

March 19, 2008

Kirk Palmer, Chief Executive Officer
Kirk Palmer and Associates, Inc.
500 Fifth Avenue (5th and 42nd)
Suite 1500
New York, NY 10110

Dear Kirk:

Thank you very much for the executive search professional services you provided us during our search for a President for Lilly Pulitzer®. As a result of the search process you led, we have decided to concentrate on the development of two internal candidates to grow into the President position.

A professional, external, retained executive search process is valid and useful even if the result is to select and focus on an internal candidate. The search process you led has given us an excellent sense of the external market for talent. This has given us confidence that focusing on internal candidates is the right decision for the business.

We would engage your services again for a President search if our plan to develop internal candidates is not successful. You took the time to learn the culture of Lilly Pulitzer®, the requirements of the position, the appropriate skill sets and fit for candidates and how the transition to a new President would take place. You brought forward several qualified candidates. You did a good job of selling the opportunity to the candidates. Outstanding candidates respond to your call that they should consider a position. You provided us with excellent counsel and advice on our decision to focus on internal candidates. We always felt our interests were foremost in your actions and advice.

Thank you again for your help. Although we did not hire one of the candidates you brought forward, the process has been worthwhile for us. We will most likely end up in the right place by developing internal candidates. We can do this with confidence, having seen the external market. In our industry, confidence from the Board of Directors is often the best gift to provide to a President.

Very truly yours,

Scott A. Beaumont,
Chairman and Chief Executive Officer