBO proceeds, and served as co-lead trial counsel at the Nine West confirmation hearing that resulted in improvements to the Plan for unsecured creditors.

12. How are Interests in the Trust determined and allocated?

Interests in the Trust will be allocated pro rata based on the amount of allowed claims specified in the Plan for the holders of NWHI's 2034 and 2019 Notes, and the amount of allowed claims as determined in the ongoing bankruptcy proceedings for the holders of general unsecured claims against NWHI. The Interests will be allocated among the noteholders, the general unsecured creditors, and the entities that funded the Cash-Out Election and received the Litigation Trust Interests that would otherwise have been held by the former noteholders and general unsecured creditors that made a Cash-Out Election. There are two classes of Interests: Class I, which are allocated only to holders of the 2034 Notes and are entitled to share in the first \$2.5 million of distributions made to Trust beneficiaries, and Class II, which are allocated to all Trust beneficiaries, and are entitled to share in the distributions made to Trust beneficiaries above \$2.5 million.

13. Will the Trust maintain records of the specific percentage of Trust Interests owned by the Trust's beneficiaries and where will such record be maintained?

Yes. The Trust has appointed WSFS as Registrar and Transfer Agent to maintain a Register of the owners of Interests in the Trust. WSFS will also serve as the Trust's agent to

make distributions under the Trust Agreement to holders of Interests. The exact percentage of Interests held by each Trust Beneficiary will not be known until the Bankruptcy Court completes the process of allowing and disallowing creditor claims. The Trust may create a reserve for disputed claims.

14. How will the Trust be funded?

On March 28, 2019, various lenders advanced \$6,300,000 to the Trust pursuant to a Loan Agreement under which the Trust agreed to repay \$7,625,000 in four years. Interest accrues on the loan at a rate of 20% per annum and is payable in kind annually by adding the interest to the loan amount. A make-whole premium must be paid if the loan is repaid prior to maturity. The Loan Agreement requires that Trust recoveries be applied first to repayment of the loan before distributions are made to Trust beneficiaries.

15. When will distributions of net Trust proceeds be made to holders of Interests?

Distributions of net Trust proceeds (i.e., proceeds after payment of all expenses and fees and after repayment of the Trust loan) will only be made to holders of Interests if and when the Trust successfully achieves settlement or judgment on claims it has against third parties.

16. What financial information will be provided by the Trust to the beneficiaries?

The Trust plans to post on this website quarterly and annual unaudited summary reports as to the Trust's activities pursuant to Section 4.14 of the Trust Agreement.

17. What are the Federal Income Tax Consequences of the Receipt and Ownership of Trust Interests?

THE FOLLOWING IS A SUMMARY OF CERTAIN TAX INFORMATION RELATED TO THE RECEIPT AND OWNERSHIP OF INTERESTS IN THE TRUST. PLEASE NOTE THAT NEITHER THE TRUST, NOR THE TRUSTEE, NOR ITS ATTORNEYS CAN GIVE TAX ADVICE TO TRUST BENEFICIARIES OR ANY OTHER PERSON. TAX MATTERS ARE COMPLICATED AND THE TAX CONSEQUENCES OF HOLDING TRUST INTERESTS AND THE RELATED DISTRIBUTIONS TO YOU WILL DEPEND ON YOUR PARTICULAR TAX SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR TO FULLY UNDERSTAND THE TAX CONSEQUENCES THEREOF TO YOU.

EACH HOLDER OF AN ALLOWED CLAIM RECEIVING TRUST INTERESTS UNDER THE PLAN SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR. FOR GENERAL INFORMATION PURPOSES ONLY, THE RECEIPT AND OWNERSHIP OF INTERESTS BY A HOLDER OF AN ALLOWED CLAIM RECEIVING INTERESTS UNDER THE PLAN MAY GIVE RISE TO INCOME, GAIN OR LOSS TO SUCH HOLDER, DEPENDING ON SUCH HOLDER'S PARTICULAR CIRCUMSTANCES, AND RECEIPT AND DISTRIBUTION OF PROCEEDS OF RECOVERIES ON CLAIMS HELD BY THE TRUST.

This summary deals with general issues. It does not deal with the consequences of more detailed issues, such as tax consequences in the event of a sale or purchase of Interests. For a more detailed summary, please review Section IV.D of the Plan contained in the Debtors' website at: <https://cases.primeclerk.com/ninewest/>.

a. What is the nature of a Trust Interest for U.S. federal income tax purposes?

A Trust Interest is not like stock in a corporation for tax purposes. Rather, the Trust is intended to qualify as a "grantor trust" for U.S. federal income tax purposes. Under U.S. federal income tax laws, a grantor trust is disregarded, and the grantors – the holders of Interests – are treated as receiving in exchange (in whole or in part) for their claims a direct ownership interest in the underlying assets of the Trust, and each holder of an Interest continues to be treated thereafter as a direct owner of an undivided interest in the Trust.

b. How is a holder taxed on its Interests?

For U.S. federal income tax purposes, the Trust is intended to qualify as a "liquidating trust" as described in Treasury Regulations Section 301.7701-4(d). All holders of Interests in the Trust must treat the initial transfer of assets to the Trust as (1) a transfer of the assets to the beneficiaries of the Trust followed by (2) a transfer of the assets by such beneficiaries to the Trust, with the beneficiaries being treated as the grantors and owners of the Trust. A holder of Interests will generally recognize gain or loss equal to the difference between the holder's adjusted basis in its allowed claim and the amount realized by the holder upon consummation of the Plan that is not attributable to accrued but unpaid interest. The amount realized will equal the sum of the fair market value of the consideration received, as determined in good faith by the Trustee acting at the direction of and in consultation with the Trust Advisory Board. The character of any gain or loss that is recognized will depend upon a number of factors and considerations.

c. Will holders of Interests receive information regarding the Trust for their tax returns?

Yes. The Trust will be required to file federal income tax returns on IRS Form 1041 as a grantor trust and report, but not pay tax on, its respective items of income, gain, loss deductions and credits. As a grantor trust, the Trust is not required to prepare Schedules K-1 for its beneficiaries. Rather, the Trust will provide each beneficiary with a "Grantor Letter" detailing its pro rata share of such Tax Items for U.S. federal income tax purposes. Each holder of an Interest will be required to report its proportionate share of such Tax Items, as reported on the Grantor Letter, on its U.S. federal income tax return, and pay any resulting U.S. federal income tax liability, regardless of whether the Trustee distributes sufficient cash to fund the tax.

d. Is income that is paid with respect to an Interest held by a non-U.S. Person subject to tax withholding?

Holders of Interests will be taxed on their respective proportionate shares of the Trust's income or gain, if any, in each taxable year of the Trust, and will be responsible for paying the taxes associated with such income or gain regardless of whether they received any distributions from each Trust. For this purpose, income may include all or a portion of the proceeds of litigation.

Generally, non-U.S. Persons who own Interests will be subject to withholding at a rate of 30% on their respective share of the income earned by the Trust during the time such non-U.S. Person holds Interests. A reduced rate, including exemption, may apply under a tax treaty between the non-U.S. person's country of residence and the United States. A non-U.S. Person that is eligible for a reduced rate of withholding (or exemption) pursuant to a tax treaty must certify that fact to the Trust by providing a properly executed IRS Form W-8BEN or other appropriate form. In addition, if the income is considered to be effectively connected with the conduct of a trade or business within the United States, withholding may not apply. To obtain an exemption from withholding based on the grounds that the income received is effectively connected with the conduct of a trade or business within the United States, the owner of an Interest who is a non-U.S. Person must furnish a properly executed IRS Form W-8ECI. These forms can be obtained from the IRS's website (<http://www.irs.gov>).

Non-U.S. Persons are encouraged to consult their tax advisors regarding the application of U.S. federal income tax withholding, including eligibility for a tax withholding reduction or exemption.

e. Is income that is paid with respect to an Interest held by a U.S. Person subject to backup tax withholding?

Yes. Backup withholding generally applies if the holder (1) fails to furnish its social security number or other taxpayer identification number ("TIN"), (2) furnishes an incorrect TIN, (3) is notified by the IRS of a failure to report interest or dividends properly, or (4) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is correct and that the holder is a United States person that is not subject to backup withholding. Certain persons are exempt from backup withholding, including, under certain circumstances, corporations and financial institutions. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a holder's U.S. federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a U.S. federal income tax return).

U.S. Persons are encouraged to consult their tax advisors regarding the application of backup withholding.

f. Does the Trust need any documentation or tax forms from Interest holders to register their Interests?

The Trust does not require tax forms to register Interests, but does require an IRS Form W-9 or W-8BEN from each holder of an Interest that will receive distributions directly from WSFS in order to conduct tax reporting and to make appropriate distributions. Interest holders will be notified by WSFS or the Trustee if the necessary forms are not already on file.

18. How will any distributions be made by the Litigation Trust?

The former noteholders that did not make a Cash-Out Election will receive distributions through the Indenture Trustees for their former notes, which will send funds to Depository Trust Company for payment to the holders of the Escrow CUSIPs in the “No Cash-Out Election” column in the table above.

The former holders of General Unsecured Claims against Nine West Holdings, Inc. that did not make a Cash-Out Election will receive distributions through WSFS as the Trust’s Distribution Agent.

The entities that funded the Cash-Out Election and received the Litigation Trust Interests that would otherwise have been held by the former noteholders and general unsecured creditors that made a Cash-Out Election will receive distributions through WSFS as the Trust’s Distribution Agent.

19. What does the Trust expect to happen over the next few years?

The Trust’s attorneys are continuing to gather evidence and evaluate potential claims. The Trust expects to commence litigation no later than April 2020. The Litigation Trustee is unable to predict the timing of events in the litigation and of recoveries, if any.

20. How can Interest holders get additional information?

The Trustee will periodically post additional information and documents to this website.