
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): November 3, 2018

PIER 1 IMPORTS, INC.
(Exact Name of Registrant as Specified in Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

001-07832
(Commission
File Number)

75-1729843
(I.R.S. Employer
Identification No.)

100 Pier 1 Place
Fort Worth, Texas
(Address of Principal Executive Offices)

76102
(Zip Code)

Registrant's Telephone Number, Including Area Code 817-252-8000

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c) On November 5, 2018, Pier 1 Imports, Inc. (the “Company”) announced that Donna Noce Colaco will join the Company effective December 3, 2018, as Executive Vice President and Chief Customer Officer. Ms. Colaco, age 59, will lead the Company’s merchandising organization and oversee product development, planning and allocations, stores, marketing and e-Commerce.

Most recently, Ms. Colaco served as Brand President of White House Black Market, a Chico’s FAS, Inc. brand, from August 2007 to January 2018. During her tenure, she led a brand repositioning and business turnaround and was responsible for retail and e-commerce operations including 500 stores, as well as brand development, product design, marketing, merchandising and financial planning. Ms. Colaco also served as a member of the Chico’s FAS Executive Committee, which was responsible for developing corporate initiatives and business strategy. Prior to that, Ms. Colaco spent 11 years with AnnTaylor Stores Corporation, where she held positions of increasing responsibility within the merchandising organization, successfully launched the LOFT outlet division, and served as head of e-Commerce for the Ann Taylor brand. From 2006 to 2007, Ms. Colaco was President of Ann Taylor Loft, a \$1 billion apparel and accessories business.

The terms of Ms. Colaco’s employment are set forth in a letter from Pier 1 Services Company to Ms. Colaco dated November 2, 2018 (the “Employment Letter”). Pursuant to the Employment Letter, Ms. Colaco will receive a base salary of \$700,000 per year. She will be eligible pursuant to the Company’s short-term incentive plan to earn a target annual incentive payment of 125% of her base salary for the remainder of fiscal 2019 and through all of fiscal 2020, and thereafter will participate in the plan at a level commensurate with other senior officers as determined by the Compensation Committee (the “Compensation Committee”) of the Company’s Board of Directors. She will receive a signing bonus of \$300,000 upon completing sixty days of employment that is pro rata repayable to the Company if her employment is terminated for cause or she voluntarily leaves the Company within twelve months.

Upon the commencement of her employment, Ms. Colaco will receive a grant of restricted stock consisting of a number of shares having a value of \$600,000 on the grant date (based on the 30-day trailing average closing price of the Company’s common stock) which will vest in equal annual installments on the second and third anniversaries of the grant date, subject to her continued employment with the Company. For fiscal 2020, she will receive a long-term incentive award having a value of \$700,000 based on the plan design of and granted commensurate with the annual grant cycle for fiscal year 2020.

The restricted stock award includes a “double trigger” provision that provides for vesting following a change in control of the Company (as defined in the award agreement) if the award is not assumed or equitably converted by the successor company, or if assumed or equitably converted and Ms. Colaco’s employment is terminated without “cause” or she resigns for “good reason,” (as such terms are defined in the award agreement), within one year of the change in control.

The summary of the terms applicable to Ms. Colaco’s employment set forth herein is qualified in its entirety by reference to the Employment Letter, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Upon the commencement of her employment, Ms. Colaco and the Company will enter into an Executive Agreement (the “Executive Agreement”), providing for certain payments to Ms. Colaco if her employment with the Company is terminated by the Company without Cause or by her for Good Reason (as such terms are defined in the Executive Agreement). In either of such events, she will receive a cash severance payment equal to her then-current base salary. The severance payment is payable in substantially equal installments over a twelve month period following termination of employment. Pursuant to the Executive Agreement, Ms. Colaco will be subject to non-compete and non-solicitation provisions for a period of one year following her termination of employment, and non-disclosure provisions. This summary of the terms of the Executive Agreement is qualified in its entirety by reference to the form of Executive Agreement, which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

(e) On November 3, 2018, the Compensation Committee approved a one-time cash retention award in the amount of \$615,000 to Nancy A. Walsh, the Company’s Executive Vice President and Chief Financial Officer. The retention award is payable on December 3, 2019 (the “Payment Date”), and Ms. Walsh will receive the award within fifteen days of the Payment Date if she remains employed by the Company or an affiliate through such date or if her employment is terminated without cause or she resigns for good reason prior to such date, as such terms are defined in the form of retention award agreement to be entered into between the Company and Ms. Walsh. This summary of the retention award is qualified in its entirety by reference to the form of retention award agreement, which is attached hereto as Exhibit 10.3 and incorporated herein by reference. In addition, the Compensation Committee approved a salary increase for Ms. Walsh from \$575,000 to \$615,000, effective December 3, 2018.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>10.1</u>	<u>Employment Letter dated November 2, 2018 between Pier 1 Services Company and Donna Noce Colaco.</u>
<u>10.2</u>	<u>Form of Executive Agreement between Pier 1 Imports, Inc. and Donna Noce Colaco.</u>
<u>10.3</u>	<u>Form of Retention Award Agreement between Pier 1 Imports, Inc. and Nancy A. Walsh.</u>
<u>99.1</u>	<u>Press release dated November 5, 2018, announcing the appointment of Donna Noce Colaco as the Company's Chief Customer Officer.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PIER 1 IMPORTS, INC.

Date: November 5, 2018

By: /s/ Nancy A. Walsh
Nancy A. Walsh, Executive Vice President and Chief Financial Officer



October 29, 2018

Ms. Donna Noce Colaco

Via electronic mail

Dear Donna,

This letter confirms the offer of employment with Pier 1 Services Company (the "Company"), a subsidiary of Pier 1 Imports, Inc., for the position of Executive Vice President, Chief Customer Officer in Fort Worth, Texas, effective December 3, 2018 ("Start Date") pursuant to the terms of the Employment Term Sheet attached hereto as "Exhibit A" and made a part hereof. The position reports to the President and Chief Executive Officer at a starting base salary of \$700,000 per year (\$26,923.07 bi-weekly), subject to required withholdings for applicable taxes and voluntary pay deductions.

This offer of employment is contingent upon the completion, receipt and review of all references and background checks currently underway, each subject to the Company's approval and approval of the Employment Term Sheet by the Compensation Committee and the Board of Directors of Pier 1 Imports, Inc.

You represent and warrant to the Company that (a) as of the Start Date with the Company, you are not subject to any obligation, written or oral, containing any non-competition provision or any other restriction that would result in any restriction on your ability to accept and perform this or any other position with the Company or any of its affiliates, and (b) you are not (i) a member of any board of directors, board of trustees or similar governing body of any for-profit, non-profit or not-for-profit entity, or (ii) a party to any agreement, written or oral, with any entity under which you would receive remuneration for your services, except as disclosed to and approved by the Company in advance of the Start Date. You agree that you will not (A) become a member of any board or body described in clause (b)(i) of the preceding sentence or (B) become a party to any agreement described in clause (b)(ii) of the preceding sentence, in each case without the prior written consent of the Company, such consent not to be unreasonably withheld. Further, you agree you will not disclose or use, in violation of any obligation of confidentiality, any information that you acquired as a result of any previous employment or otherwise.

If this letter and the attached Employment Term Sheet correctly sets forth your understanding of the Company's offer of employment, then please sign where indicated below to acknowledge your acceptance and return a copy to me.

Sincerely,

Pier 1 Services Company
By: Pier 1 Holdings, Inc., its managing trustee

By: /s/ Christine Murray
Christine Murray, Senior V.P. – Human Resources
and Chief Human Resources Officer

Agreed to:

/s/ Donna Noce Colaco

Donna Noce Colaco

November 2, 2018

Date

cc: Alasdair James

EXHIBIT "A"**EMPLOYMENT TERM SHEET**

This term sheet summarizes the principal terms and conditions of the proposed employment of Donna Noce Colaco ("Executive") by Pier 1 Services Company ("Company"), effective upon the Start Date as defined in the attached letter.

Position	Executive Vice President, Chief Customer Officer
Office Location	Company Headquarters, Fort Worth, Texas
Duties and Reporting Relationship	Duties commensurate with position, reporting directly to President and Chief Executive Officer.
Base Salary	\$700,000 per year, subject to annual review by the Compensation Committee.
Sign on Bonus	\$300,000 payable upon completion of 60 days of employment; subject to pro rata clawback in the event Executive voluntarily leaves the Company or is terminated for Cause (as defined in the Executive Agreement referenced below) within 12 months following commencement of employment.
Annual Short-Term Incentive	Participation in the Company's annual cash incentive program at 125% upon commencement of employment through the remainder of FY19 and through all of FY20, and then in FY21 at a level commensurate with other senior officers as determined annually by the Compensation Committee.
Initial Time-Vesting Stock Award	One-time grant of restricted stock having a value equal to \$600,000, granted upon commencement of employment. Vests in equal annual installments on the second and third anniversaries of the grant date, subject to Executive's continued employment with the Company.
Annual Long-Term Incentive	Long-term incentive award having a target value equal to \$700,000 (100% of base salary) based on FY20 LTI plan design (TBD) and granted commensurate with FY20 LTI grant.
Future Equity Awards	Eligible for grants of stock awards under the Company's Long-Term Equity Incentive Plan at a level commensurate with other senior officers. Future fiscal long-term equity incentive plans are subject to Compensation Committee and Board of Directors authorization and approval.

Executive Agreement	The Company and Executive will enter into an Executive Agreement providing for 12 months of salary continuation in the event Executive's employment with the Company is terminated by the Company without Cause or by Executive for Good Reason (each as defined in the Executive Agreement).
Non-Compete, Non-Solicitation and Non-Disclosure	Subject to non-compete, non-solicitation and confidentiality provisions for a period of one year following termination of employment.
Group Insurance Plan	Eligible to participate in Company broad-based health and welfare plans, long-term disability, dental insurance, accident insurance, vision and life insurance, and a prescription drug plan. Subject to terms of plans. Pier 1 will reimburse Executive for COBRA costs pending eligibility for Pier 1's welfare benefit plans.
Stock Purchase Plan	Eligible to purchase Pier 1 Imports, Inc. common stock through contributions of up to 20% of eligible compensation, plus Company matching contributions of 25% of amounts contributed. Subject to terms of plan.
Deferred Compensation Plan	Eligible participation includes company matching contributions equal to 100% of the first 1% of eligible compensation deferred and 50% of the next 4% of eligible compensation deferred. Subject to terms of plan.
401(k) Retirement Plan	Eligible participation includes company matching contributions based on pre-tax contributions to the plan equal to 100% of the first 1% of eligible compensation to the plan and 50% of the next 4% of eligible compensation contributed to the plan. Subject to terms of plan.
Relocation	Up to \$90,000 in accordance with the Company's standard relocation policy.
Vacation	Two weeks of vacation granted upon Start Date. Four weeks of vacation granted on the first day of FY20 (3/3/19).
Merchandise Discount	25% discount on all Pier 1 Imports merchandise, subject to Associate Discount Policy.

-END-



EXECUTIVE AGREEMENT

By this Executive Agreement dated [DATE] ("Agreement"), Pier 1 Imports, Inc. and its affiliates and subsidiaries (herein "Pier 1 Imports" and/or "Company"), and _____ ("Executive"), intending to be legally bound, and for good and valuable consideration, agree as follows:

1. Effect of Severance.

(a) Severance Benefits. If Executive is involuntarily terminated without "Cause" or Executive voluntarily terminates Executive's employment for "Good Reason" (as such terms are defined in Section 2 below), Executive shall be entitled to the benefits described in subsection (i) and (ii) below (collectively referred to herein as "Severance Benefits"). Executive shall not be entitled to the Severance Benefits if Executive's employment terminates for any other reason, including due to death or "Disability" (as defined in Section 2 below). Executive shall also not be entitled to Severance Benefits if Executive does not meet all of the other requirements under this Agreement, including under subsection 1(c).

(i) Continuation of Salary.

(1) Pier 1 Imports shall pay Executive cash severance equal to one times Executive's annual base salary rate in effect as of the Date of Termination (as defined in Section 2 below). Subject to subsection (a)(i)(2) below, payment of such amount ("Salary Continuation") shall commence on Executive's Date of Termination and shall be paid in substantially equal installments on each regular salary payroll date for a period of twelve (12) months following the Date of Termination ("Salary Continuation Period"), except as otherwise provided in this Agreement.

Notwithstanding the foregoing, the Pier 1 Imports obligations under this subsection (a)(i)(1) shall be reduced on a dollar-for-dollar basis (but not below zero), by the amount, if any, of fees, salary or wages that Executive earns from a subsequent employer (including those arising from self-employment) during the Salary Continuation Period. For avoidance of doubt, Executive shall not be obligated to seek affirmatively or accept an employment, contractor, consulting or other arrangement in order to mitigate Salary Continuation. Further, to the extent Executive does not execute and timely submit the General Release and Waiver (in accordance with subsection 1(c) below) by the deadline specified therein, Salary Continuation payments shall terminate and forever lapse, and Executive shall be required to reimburse Pier 1 Imports for any portion of the Salary Continuation paid during the Salary Continuation Period.

(2) Notwithstanding anything in this subsection (a)(i) to the contrary, if the Salary Continuation payable to Executive in accordance with subsection (a)(i)(1) above during the first six (6) months after Executive's Date of Termination would exceed the "Section 409A Threshold" and if as of the Date of Termination Executive is a "Specified Employee" (as such terms are defined in Section 2 below), then, payment shall be made to Executive on each regular salary payroll date during the first six (6) months of the Salary Continuation Period until the aggregate amount received equals the Section 409A Threshold. Any portion of the Salary Continuation in excess of the Section 409A Threshold that would otherwise be paid during such first six (6) months, or any portion of the Salary Continuation that is otherwise subject to Section 409A, shall instead be paid to Executive in a lump sum payment on the date that is six (6) months and one (1) day after the Executive's Date of Termination.

(3) All Salary Continuation payments (described under this subsection (a)(i)) will terminate and forever lapse in the event of Executive's breach of this Agreement (in accordance with Section 12 below), and Executive shall be required to reimburse Pier 1 Imports for any portion of the Salary Continuation paid during the Salary Continuation Period.

(ii) Outplacement.

As of Executive's Date of Termination, Executive will be immediately eligible for reasonable outplacement services at the expense of Pier 1 Imports. Pier 1 Imports and Executive will mutually agree on which outplacement firm, among current vendors used by Pier 1, will provide these services. Such services will be provided for up to twelve (12) months from the Date of Termination or until employment is obtained, whichever occurs first. Outplacement benefits described in this subsection (a)(ii) will terminate and forever lapse in the event of Executive's breach of this Agreement (in accordance with Section 12 below), and Executive shall be required to reimburse Pier 1 Imports for the cost of outplacement services received by Executive during the Salary Continuation Period.

(iii) Other.

(1) In addition to the foregoing Severance Benefits, a lump sum payment will be made to Executive within ten (10) business days following the Date of Termination in an amount equal to the sum of any base salary for which Executive has not already been paid. No vacation benefits will accrue during the Salary Continuation Period.

(2) Notwithstanding the foregoing and anything herein to the contrary, in the event of Executive's death during the Salary Continuation Period, any unpaid portion of the Salary Continuation payable in accordance with subsection (a)(i) above shall be paid in a lump sum, within sixty (60) days of death, to Executive's estate.

(b) Impact of Termination on Certain Other Plans/Programs.

(i) Annual Incentive Plan.

Upon Executive's Date of Termination, Executive's entitlement to any award under any applicable short-term cash incentive program ("STI") sponsored by Pier 1 Imports shall be determined in accordance with the terms and conditions of the applicable STI award letter and governing plan document regarding termination of employment.

(ii) Long-Term Equity Incentive Program(s).

Upon Executive's Date of Termination, Executive's entitlement to any award granted to Executive under a long-term equity incentive program ("LTI") sponsored by Pier 1 Imports, including any unvested options, restricted stock or other equity award granted to Executive, shall be determined in accordance with the terms and conditions of the applicable award agreement and governing plan document regarding termination of employment.

(iii) Insurance programs.

Upon Executive's Date of Termination, benefits such as accident insurance, long term disability, and short-term disability will cease immediately. If enrolled and Executive wishes to continue receiving medical, vision and/or dental benefits, Executive may elect to continue Executive's insurance coverage by completing the forms that will be made available to Executive at the end of Executive's employment and paying Executive's portion of the COBRA premium each month in advance.

(c) General Release and Waiver. Upon Executive's Date of Termination (whether initiated by Pier 1 Imports or Executive) potentially entitling Executive to Severance Benefits, Executive will be provided with a binding general release and waiver of claims ("General Release and Waiver") in a form substantially similar to the General Release and Waiver attached hereto as Exhibit "A" and made a part hereof. If the General Release and Waiver is not signed within the time specified in the General Release and Waiver or is signed but subsequently revoked, Executive will not continue to receive any Severance Benefits otherwise payable under subsection 1(a) above. Further, Executive shall be obligated to reimburse Pier 1 Imports for any portion of (i) the Salary Continuation paid during the Salary Continuation Period under subsection (1)(a)(i) herein and (ii) the cost of other Severance Benefits received by Executive during the Salary Continuation Period.

(d) Post-Termination Forfeiture of Severance Benefits. If Pier 1 Imports determines after Executive's Date of Termination that Executive engaged in activity during employment with Pier 1 Imports that constituted Cause, Executive shall immediately cease to be eligible for Severance Benefits and shall be required to reimburse Pier 1 Imports for any portion of the Salary Continuation paid to Executive and for the cost of other Severance Benefits received by Executive during the Salary Continuation Period.

2. Definitions. For purposes of this Agreement, each capitalized term in this Agreement is either defined in the section, exhibit or appendix in which it first appears or in this Section 2. The following capitalized terms shall have the definitions as set forth below:

(a) "Cause" shall mean a good faith determination by the Board of Directors of Pier 1 Imports, Inc. ("Board") that any of the following has occurred: (i) the Executive's material or habitual failure to follow the reasonable and lawful directions of any superior officer of the Company, provided the direction(s) is not materially inconsistent with the duties or responsibilities of the Executive's position, or to perform Executive's duties with the Company (other than any such failure resulting from the Executive's Disability) which failure is not cured within ten (10) days after a written demand for performance is delivered to the Executive by the Company which specifically identifies the manner in which the Company believes that the Executive has materially or habitually failed to perform the Executive's duties; (ii) the Executive's charge with, indictment for, conviction of, or entry of a plea of guilty or nolo contendere or no contest with respect to: (a) any felony, or any misdemeanor involving dishonesty or moral turpitude (including pleading guilty or nolo contendere to a felony or lesser charge which results from plea bargaining), whether or not such felony, crime or lesser offense is connected with the business of the Company, or (b) any crime connected with the business of the Company; (iii) the Executive's engaging in any gross negligence or gross misconduct in connection with the performance of Executive's duties hereunder, which is, or is likely to be, materially injurious to the Company, its financial condition, or its reputation; (iv) the Executive's commission of or engagement in any act of fraud, misappropriation, material dishonesty, or embezzlement, whether or not such act was committed in connection with the business of the Company; (v) the Executive's breach of fiduciary duty, breach of any of the covenants set forth in Section 6 of this Agreement, or material breach of any other provisions of this Agreement; or (vi) the Executive's violation of the Company's policy against harassment, its equal employment opportunity policy, or the Company's code of business conduct, or a material violation of any other policy or procedure of the Company.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(c) "Date of Termination" shall mean the date on which Executive has a Separation from Service from the Company for any reason.

(d) "Disability" shall mean disability as defined under the Pier 1 Imports long-term disability plan (regardless of whether the Executive is a participant under such plan).

(e) “Good Reason” shall mean, without Executive’s written consent, (i) a reduction of more than ten percent (10%) in the sum of Executive’s annual base salary and target STI award as a percentage of base salary from those in effect as of the date of this Agreement; (ii) a material diminution in Executive’s authority, duties or responsibilities; (iii) Executive’s mandatory relocation to an office more than fifty (50) miles from the primary location at which Executive is required to perform Executive’s duties as of the date of this Agreement; or (iv) any other action or inaction that constitutes a material breach of the terms of this Agreement by Company, including failure of a successor company to assume or fulfill the obligations under this Agreement. Notwithstanding the foregoing or anything to the contrary contained herein, the Company’s compliance with the “Employment Term Sheet” for Executive under cover of the offer letter dated [DATE] shall not result in any reduction under this paragraph. In each case, Executive must provide Pier 1 Imports with written notice of the facts giving rise to a claim that “Good Reason” exists for purposes of this Agreement, within thirty (30) days of the initial existence of such Good Reason event, and Pier 1 Imports shall have the right to remedy such event within sixty (60) days after receipt of Executive’s written notice (“the sixty (60) day period”). If Pier 1 Imports remedies the Good Reason event within the sixty (60) day period, the Good Reason event (and Executive’s right to receive any benefit under this Agreement on account of termination of employment for Good Reason) shall cease to exist. If Pier 1 Imports does not remedy the Good Reason event within the sixty (60) day period, and Executive does not incur a termination of employment within thirty (30) days following the earlier of: (y) the date Pier 1 Imports notifies Executive that it does not intend to remedy the Good Reason or does not agree that there has been a Good Reason event, or (z) the expiration of the sixty (60) day period, the Good Reason event (and Executive’s right to receive any benefit under this Agreement on account of termination of employment for Good Reason) shall cease to exist. Notwithstanding the foregoing, if Executive fails to provide written notice to Pier 1 Imports of the facts giving rise to a claim of Good Reason within thirty (30) days of the initial existence of such Good Reason event, the Good Reason event (and Executive’s right to receive any benefit under this Agreement on account of termination of employment for Good Reason) shall cease to exist as of the thirty-first (31st) day following the later of its occurrence or Executive’s knowledge thereof.

(f) “Section 409A Threshold” shall mean an amount equal to two times the lesser of (i) Executive’s base salary for services provided to Pier 1 Imports as an employee for the calendar year preceding the calendar year in which Executive has a Separation from Service; or (ii) the maximum amount that may be taken into account under a qualified plan in accordance with Code Section 401(a)(17) for the calendar year in which the Executive has a Separation from Service. In all events, this amount shall be limited to the amount specified under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A) or any successor thereto.

(g) “Separation from Service” shall mean a “separation from service” with Pier 1 Imports within the meaning of Code Section 409A (and regulations issued thereunder). Notwithstanding anything herein to the contrary, the fact that Executive is treated as having incurred a Separation from Service under Code Section 409A and the terms of this Agreement shall not be determinative, or in any way affect the analysis, of whether Executive has retired, terminated employment, separated from service, incurred a severance from employment or become entitled to a distribution, under the terms of any retirement plan (including pension plans and 401(k) savings plans) maintained by Pier 1 Imports and to which Executive is a participant.

(h) “Specified Employee” shall mean a “specified employee” under Code Section 409A (and regulations issued thereunder).

3. Intellectual Property Rights. Executive acknowledges that Executive’s development, work or research on any and all inventions or expressions of ideas, that may or may not be eligible for patent, copyright, trademark or trade secret protection, hereafter made or conceived solely or jointly within the scope of employment at Pier 1 Imports, provided such invention or expression of an idea relates to the business of Pier 1 Imports, or relates to actual or demonstrably anticipated research or development of Pier 1 Imports, or results from any work performed by Executive for or on behalf of Pier 1 Imports, are hereby assigned to Pier 1 Imports, including Executive’s entire rights, title and interest. Executive will promptly disclose such invention or expression of an idea to Executive’s management and will, upon request, promptly execute a specific written assignment of title to Pier 1 Imports. If Executive currently holds any inventions or expressions of an idea, regardless of whether they were published or filed with the U.S. Patent and Trademark Office or the U.S. Copyright Office, or is under contract to not so assign, Executive will list them on the last page of this Agreement.

4. Protective Covenants. Executive acknowledges that this Agreement provides for additional consideration beyond employment itself and beyond what Pier 1 Imports is otherwise obligated to provide. For good and valuable consideration, including but not limited to the use of and access to Confidential Information as outlined below, Executive agrees to the following:

(a) Non-Disclosure of Confidential Information and Return of Property. Executive acknowledges and agrees to be bound by the following, whether or not Executive receives any Severance Benefits under this Agreement:

(i) Non-Disclosure of Confidential Information.

Pier 1 Imports agrees that during Executive's employment with Pier 1 Imports, Pier 1 Imports promises to provide Executive with use of and access to its Confidential Information. Executive agrees that Executive shall not, directly or indirectly, use any Confidential Information on Executive's own behalf or on behalf of any person or entity other than Pier 1 Imports, or reveal, divulge, or disclose any Confidential Information to any person or entity not expressly authorized by Pier 1 Imports to receive such Confidential Information. This obligation shall remain in effect for as long as the information or materials in question retain their status as Confidential Information. Executive further agrees that Executive shall fully cooperate with Pier 1 Imports in maintaining the Confidential Information to the extent permitted by law. The parties acknowledge and agree that this Agreement is not intended to, and does not, alter either Pier 1 Imports' rights or Executive's obligations under any state or federal statutory or common law regarding trade secrets and unfair trade practices. Anything herein to the contrary notwithstanding, Executive shall not be restricted from: (A) disclosing information that is required to be disclosed by law, court order or other valid and appropriate legal process; provided, however, that in the event such disclosure is required by law, Executive shall provide Pier 1 Imports with prompt notice of such requirement so that Pier 1 Imports may seek an appropriate protective order prior to any such required disclosure by Executive; (B) reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, or from making other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation, and Executive shall not need the prior authorization of Pier 1 Imports to make any such reports or disclosures and shall not be required to notify Pier 1 Imports that Executive has made such reports or disclosures; (C) disclosing a trade secret (as defined by 18 U.S.C. § 1839) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, in either event solely for the purpose of reporting or investigating a suspected violation of law; or (D) disclosing a trade secret (as defined by 18 U.S.C. § 1839) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(ii) Definition of Confidential Information.

"Confidential Information" means any and all data and information relating to Pier 1 Imports, its activities, business, or customers that (i) is disclosed to Executive or of which Executive becomes aware as a consequence of Executive's employment with Pier 1 Imports; (ii) has value to Pier 1 Imports; and (iii) is not generally known outside of Pier 1 Imports. "Confidential Information" shall include, but is not limited to the following types of information regarding, related to, or concerning Pier 1 Imports: trade secrets (as defined by applicable law); financial plans and data; management planning information; business plans; operational methods; market studies; marketing plans or strategies; pricing information; product development techniques or plans; listings of customers, buying agents, vendors and manufacturers; customer, buying agent, vendor and manufacturer files, data and financial information; details of customer, buying agent, vendor and manufacturer contracts; current and anticipated customer, buying agent, vendor and manufacturer requirements; identifying and other information pertaining to business referral sources; past, current and planned research and development; computer aided systems, software, strategies and programs; business acquisition plans; management organization and related information (including, without limitation, data and other information concerning the compensation and benefits paid to officers, directors, employees and management); personnel and compensation policies; new personnel acquisition plans; and other similar information. "Confidential Information" also includes combinations of information or materials which individually may be generally known outside of Pier 1 Imports, but for which the nature, method, or procedure for combining such information or materials is not generally known outside of Pier 1 Imports. In addition to data and information relating to Pier 1 Imports, "Confidential Information" also includes any and all data and information relating to or concerning a third party that otherwise meets the definition set forth above, that was provided or made available to Pier 1 Imports by such third party, and that Pier 1 Imports has a duty or obligation to keep confidential. This definition shall not limit any definition of "confidential information" or any equivalent term under state or federal law. "Confidential Information" shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of Pier 1 Imports.

(iii) Return of Materials.

Executive agrees that Executive will not retain or destroy (except as set forth below), and will immediately return to Pier 1 Imports on or prior to the Date of Termination, or at any other time Pier 1 Imports requests such return, any and all property of Pier 1 Imports that is in Executive's possession or subject to Executive's control, including, but not limited to, customer, buying agent, vendor and manufacturer files and information, papers, drawings, notes, manuals, specifications, designs, devices, code, email, documents, diskettes, CDs, tapes, keys, access cards, credit cards, identification cards, equipment, computers, mobile devices, other electronic media, all other files and documents relating to Pier 1 Imports and its business (regardless of form, but specifically including all electronic files and data of Pier 1 Imports), together with all Confidential Information belonging to Pier 1 Imports or that Executive received from or through Executive's employment with Pier 1 Imports. Executive will not make, distribute, or retain copies of any such information or property. To the extent that Executive has electronic files or information in Executive's possession or control that belong to Pier 1 Imports or contain Confidential Information (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to the Date of Termination, or at any other time Pier 1 Imports requests, Executive shall (A) provide Pier 1 Imports with an electronic copy of all of such files or information (in an electronic format that is readily accessible by Pier 1 Imports); (B) after doing so, delete all such files and information, including all copies and derivatives thereof, from all non-Pier 1 Imports owned computers, mobile devices, electronic media, cloud storage, and other media, devices, and equipment, such that such files and information are permanently deleted and irretrievable; and (C) provide a written certification to Pier 1 Imports that the required deletions have been completed and specifying the files and information deleted and the media source from which they were deleted.

(b) Non-Solicitation of Employees and Independent Contractors. During Executive's employment with Pier 1 Imports and for twelve (12) months following the Date of Termination, whether or not Executive receives any Severance Benefits under this Agreement, Executive will not, directly or indirectly, whether on Executive's own behalf or as a principal or representative of any other person or entity, recruit, solicit, or induce or attempt to recruit, solicit or induce any employee or independent contractor of Pier 1 Imports with whom Executive had any contact whatsoever during Executive's employment to terminate his or her employment or other relationship with Pier 1 Imports or to enter into employment or any other kind of business relationship with Executive or any other person or entity.

(c) Non-Competition. In return for the Company's and its Affiliates' promise to provide Executive with access to and use of its Confidential Information (as described in Section (4)(a)(i)-(iii) above), during Executive's employment with Pier 1 Imports and for twelve (12) months following the Date of Termination, Executive will not, within the Restricted Area, directly or indirectly, engage, either as a principal, employee, partner, consultant, officer, director or investor (other than a less-than-1% stock interest in a corporation), in a business which is a competitor of the Company, in the same or similar type capacity as Executive was employed by Pier 1 Imports. For purposes of this subsection 4(c), a business shall be deemed a "competitor" of Pier 1 Imports if it engages in the commerce of a Home Fashions or Furniture Business or is a Home Décor Division of a Business, whether through stores (retail or wholesale), on-line e-commerce or any combination thereof.

(i) The term “Restricted Area” shall mean the United States unless, during the last two (2) years of Executive’s employment, Executive’s employment responsibilities include a different geographic territory and Executive’s access to Confidential Information is restricted to such different geographic territory, in which case the term “Restricted Area” shall mean such different geographic territory.

(ii) The term “Home Fashions or Furniture Business” shall mean a business (however organized or conducted, including any on-line e-commerce operations) that primarily engages in the sale, marketing, distribution, manufacturing or design of merchandise consisting of furniture, decorative accessories, housewares, bed and bath, and seasonal goods, or any other category of merchandise sold by Pier 1 Imports during Executive’s employment. By way of illustration, a “Home Fashions or Furniture Business” shall include such businesses as Pier 1 Imports, Restoration Hardware, Inc., Kirkland’s, Inc., Williams-Sonoma, Inc., Pottery Barn, Inc., Tuesday Morning Corporation, and Bed, Bath & Beyond, Inc. and stores under the names “World Market,” “Cost Plus,” “Cost Plus World Market,” “Crate & Barrel,” “Home Goods,” “Home Sense,” “IKEA,” “Wayfair,” “Hayneedle,” and “At Home.”

(iii) The term “Home Décor Division of a Business” shall mean a category, division, branch, or unit of a business (however organized or conducted, including any on-line e-commerce operations, specialty retailer, big box retailer or department store) that engages in the sale, marketing, distribution, manufacturing or design of furniture, decorative accessories, housewares, bed and bath, and seasonal goods, or any other category of merchandise sold Pier 1 Imports during the Executive’s employment. By way of illustration, a “Home Décor Division of a Business” shall include the home furnishings, home décor or other similar home-related category, division, branch, or unit of The TJX Companies, Inc., Ross Stores, Inc., J.C. Penney Company, Inc., Target Corporation, The Michaels Companies, Inc., The Container Store Group, Inc., Amazon.com, Inc., and Neiman Marcus Group LTD LLC.

(iv) Pier 1 Imports may from time to time prior to, and during the thirty (30) days following, any Date of Termination, by written notice to the Executive, for purposes of clarification, add to the list of illustrative examples of a Home Fashions or Furniture Business or a Home Décor Division of a Business set forth in this subsection 4(c) the names of other companies or businesses meeting the definitions of such terms.

5. Enforcement of Protective Covenants.

(a) Rights and Remedies Upon Breach. The parties specifically acknowledge and agree that the remedy at law for any breach of the restrictions in Section 4 of this Agreement (the “Protective Covenants”) will be inadequate, and that in the event Executive breaches, or threatens to breach, any of the Protective Covenants, Pier 1 Imports shall have the right and remedy, without the necessity of proving actual damage or posting any bond, to enjoin, preliminarily and permanently, Executive from violating or threatening to violate the Protective Covenants and to have the Protective Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the Protective Covenants would cause irreparable injury to Pier 1 Imports and that money damages would not provide an adequate remedy to Pier 1 Imports. Executive understands and agrees that if Executive violates any of the obligations set forth in the Protective Covenants, the period of restriction applicable to each obligation violated shall cease to run during the pendency of any litigation over such violation, provided that such litigation was initiated during the period of effectiveness of the Protective Covenants. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to Pier 1 Imports at law or in equity. Pier 1 Imports’ ability to enforce its rights under the Protective Covenants or applicable law against Executive shall not be impaired in any way by the existence of a claim or cause of action on the part of Executive based on, or arising out of, this Agreement or any other event or transaction.

(b) Severability and Modification of Covenants. Executive acknowledges and agrees that each of the Protective Covenants is reasonable and valid in time and scope and in all other respects and is no greater than necessary to protect Pier 1 Imports' legitimate business interests. The parties agree that it is their intention that the Protective Covenants be enforced in accordance with their terms to the maximum extent permitted by law. Each of the Protective Covenants shall be considered and construed as a separate and independent covenant. Should any part or provision of any of the Protective Covenants be held invalid, void, or unenforceable, such invalidity, voidness, or unenforceability shall not render invalid, void, or unenforceable any other part or provision of this Agreement or such Protective Covenant. If any of the provisions of the Protective Covenants should ever be held by a court of competent jurisdiction to exceed the scope permitted by the applicable law, such provision or provisions shall be automatically modified to such lesser scope as such court may deem just and proper for the reasonable protection of Pier 1 Imports' legitimate business interests and may be enforced by Pier 1 Imports to that extent in the manner described above and all other provisions of this Agreement shall be valid and enforceable.

6. Non-Disparagement. Executive shall not (i) in any way publicly disparage Pier 1 Imports or its equity holders, officers, directors, employees or agents, (ii) cause embarrassment or public humiliation to such entities or persons, or (iii) make any public statement that is adverse, inimical or otherwise detrimental to the interests of any such entities or persons. This Section 6 shall not in any way limit any of Executive's rights that are expressly reserved in the final sentence of Section 4(a)(i), or in any way limit Executive's ability to provide truthful testimony or information in response to a subpoena, court or arbitral order, or valid request by a government entity, or as otherwise required by law.

7. Cooperation. Executive agrees, without receiving additional compensation, to fully and completely cooperate with Pier 1 Imports, both during and after Executive's period of employment with Pier 1 Imports (including any Salary Continuation Period), with respect to matters that relate to Executive's period of employment, in all investigations, potential litigation or litigation in which Pier 1 Imports is involved or may become involved, other than any such investigations, potential litigation or litigation between Pier 1 Imports and Executive. Pier 1 Imports will reimburse Executive for reasonable travel and out-of-pocket expenses incurred in connection with any such investigations, potential litigation or litigation.

8. Existing Covenants. Executive represents and warrants that Executive's employment with Pier 1 Imports does not and will not breach any agreement that Executive has with any former employer to keep in confidence proprietary or confidential information or not to compete with any such former employer. Executive will not disclose to Pier 1 Imports or use on its behalf any proprietary or confidential information of any other party required to be kept confidential by Executive.

9. Disclosure of Agreement. Executive acknowledges and agrees that, during the twelve (12) months following the Date of Termination, Executive will disclose the existence and terms of this Agreement to any prospective employer, business partner, investor or lender prior to entering into an employment, partnership or other business relationship with such prospective employer, business partner, investor or lender. Executive further agrees that Pier 1 Imports shall have the right to make any such prospective employer, business partner, investor or lender of Executive aware of the existence and terms of this Agreement.

10. Employment Status. Nothing in this Agreement shall be construed as a commitment, guarantee, agreement, or understanding of any kind or nature that Pier 1 Imports will continue to employ Executive, nor will this Agreement affect in any way the right of Pier 1 Imports or Executive to terminate Executive's employment at any time and for any reason, with or without Cause (unless otherwise agreed to by the parties separately in writing). Executive acknowledges and agrees that Executive is an "at will" employee.

11. Future Enforcement or Remedy. Any waiver, or failure to seek enforcement or remedy for any breach or suspected breach, of any provision of this Agreement by Pier 1 Imports or Executive in any instance shall not be deemed a waiver of any breach or suspected breach of such provision in the future.

12. Breach by Executive. In the event of a breach by Executive of any of the provisions of this Agreement, including without limitation the Protective Covenants (Section 4) and the non-disparagement provision (Section 6) of this Agreement, the obligation of Pier 1 Imports to pay Salary Continuation or to provide other Severance Benefits under this Agreement will immediately cease and any Salary Continuation payments already received and the value of any other Severance Benefits already received will be returned by Executive to Pier 1 Imports.

13. Severability. If any provision(s) of this Agreement shall be found invalid, illegal, or unenforceable, in whole or in part, then such provision(s) shall be modified or restricted so as to effectuate as nearly as possible in a valid and enforceable way the provisions hereof, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted or as if such provision(s) had not been originally incorporated herein, as the case may be.

14. Governing Law. This Agreement was negotiated, entered into and is performable, in whole or in part, in the State of Texas and will therefore be governed under the internal laws of the state of Texas without regard to principles of conflicts of laws. Executive agrees that the state and federal courts located in Tarrant County Texas shall have jurisdiction in any action, lawsuit or proceeding based on or arising out of this Agreement, and Executive hereby: (a) submits to the personal jurisdiction of such courts; (b) consents to the service of process in connection with any action, suit, or proceeding against Executive; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction, venue or service of process.

15. Right to Jury. Executive agrees to waive any right to a jury trial on any claim contending that this Agreement or the General Release and Waiver is illegal or unenforceable in whole or in part, and Executive agrees to try any claims brought in a court or tribunal without use of a jury or advisory jury. Further, should any claim arising out of Executive's employment, termination of employment or Salary Continuation Period (if any) be found by a court or tribunal of competent jurisdiction to not be released by the General Release and Waiver, Executive agrees to try such claim to the court or tribunal without use of a jury or advisory jury.

16. Other Plans, Programs, Policies and Practices. If any provision of this Agreement conflicts with any other plan, programs, policy, practice or other Pier 1 Imports' document, then the provisions of this Agreement will control, except as otherwise precluded by law.

17. Entire Agreement. This Agreement, including any exhibits or appendices hereto along with any offer letter between Pier 1 Imports and Executive, contains and comprises the entire understanding and agreement between Executive and Pier 1 Imports and fully supersedes any and all prior agreements or understandings between Executive and Pier 1 Imports with respect to the subject matter contained herein, and may be amended only by a writing signed by both parties. For the avoidance of doubt, should Executive be subject to restrictive covenants in another agreement between Executive and Pier 1 Imports (such as a long-term incentive award agreement) that by their terms do not apply if Executive's employment is terminated by Pier 1 Imports without cause or by Executive with good reason, the inapplicability of those restrictive covenants shall not affect the applicability of the restrictive covenants contained herein and Executive shall be bound by the terms of this Agreement as set forth herein.

18. Tax Withholding. Any compensation paid or provided to Executive under this Agreement shall be subject to any applicable federal, state or local income and employment tax withholding requirements.

19. Notices. All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

At the most recent address on file at
Pier 1 Imports

If to Pier 1 Imports:

Pier 1 Imports, Inc.
100 Pier 1 Place
Fort Worth, Texas 76102
Attention: General Counsel

20. Employing Subsidiary. Executive may serve as an executive officer of Pier 1 Imports, Inc. and will serve as an executive officer and employee of the Company's wholly owned subsidiary, Pier 1 Services Company, a Delaware statutory trust ("Pier 1 Services"). All payments of cash compensation to Executive in connection with Executive's employment and any other cash payments called for under this Agreement or owing to Executive in connection with Executive's employment will be paid by Pier 1 Services.

21. Resignation. Effective as of the Date of Termination, Executive hereby resigns as an officer and a director of any entity that is wholly owned by, wholly owns or is otherwise affiliated with Pier 1 Imports, for which Executive is serving as of the Date of Termination.

22. Assignment. Pier 1 Imports may assign its rights under this Agreement to any successor in interest, whether by merger, consolidation, sale of assets, or otherwise. This Agreement shall be binding whether it is between Pier 1 Imports and Executive or between any successor or assignee of Pier 1 Imports or affiliate thereof and Executive.

23. Code Section 280G. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any payment or distribution of any type to or for Executive by the Company (or any person or entity who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder)), or any affiliate of such person or entity, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments"), is or will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) if and to the extent that a reduction in the Total Payments would result in Executive retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax), than if Executive received the entire amount of such Total Payments. The determination of whether the Total Payments shall be reduced and the amount of such reduction shall be determined by an accounting firm selected by Executive and the Company, such accounting firm's expenses shall be paid for by Pier 1 Services, and such accounting firm's determination shall be final and binding upon Executive and the Company.

24. Code Section 409A Compliance. To the extent that a payment or benefit under this Agreement is subject to Code Section 409A, it is intended that this Agreement as applied to that payment or benefit comply with the requirements of Code Section 409A, and the Agreement shall be administered and interpreted consistent with this intent.

25. Counterparts. This Agreement may be executed in one or more counterparts, which together shall constitute a valid and binding agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, Executive and Pier 1 Imports, by its duly authorized representative, have executed this Agreement on the dates stated below, effective as of the latest date set forth below. The effective date shall be inserted in the preamble paragraph of the beginning of this Agreement.

COMPANY

EXECUTIVE

By: _____
Alasdair James
President and Chief Executive Officer
Pier 1 Imports, Inc.
Date: _____

[NAME]

Date: _____

Listing, if any, pursuant to Section 3 of this Agreement:

EXHIBIT A



NOTICE: YOU MAY CONSIDER THIS GENERAL RELEASE AND WAIVER FOR UP TO TWENTY-ONE (21) DAYS. YOU MAY NOT SIGN IT UNTIL ON OR AFTER YOUR LAST DAY OF WORK. IF YOU DECIDE TO SIGN IT, YOU MAY REVOKE THE GENERAL RELEASE AND WAIVER WITHIN SEVEN (7) DAYS AFTER SIGNING. ANY REVOCATION WITHIN THIS PERIOD MUST BE IMMEDIATELY SUBMITTED IN WRITING TO CHIEF HUMAN RESOURCES OFFICER, PIER 1 IMPORTS, INC., 100 PIER 1 PLACE, FORT WORTH, TEXAS, 76102. YOU MAY WISH TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS DOCUMENT.

GENERAL RELEASE AND WAIVER

In consideration of the severance benefits that are described in the attached Executive Agreement, I, for myself, my heirs, administrators, representatives, executors, successors and assigns, do hereby release Pier 1 Imports, Inc., its subsidiaries and affiliates and its and their respective current and former agents, subsidiaries, affiliates, related organizations, employees, officers, directors, shareholders, attorneys, successors, and assigns (collectively, "Pier 1 Imports") from any and all claims of any kind whatsoever, whether known or unknown, including but not limited to those claims arising out of, or connected with, my employment with Pier 1 Imports and the termination of my employment. This General Release and Waiver includes, but is not limited to, all claims under **Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 (42 U.S.C. § 1981), the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Employee Retirement Income Security Act ("ERISA"), the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Equal Pay Act, and any other federal, state or local constitution, statute, regulation or ordinance, all common law claims including, but not limited to, claims for wrongful or retaliatory discharge, intentional infliction of emotional distress, negligence, defamation, invasion of privacy and breach of contract, and all claims under any Pier 1 Imports policy, handbook or practice, to the fullest extent permitted under the law.**

This General Release and Waiver does not apply to any claims that may arise after the date I sign this General Release and Waiver. Also excluded from this General Release and Waiver are any claims that cannot be waived by law and any rights or claims I may have to benefits accrued under benefit plans maintained by Pier 1 Imports and governed by ERISA.

I understand that nothing contained in this General Release and Waiver limits my ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). I further understand that this General Release and Waiver does not limit my ability to communicate or share information with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies. However, based on my release of claims set forth in this General Release and Waiver, I understand that I am releasing all claims and causes of action that I might personally pursue or that might be pursued in my name and, to the extent permitted by applicable law, my right to recover monetary damages or obtain injunctive relief that is personal to me in connection with such claims and causes of action.

I also waive any right to become, and promise not to consent to become, a participant, member, or named representative of any class in any case in which claims are asserted against Pier 1 Imports that are related in any way to my employment or termination of employment at Pier 1 Imports, and that involve events that have occurred as of the date I sign this General Release and Waiver. If I, without my knowledge, am made a member of a class in any proceeding, I will opt out of the class at the first opportunity afforded to me after learning of my inclusion. In this regard, I agree that I will execute, without objection or delay, an "opt-out" form presented to me either by the court in which such proceeding is pending, by class counsel or by counsel for Pier 1 Imports.

I have read this General Release and Waiver and understand all of its terms.

I have signed it voluntarily with full knowledge of its legal significance.

I have had the opportunity to seek, and I have been advised in writing of my right to seek, legal counsel prior to signing this General Release and Waiver.

I was given at least twenty-one (21) days to consider signing this General Release and Waiver. I agree that any modification of this General Release and Waiver Agreement will not restart the twenty-one (21) day consideration period.

I understand that if I sign the General Release and Waiver, I can change my mind and revoke it within seven (7) days after signing it by notifying the Chief Human Resources Officer of Pier 1 Imports in writing at 100 Pier 1 Place, Fort Worth, Texas 76102. I understand the General Release and Waiver will not be effective until after the seven (7) day revocation period has expired.

I understand that the delivery of the consideration herein stated does not constitute an admission of liability by Pier 1 Imports and that Pier 1 Imports expressly denies any wrongdoing or liability.

Date: SAMPLE ONLY - DO NOT DATE

Signed by: SAMPLE ONLY - DO NOT SIGN

Witness by: SAMPLE ONLY - DO NOT SIGN



Retention Award

December , 2018

[NAME]

[TITLE]

Dear _____,

As a valued member of the Pier 1 senior executive team and as one whose continued leadership will be especially critical during this time, I am delighted and pleased to inform you that the Compensation Committee of the Board of Directors approved a cash retention award of \$_____. A formal agreement will be provided that will outline the terms and conditions of your retention payment.

On behalf of the Board of Directors congratulations and thank you, not only for your current contributions, but for what you will surely contribute to the future success of our beloved Company.

Regards,

Alasdair James
President & CEO

RETENTION AWARD AGREEMENT

A retention award of \$ _____ (the "Award") will be paid by Pier 1 Imports, Inc. (the "Company") or an Affiliate to _____ ("Executive") in a cash lump sum, subject to applicable federal, state, and local tax and other payroll withholding, within fifteen (15) days following December 3, 2019 (the "Payment Date") provided (i) Executive remains employed by the Company or an Affiliate through the Payment Date, (ii) Executive's employment is terminated by the Company or an Affiliate prior to the Payment Date without Cause, or (iii) Executive resigns for Good Reason prior to the Payment Date.

For purposes of this Award agreement, the term:

"Affiliate" means any entity which is controlling, controlled by, or under common control with the Company.

"Cause" means the occurrence of any of the following events:

- (a) refusal by Executive to follow a lawful direction of any superior officer of the Company or an Affiliate, provided the direction is not materially inconsistent with the duties or responsibilities of Executive's position;
- (b) performance deficiencies which are communicated to Executive in writing as part of performance reviews and/or other written communications from any superior officer of the Company or an Affiliate;
- (c) willful misconduct or reckless disregard by Executive of Executive's duties or of the interest or property of the Company or its Affiliates;
- (d) any act by Executive of fraud against, material misappropriation from, or significant dishonesty to either the Company or an Affiliate;
- (e) conviction by Executive of a felony.

"Good Reason" means the occurrence of all of the events listed in either (a) or (b) below:

- (a) a material diminution of Executive's responsibilities as modified by the Company or an Affiliate from time to time hereafter, such that Executive would no longer have responsibilities substantially equivalent to those of similarly situated employees at companies with similar revenues and market capitalization; provided that Executive gives written notice to the Company of the facts and circumstances constituting such material diminution within ten (10) days following the occurrence of such event; the Company (or Affiliate) fails to remedy such material diminution within ten (10) days following Executive's written notice of such event; and Executive terminates Executive's employment within ten (10) days following the Company's or Affiliate's failure to remedy such material diminution; or
- (b) the Company or an Affiliate materially reduces Executive's base salary without Executive's consent, unless the reduction is applied equally, expressed as a percentage of base salaries, to all similarly situated employees; provided that Executive gives written notice to the Company within ten (10) days following Executive's receipt of the notice of reduction in base salary of Executive's objection to the reduction; the Company or Affiliate fails to rescind the notice of reduction within ten (10) days following Executive's written notice; and Executive terminates Executive's employment within ten (10) days following the Company's or Affiliate's failure to rescind the notice.

Executive shall treat as confidential the fact of Executive's receipt of this Award and its terms and conditions. If the Company determines that Executive has shared such information with any other person, any right to payments under this Award shall be forfeited.

This Award shall not be construed as giving Executive the right to be retained in the service of the Company or an Affiliate. Executive shall remain subject to discharge to the same extent as if the Award had never been granted.

Pier 1 Imports, Inc.

By: _____
Alasdair B. James, President and Chief Executive Officer

AGREED AND ACCEPTED

Pier 1 Appoints Retail Industry Veteran Donna Noce Colaco as Chief Customer Officer

Newly Created Role to Lead the Merchandising Organization

FORT WORTH, Texas--(BUSINESS WIRE)--November 5, 2018--Pier 1 Imports, Inc. (NYSE:PIR) today announced that Donna Noce Colaco has been appointed as Chief Customer Officer, effective December 3, 2018. In this newly created position, Ms. Colaco will lead the merchandising organization and oversee product development, planning and allocations, stores, marketing and e-Commerce. She will report to Alasdair James, President and CEO.

“We are thrilled to welcome Donna in this new role as we continue to focus on bringing the customer to the center of everything we do,” said Mr. James. “With 40 years of experience in the retail industry, she brings a successful track record of reinventing brands, spearheading new business initiatives, and driving long-term sales and profit growth, which we believe will be instrumental to our success at this time of transformation. Moreover, Donna’s deep expertise in merchandising and omni-channel operations, married with her focus on brand-building and customer centricity, make her an ideal addition to our leadership team as we execute our ‘New Day’ plan.”

Most recently, Ms. Colaco served as Brand President of White House Black Market, a Chico's FAS, Inc. brand (NYSE: CHS), from August 2007 to January 2018. During her tenure, she led a brand repositioning and business turnaround, and was responsible for retail and e-commerce operations, including 500 stores, as well as brand development, product design, marketing, merchandising and financial planning. Ms. Colaco also served as a member of the Chico’s FAS Executive Committee, which was responsible for developing corporate initiatives and business strategy. Prior to that, Ms. Colaco spent 11 years with AnnTaylor Stores Corporation, where she held positions of increasing responsibility within the merchandising organization, successfully launched the LOFT outlet division, and served as head of e-Commerce for the Ann Taylor brand. From 2006 to 2007, Ms. Colaco was President of Ann Taylor Loft, a \$1 billion apparel and accessories business. Earlier in her career, Ms. Colaco held positions as a Buyer and Merchandise Manager for Limited, Inc.’s Lerner New York Division, and was a Buyer for Petrie Stores Corporation. She has been a member of the Board of Directors of Dover Saddlery, a specialty retailer and omni-channel marketer of equestrian products, since 2015.

Ms. Colaco stated, “I am excited to be joining a company with Pier 1’s rich brand history, seasoned leadership team and deep commitment to its customer. The Company has a number of strengths to leverage as we seek to transform Pier 1’s brand proposition, deliver superior value to the customer, and reinvigorate sales growth. I look forward to working with Alasdair and the executive team as we enter our peak season and beyond.”

Except for historical information contained herein, the statements in this press release or otherwise made by our management in connection with the subject matter of this press release are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) and involve risks and uncertainties and are subject to change based on various important factors. This press release includes forward-looking statements that are based on management's current estimates or expectations of future events or future results. These statements are not historical in nature and can generally be identified by such words as "believe," "expect," "estimate," "anticipate," "plan," "may," "will," "intend" and similar expressions. Management's expectations and assumptions regarding future results are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements included in this press release. These risks and uncertainties include, but are not limited to: the impact of initiatives implemented in connection with the Company's multi-year "New Day" strategic plan; the effectiveness of the Company's marketing campaigns, merchandising and promotional strategies and customer databases; consumer spending patterns; inventory levels and values; the Company's ability to implement planned cost control measures; risks related to U.S. import policy; and changes in foreign currency values relative to the U.S. dollar. These and other factors that could cause results to differ materially from those described in the forward-looking statements contained in this press release can be found in the Company's Annual Report on Form 10-K and in other filings with the SEC. Refer to the Company's most recent SEC filings for any updates concerning these and other risks and uncertainties that may affect the Company's operations and performance. Undue reliance should not be placed on forward-looking statements, which are only current as of the date they are made. The Company assumes no obligation to update or revise its forward-looking statements.

Pier 1 Imports is proud to offer one-of-a-kind-gotta-have-it-seriously-love-it products that help our customers tell their stories through home décor. Over the past 50 years we've grown from a single store to an omni-channel retailer reaching the whole of North America. Our customers shop us online and in store, and interact with us on social media. From the launch of our Pier 1 PICKS to our world renowned Papasan, we bring uniqueness and fun to the world of home décor. We are the perfect place for all your versions of "This is me." To get inspired or simply get to know us a little better, visit pier1.com.

CONTACT:

The Blueshirt Group

Christine Greany, 858-523-1732

christine@blueshirtgroup.com