

OLLIE'S BARGAIN OUTLET HOLDINGS, INC.
6295 Allentown Boulevard, Suite 1
Harrisburg, Pennsylvania 17112

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held June 25, 2019

To our stockholders,

Notice is hereby given that the 2019 Annual Meeting of Stockholders of Ollie's Bargain Outlet Holdings, Inc. will be held on June 25, 2019, at 9:00 a.m. local time, at the Colonial Country Club, located at 4901 Linglestown Road, Harrisburg, PA, 17112 to:

1. elect Class I directors of the Board of Directors to hold office until the 2022 Annual Meeting of Stockholders;
2. approve a non-binding proposal regarding the named executive officer compensation;
3. amend the Company's certificate of incorporation to declassify the Board by the 2022 Annual Meeting of Stockholders;
4. amend the Company's certificate of incorporation to eliminate supermajority voting provisions;
5. amend the Company's certificate of incorporation to eliminate obsolete provisions; and
6. ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending February 1, 2020.

We will also consider any other matters that may properly come before the meeting or any adjournments or postponements of the meeting.

Our Board of Directors has fixed the close of business on May 2, 2019 as the record date for the determination of stockholders entitled to notice of and to vote at our Annual Meeting of Stockholders and any adjournments or postponements thereof. We are again making our proxy materials available to you electronically. We hope that this continues to offer you convenience while allowing us to reduce the number of copies that we print.

To be admitted to the Annual Meeting of Stockholders, you must present proof of stock ownership as of the record date and a valid photo identification. Please follow the admission procedures described on page 1 of the proxy statement.

Your vote is important. We encourage you to vote by proxy in advance of the Annual Meeting of Stockholders, whether or not you plan to attend.

BY ORDER OF THE BOARD OF DIRECTORS



Robert Bertram
Vice President, General Counsel

May 14, 2019

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**OLLIE'S BARGAIN OUTLET HOLDINGS, INC.
6295 Allentown Boulevard, Suite 1
Harrisburg, Pennsylvania 17112**

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

June 25, 2019

INFORMATION CONCERNING THE ANNUAL MEETING AND VOTING

The Board of Directors (the "Board") of Ollie's Bargain Outlet Holdings, Inc. ("Ollie's," "we," "us," "our," or the "Company") is soliciting your proxy to be voted at the 2019 Annual Meeting of Stockholders (the "Annual Meeting") to be held on June 25, 2019, at 9:00 a.m. local time, at the Colonial Country Club, located at 4901 Linglestown Road, Harrisburg, Pennsylvania 17112, and any postponement or adjournment thereof.

Matters Considered at the Annual Meeting

At the meeting, stockholders will be asked to vote to: (1) elect two nominees named herein as Class I directors to hold office until the 2022 Annual Meeting; (2) approve a non-binding proposal regarding named executive officers compensation; (3) amend the Company's certificate of incorporation to declassify the Board by the 2022 Annual Meeting; (4) amend the Company's certificate of incorporation to eliminate supermajority voting provisions; (5) amend the Company's certificate of incorporation to eliminate obsolete provisions; and (6) ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending February 1, 2020. The Board does not know of any matters to be brought before the meeting other than as set forth in the notice of meeting. If any other matters properly come before the meeting, the persons named in the enclosed form of proxy or their substitutes will vote in accordance with their best judgment on such matters.

Record Date; Stock Outstanding and Entitled to Vote

Holders of common stock as of the record date are entitled to notice of, and to vote at, the Annual Meeting. As of the record date, there were 63,483,898 shares of common stock outstanding and entitled to vote at the Annual Meeting, with each share entitled to one vote.

Important Notice of Internet Availability Proxy Materials

Under rules adopted by the Securities and Exchange Commission (the "SEC"), we are furnishing Proxy Materials to most of our stockholders on the Internet, rather than mailing printed copies. By doing so, we save costs and reduce our impact on the environment. If you received a Notice of Availability by mail, you will not receive printed copies of the Proxy Materials unless you request them. Instead, the Notice of Availability will instruct you how to access and review the Proxy Materials on the Internet. If you would like printed copies of the Proxy Materials, please follow the instructions on the Notice of Availability. The Notice of Internet Availability was first mailed on or before May 14, 2019 to all stockholders of record as of the record date for the Annual Meeting, which was the close of business on May 2, 2019.

Participating in the Annual Meeting; Admission

If you are a stockholder of record, you will need to present the Notice of Internet Availability or proxy card that you received, together with a form of personal photo identification, in order to be admitted into the Annual Meeting. If you are the beneficial owner of shares held in "street name," you will need to provide proof of ownership, such as a recent account statement or letter from your bank, broker or other nominee as of the close of business on May 2, 2019, along with a form of personal photo identification. Alternatively, you may contact the broker, bank or other nominee in whose name your shares of common stock are registered and obtain a legal proxy to bring to the meeting.

We will decide in our sole discretion whether the documentation presented for admission meets the requirements described above.

Proxy Materials

Our Proxy Materials include:

- This Proxy Statement;
- A Notice of our Annual Meeting (which is attached to this Proxy Statement); and
- Our 2018 Annual Report to Stockholders.

If you received printed versions of these materials by mail (rather than through electronic delivery), these materials also include a Proxy Card or voting instruction form. If you received or accessed these materials through the Internet, your Proxy Card or voting instruction form are available to be filled out and executed electronically. You should review the entire Proxy Statement and the 2018 Annual Report to Stockholders before you vote.

Quorum; Shares Held by Brokers

The presence at the Annual Meeting, in person or by proxy, of the holders of at least a majority of the number of shares of common stock issued and outstanding and entitled to vote as of the record date, is required to constitute a quorum to transact business at the Annual Meeting.

Abstentions are counted as present and entitled to vote for purposes of determining a quorum. Shares represented by broker non-votes (as defined below) also are counted as present and entitled to vote for purposes of determining a quorum.

If you are the beneficial owner of shares held for you by a broker, your broker must vote those shares in accordance with your instructions. If you do not give voting instructions to your broker, your broker may vote your shares for you on any discretionary items of business to be voted upon at the Annual Meeting. If you do not provide voting instructions on a non-discretionary item, including the election of the nominees named herein as directors, the shares will be treated as “broker non-votes.” The election of two nominees named herein as Class I directors (Proposal 1), the advisory vote on executive compensation (Proposal 2), and the proposed amendment to our Certificate of Incorporations to declassify the Board to provide for annual election of directors (Proposal 3), eliminate supermajority voting provisions for amendments to the certificate of incorporation (Proposal 4), and eliminate provisions that are no longer applicable (Proposal 5) are non-routine matters on which brokers will not be permitted to vote any uninstructed shares. The ratification of the appointment of KPMG LLP (“KPMG”) (Proposal 6) is a routine matter on which brokers will be permitted to vote any uninstructed shares in their discretion.

Required Votes on Proposals

Election of Nominees named herein as Directors. Proposal 1. The affirmative vote of the holders of a majority the votes cast with respect to the director at the Annual Meeting is required to elect each nominee named herein as a director. Abstentions and broker non-votes will have no effect on this proposal.

Non-Binding Advisory Vote to Approve Named Executive Officer Compensation. Proposal 2. The affirmative vote of a majority of the holders of the common stock present in person or represented by proxy and voting on this matter at the Annual Meeting is required to approve this item. Abstentions count as a vote “against” and broker non-votes will have no effect on this proposal.

Amend the Company’s certificate of incorporation to declassify the Board and thereby provide for annual election of directors of the Company. Proposal 3. The affirmative vote of the holders of 66 2/3% of the voting power of the Company’s outstanding shares of Common Stock entitled to vote at the Annual Meeting is required to approve this item. Abstentions and broker non-votes will count as votes against this proposal.

Amend the Company’s certificate of incorporation to eliminate supermajority voting provisions. Proposal 4. The affirmative vote of the holders of 66 2/3% of the voting power of the Company’s outstanding shares of Common Stock entitled to vote at the Annual Meeting is required to approve this item. Abstentions and broker non-votes will count as votes against this proposal.

Amend the Company's certificate of incorporation to eliminate provisions that are no longer applicable.

Proposal 5. The affirmative vote of the holders of voting power of the Company's outstanding shares of Common Stock entitled to vote at the Annual Meeting is required to approve this item. Abstentions and broker non-votes will count as votes against this proposal.

Ratification of the selection of KPMG as our independent registered public accounting firm. Proposal 6, relating to the ratification of the selection of KPMG as our independent registered public accounting firm for the fiscal year ending February 1, 2020 will be approved if it receives the affirmative vote of the holders of a majority of the shares of common stock represented at the Annual Meeting and entitled to vote and voting on the subject matter. Abstentions will count as a vote against this proposal.

Other Matters. If any other matters are properly presented at the Annual Meeting for action, including a question of adjourning or postponing the meeting from time to time, the persons named in the proxies and acting thereunder will have discretion to vote on such matters in accordance with their best judgment.

Although the advisory vote in Proposal 2 is non-binding, as provided by law, our Board will review the results of the vote and will take it into account in making determinations concerning our Named Executive Officer compensation.

How to Vote; Revocation of Proxies

Stockholders of record are requested to vote by proxy in one of four ways:

- By telephone—Use the toll-free telephone number shown on the Notice of Internet Availability or any proxy card you receive;
- By Internet—Visit the Internet website indicated on the Notice of Internet Availability or any proxy card you receive and follow the on-screen instructions;
- By mail—If you request a paper proxy card by telephone or Internet, you may elect to vote by mail. If you elect to do so, you should date, sign and promptly return your proxy card by mail in the postage prepaid envelope which accompanied that proxy card; or
- In person—You can deliver a completed proxy card at the meeting or vote in person.

Voting instructions (including instructions for both telephonic and Internet proxies) are provided on the Notice of Internet Availability and on any proxy card you receive. The Internet and telephone proxy procedures are designed to authenticate stockholder identities, to allow stockholders to give voting instructions and to confirm that stockholder instructions have been recorded properly. A control number, located on the Notice of Internet Availability or proxy card, will identify stockholders and allow them to submit their proxies and confirm that their voting instructions have been properly recorded. Costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, must be borne by the stockholder. If you submit your proxy by Internet or telephone, it will not be necessary to return a proxy card for your vote to be counted.

If a stockholder does not submit a proxy by the Internet or by telephone or return a signed proxy card, and does not attend the meeting and vote in person, his or her shares will not be voted. Shares of our common stock represented by properly executed proxies received by us or proxies submitted by telephone or via the Internet, which are not revoked, will be voted at the meeting in accordance with the instructions contained therein.

If instructions are not given and you do not indicate how your shares should be voted on a proposal, the shares represented by a properly completed proxy will be voted as the Board recommends. In addition, we reserve the right to exercise discretionary authority to vote proxies, in the manner determined by the Company in its sole discretion, on any matters brought before the Annual Meeting for which we did not receive adequate notice under the proxy rules promulgated by the SEC.

Any proxy signed and returned by a stockholder or submitted by telephone or via the Internet may be revoked at any time before it is exercised by giving written notice of revocation to the Company's Secretary at our address set forth herein, by executing and delivering a later-dated proxy (either in writing, by telephone or via the Internet) or by voting in person at the meeting. Attendance at the meeting will not, in and of itself, constitute revocation of a proxy.

If your shares are held in the name of a bank, broker, fiduciary or custodian, follow the voting instructions on the form you receive from your record holder. The availability of Internet and telephone proxies for these stockholders will depend on their voting procedures.

Householding

Some banks, brokers and other holders of record may be participating in the practice of “householding” proxy statements, annual reports or notices. This means that only one copy of our Proxy Materials or Notice of Availability, as applicable, may have been sent to multiple stockholders in your household. If you want to receive separate copies of our Proxy Materials or Notice of Availability, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other holder of record, or you may contact Robert Bertram, Vice President and General Counsel at Ollie’s Bargain Outlet Holdings, Inc., 6295 Allentown Boulevard, Suite 1, Harrisburg, Pennsylvania 17112 or (717) 657-2300 ext. 2177.

If you own our common stock in more than one account, such as individually and also jointly with your spouse, you may receive more than one Notice of Internet Availability relating to these proxy materials or copy of these materials themselves. To assist us in saving money and to serve you more efficiently, we encourage you to have all your accounts registered in the same name and address by contacting our transfer agent: American Stock Transfer & Trust Company, LLC, 6201 15th Avenue, Brooklyn, NY 11219, Telephone: 800-937-5449, or (718) 921-8124.

Proxy Solicitation

The Company is paying the costs of the solicitation of proxies. Members of our Board and officers and employees may solicit proxies by mail, telephone, fax, email or in person. We will not pay directors, officers or employees any extra amounts for soliciting proxies. We may, upon request, reimburse brokerage firms, banks or similar entities representing street name holders for their expenses in forwarding Proxy Materials to their customers who are street name holders and obtaining their voting instructions.

No arrangements or contracts have been made or entered into with any solicitors as of the date of this Proxy Statement, although we reserve the right to engage solicitors if we deem them necessary. If done, such solicitations may be made by mail, telephone, facsimile, e-mail or personal interviews.

Annual Report and Company Information

Our Annual Report to Stockholders, which contains consolidated financial statements for the fiscal year ended February 2, 2019 (“fiscal year 2018”), is being furnished to stockholders concurrently herewith. You also may obtain a copy of our Annual Report on Form 10-K for fiscal year 2018 that was filed with the SEC, without charge, by writing to Ollie’s Bargain Outlet Holdings, Inc., Attn: Investor Relations and General Counsel, 6295 Allentown Boulevard, Suite 1, Harrisburg, Pennsylvania 17112. These materials will also be available without charge at “Investor Relations” on our website at www.ollies.us.

Corporate Governance Highlights

As a public company, our Board is committed to continued evaluation and improvement of our governance practices, including as set forth under the section of this Proxy Statement entitled “Corporate Governance Matters,” in order to serve the long-term interests of the Company and our stockholders.

- The Board is comprised of all independent, non-employee directors other than the CEO;
- Commencing at the 2019 Annual Meeting, the Board adopted majority voting for directors in uncontested elections with a resignation policy for directors who do not receive the support of a majority of our stockholders;
- The Board established a Nominating and Corporate Governance Committee comprised of independent directors;
- The Board approved and has submitted a proposal for stockholders to approve an amendment to our Certificate of Incorporation to declassify the Board by the 2022 Annual Meeting;
- Commitment to focus on improving Board diversity;
- All employees and directors are prohibited from hedging and pledging shares of Company stock;
- Directors are required to notify the Board when the director’s principal occupation or business association changes substantially from the position held when the director originally joined the Board;
- The Board has set a limit on the number of public boards on which directors may serve and requires advance notification to the Board prior to accepting an invitation to serve on the board of another for-profit or significant not-for-profit company; and
- The Board and each of its committees conduct annual self-evaluations.

PROPOSAL 1—ELECTION OF CLASS I DIRECTORS

Our Board currently consists of six (6) directors, divided into three classes, with each class serving a consecutive three-year term. The current composition of our Board is as follows: Class I consists of Stanley Fleishman and Stephen White; Class II consists of Robert Fisch and Richard Zannino; and Class III consists of Mark Butler and Thomas Hendrickson. Our current Class I Directors are up for re-election at the Annual Meeting.

In selecting director candidates for the Annual Meeting, the independent directors of our Board considered whether the candidates possesses the required skill sets and fulfilled the qualification requirements of directors approved by the Board, including independence, sound judgment, business specialization, technical skills, diversity and other desired qualities. The following biographies describe the business experience of each director and nominee.

The nominees for election as Class I Directors at the Annual Meeting are described below. The Board, upon the recommendation of the independent directors of the Board, has nominated each of the candidates for election. The Board expects that each of the nominees will be available for election as a director. However, if by reason of an unexpected occurrence, one or more of the nominees is not available for election, the persons named in the form of proxy have advised that they will vote for such substitute nominees as the Board may nominate.

In the event that, in an uncontested election, any incumbent directors does not receive a majority of the votes cast in his favor, such director will promptly tender his resignation to the Board. Following the consideration of the recommendation of the Nominating and Corporate Governance Committee, the Board will decide whether to accept or reject the tendered resignation or whether other action should be taken. The Board will disclose its explanation within 90 days from the publication of the Board election results. The Nominating and Corporate Governance Committee and the Board may consider any factor deemed appropriate in deciding whether to accept or reject the tendered resignation.

Going forward, our newly formed, independent Nominating and Corporate Governance Committee will recommend director candidates to the Board.

Your Board unanimously recommends a vote “FOR” the nominees for Class I Directors.

NOMINEES FOR ELECTION

Class I Directors, if elected

(term expires at 2022 Annual Meeting)

Stanley Fleishman, 67, has served as a director since March 2013. Mr. Fleishman has been the Chief Executive Officer of Jetro/Restaurant Depot Group, a nationwide wholesale cash and carry food distributor, since October 1992, prior to which he held the position of Chief Financial Officer. Prior to joining Jetro/Restaurant Depot group, Mr. Fleishman was the Chief Executive Officer of Dion Stores, a South African retail chain, from 1982-1985. He holds an M.B.A. from the Wharton School of the University of Pennsylvania. We believe that Mr. Fleishman's broad management expertise and his knowledge of the wholesale retail industry qualify him to serve as one of our directors.

Stephen White, 64, has served as a director since July 2016. Mr. White was most recently the Chief Logistics Officer at Dollar Tree, Inc. from April 2003 until his retirement in May 2016. Mr. White first joined Dollar Tree in 1994, and was responsible for building the logistics division during his tenure at the company. Prior to joining Dollar Tree, Mr. White served as Director of Transportation and Administration and held various other distribution and transportation positions at Ames Department Stores from 1986 to 1994. Prior to Ames, Mr. White held several transportation and supply chain positions with a number of companies, including LyphoMed Pharmaceuticals, Eastern Airlines, Incom International, and Shell Oil Company. Mr. White holds a Bachelor's of Science in Business Administration with dual majors in Transportation and Distribution Management, and Finance and Insurance from Northeastern University. Mr. White's extensive experience in logistics and financial matters qualify him to serve as one of our directors.

To be elected, each of our nominees must receive the affirmative vote of the holders of a majority of the votes cast with respect to such nominee at the Annual Meeting.

Class II Directors

(term expires at 2020 Annual Meeting)

Robert Fisch, 69, has served as a director since September 2015. He currently is President of RNF Group, a consulting company focused on the assessment and evaluation of retail and other business enterprises, as well as providing mentoring services to existing management of these companies, a position he has held since January 2017. Mr. Fisch is a featured ForbesBooks author, now publishing his book "FischTales: The Making of a Millennial Baby Boomer." He served as the President, Chief Executive Officer and Chairman of the Board of rue21, inc., a large specialty apparel retailer, from June 2001 until October 2016. Mr. Fisch served as a member of the Board of Directors of the Children's Place Retail Stores, Inc. from June 2004 until March 2013. From February 1987 to December 1999 he served as the President of Casual Corner Group, Inc. Mr. Fisch was selected to serve on our Board due to his strategic business acumen and experience as a corporate director of publicly-traded retail companies.

Richard Zannino, 60, has served as a director since September 2012. Mr. Zannino is a Managing Director of CCMP and a member of the firm's Investment Committee. Prior to joining CCMP in 2009, Mr. Zannino was Chief Executive Officer and a member of the Board of Directors of Dow Jones & Company. Mr. Zannino joined Dow Jones as Executive Vice President and Chief Financial Officer in February 2001 and was promoted to Chief Operating Officer in July 2002 and to Chief Executive Officer and Director in February 2006. Prior to joining Dow Jones, Mr. Zannino was Executive Vice President in charge of strategy, finance, M&A, technology, and a number of operating units at Liz Claiborne. He originally joined Liz Claiborne in 1998 as Chief Financial Officer. Mr. Zannino serves on the Boards of Directors of Estee Lauder Companies Inc. (NYSE: EL) and IAC/InterActiveCorp. (Nasdaq: IAC). Mr. Zannino was selected to serve on our Board due to his past leadership experience, strong finance and management background in the retail industry and his wide-ranging experience investing in and serving as a director for a diverse group of private and public companies.

Class III Directors

(term expires at 2021 Annual Meeting)

Mark Butler, 60, is one of the founders of Ollie's, having been with Ollie's since its inception in 1982. He has been our President and Chief Executive Officer and a member of the Board since 2003, and has been Chairman of our Board since February 2005. Prior to holding this role, Mr. Butler was our Treasurer and Secretary. Mr. Butler also serves as Chairman of the Board of Directors of the Cal Ripken, Sr. Foundation, a national nonprofit organization focused on providing opportunities for at-risk youth. Mr. Butler brings to the Board more than three decades of institutional knowledge of our Company, as well as extensive knowledge of the retail industry, all of which we believe qualify him to serve as one of our directors.

Thomas Hendrickson, 64, has served as a director since March 2015. Mr. Hendrickson was most recently the Executive Vice President, Chief Financial Officer, Chief Administrative Officer and Treasurer for Sports Authority Inc., a sporting goods retailer, from August 2003 until his retirement in February 2014. Prior to joining Sports Authority Inc., Mr. Hendrickson was the Executive Vice President, Chief Financial Officer and Chief Administrative Officer for Gart Sports Company from January 1998 until the time of its merger with Sports Authority Inc. in August 2003. Mr. Hendrickson is currently a director and the Chairperson of the audit committee of the Board of Directors of O'Reilly Automotive, Inc. (Nasdaq: ORLY). We believe that Mr. Hendrickson's financial, accounting, acquisition and business experience qualify him to serve as one of our directors.

EXECUTIVE OFFICERS

Set forth below are biographical summaries of our executive officers as of the date of this proxy statement. See “Proposal 1—Election of Class I Directors” above for information about Mr. Butler, a Class III director, who serves as our Chairman, President and Chief Executive Officer.

| <u>Name</u> | <u>Age</u> | <u>Position(s)</u> |
|----------------|------------|---|
| Jay Stasz | 52 | Senior Vice President and Chief Financial Officer |
| John Swygert | 50 | Executive Vice President, Chief Operating Officer and Secretary |
| Omar Segura | 57 | Senior Vice President, Store Operations |
| Kevin McLain | 54 | Senior Vice President, General Merchandise Manager |
| Robert Bertram | 50 | Vice President, General Counsel |

Jay Stasz has been our Senior Vice President and Chief Financial Officer since January 2018. Mr. Stasz joined Ollie’s in November 2015 as Senior Vice President of Finance and Chief Accounting Officer. Prior to joining Ollie’s, Mr. Stasz served as Senior Vice President, Finance & Accounting for Sports Authority, a sporting goods retailer, a position he held since October 2013. Mr. Stasz held numerous leadership roles at Sports Authority, including: Senior Vice President and Chief Information Officer, Senior Vice President and Controller, and Vice President Controller since 1998. Prior to joining Sports Authority, Mr. Stasz worked as a Senior Accountant in the audit department with Deloitte.

John Swygert has been our Executive Vice President and Chief Operating Officer since January 2018. Mr. Swygert joined Ollie’s in March 2004 as the Chief Financial Officer and was later promoted to Executive Vice President and Chief Financial Officer in 2011. Mr. Swygert has worked in discount retail as a finance professional for over 26 years. Prior to joining Ollie’s, Mr. Swygert was Executive Vice President and Chief Financial Officer at Factory 2-U Stores, Inc. He held several positions while at Factory 2-U Stores, Inc. from 1992, ranging from Staff Accountant, Assistant Controller, Controller, Director of Financial Planning and Analysis, Vice President of Finance and Planning, and Executive Vice President and Chief Financial Officer. Mr. Swygert also previously worked for PETCO Animal Supplies, Inc. in Business Development and Financial Analysis.

Omar Segura has been our Senior Vice President, Store Operations since January 2014. From April 2010 to January 2014, Mr. Segura was a Regional Vice President with Sears Holdings Corporation, where he oversaw store operations in the South Central region. Prior to his position with Sears, Mr. Segura held various positions with Kohl’s Department Stores during the period from June 2000 to April 2010, where his responsibilities included managing and leading store operations.

Kevin McLain has been our Senior Vice President, General Merchandise Manager since May 2014. From May 2011 to May 2014, Mr. McLain was a Senior Vice President with Variety Wholesalers, where he was Senior Vice President, General Merchandise Manager of Hardlines. From January 1997 to May 2011, Mr. McLain held the position of Vice President, Merchandise Manager with Anna’s Linens, a textile and home goods retailer based in Costa Mesa, California. Prior to his position with Anna’s Linens, Mr. McLain served in various managerial roles for the Target Corporation.

Robert Bertram has been our Vice President and General Counsel since April 2014. Prior to joining Ollie’s, Mr. Bertram was a practicing corporate attorney at McNees Wallace & Nurick LLC from June 2010 to April 2014, where he began serving as our Assistant Secretary in September 2012. From March 2001 to June 2010, he was a practicing corporate attorney at the law firm of Stevens & Lee.

Each of our executive officers serve at the discretion of our Board without specified terms of office.

CORPORATE GOVERNANCE MATTERS

Director Independence

Pursuant to our Corporate Governance Guidelines and Principles, the Board is required to affirmatively determine whether our directors are independent under the Nasdaq corporate governance listing standards.

During its review of director independence, the Board considers all information it deems relevant, including without limitation, any transactions and relationships between each director or any member of his immediate family and the Company and its subsidiaries and affiliates. As a result of this review, the Board affirmatively determined that Messrs. Fisch, Fleishman, Hendrickson, White, and Zannino are independent directors under the applicable rules of Nasdaq.

Committees of the Board

Our Board has three standing committees: an Audit Committee, a Compensation Committee, and a newly established Nominating and Corporate Governance Committee. Our Board has adopted charters for each of its standing committees. Copies of our committee charters are posted on our website at www.ollies.us.

Audit Committee

The current members of the Audit Committee are Messrs. Hendrickson, Fleishman and White. The Board has determined that Mr. Hendrickson is an “audit committee financial expert” as defined in Item 407(d)(5) of Regulation S-K, and the Board is satisfied that all members of our Audit Committee have sufficient expertise and business and financial experience necessary to effectively perform their duties as members of the Audit Committee. Messrs. Hendrickson, Fleishman and White meet the definition of “independent director” for purposes of serving on our Audit Committee under applicable SEC and Nasdaq rules.

The Audit Committee, among other things (i) monitors and oversees our accounting and financial reporting processes, and the integrity of the corporate accounting and financial reporting processes and financial information, including financial statements; (ii) reviews our compliance with legal and regulatory requirements; (iii) oversees our processes relating to risk management, including cyber risk; (iv) oversees our conduct and systems of internal control over financial reporting and disclosure controls and procedures; (v) oversees the annual audit of the Company’s financial statements; (vi) evaluates the independent registered public accounting firm’s qualifications, engagement, compensation and independence; and (vii) monitors the performance of the Company’s independent registered public accounting firm as well as any other public accounting firm engaged to perform other audit, review, or attest services.

The Audit Committee met four (4) times during fiscal year 2018. The Audit Committee meets with our independent registered public accounting firm without management present on a regular basis.

Compensation Committee

The current members of the Compensation Committee are Messrs. Zannino and Fisch. All members of the Compensation Committee meet all applicable independence standards under Nasdaq corporate governance standards.

The Compensation Committee (i) reviews and approves appropriate compensation of our Chief Executive Officer and our other executive officers, (ii) oversees management succession planning, (iii) reviews and approves employment arrangements with our executive officers, (iv) administers equity and non-equity compensation plans and programs, (v) evaluates and recommends to the Board appropriate forms and amounts of director compensation, and (vi) prepares the annual report of the Compensation Committee. When required by applicable SEC rules, it will also recommend to the Board the frequency of the say-on-pay vote. The Compensation Committee also reviews and recommends to the Board the target annual incentive pool, the annual performance objectives for participants, and actual payouts to participants, including the executive officers. The Compensation Committee has sole decision-making authority with respect to all compensation recommendations for our executive officers, subject to further action of the Board as the Board shall determine.

To assist it in performing its duties, the Compensation Committee has the authority to engage outside consulting firms. Our Compensation Committee engaged Pearl Meyer & Partners LLC (“Pearl Meyer”), a consulting firm, to advise on director and executive officer compensation during fiscal year 2018.

The Compensation Committee met two (2) times in fiscal year 2018. Decisions regarding executive compensation were approved by our Board after taking into account the recommendations of the Compensation Committee and its members.

Nominating and Corporate Governance Committee

Consistent with our Board's review of our corporate governance principles and focus on promoting certain governance best practices, our Board established the Nominating and Corporate Governance Committee on April 25, 2019. The current members of the Nominating and Corporate Governance Committee are Messrs. Zannino, Fisch, Hendrickson, White, and Fleishman. All members of the Nominating and Corporate Governance Committee meet the applicable independence standards under Nasdaq corporate governance standards.

The Nominating and Corporate Governance Committee, among other things will (i) manage the process of identifying and screening potential director candidates to the Board, including candidates recommended by stockholders and filling vacancies consistent with the criteria approved by the Board; (ii) recommend director candidates to the Board; (iii) review the effectiveness of and recommends modifications as appropriate to the Company's process and criteria (including experience, qualifications, attributes, diversity or skills in light of the Company's business and structure) used to evaluate director nominees candidates and Board membership; (iv) review disclosures concerning director and nominee's experience, qualifications, attributes or skills that led to the decision that each director or nominee should serve as a director; (v) evaluate and makes a recommendation to the Board whether directors qualify as independent; (vi) review periodically the committee structure and leadership and recommends any changes to the Board; (vii) review the design of new director orientation and continuing education for all directors in conjunction with Company management; and (viii) develop the methodology for annual self-evaluations of the Board, its committees and management.

In recommending director candidates, the Nominating and Corporate Governance Committee will consider whether the candidates possess the required skill sets and fulfill the qualification requirements of directors approved by the Board, including independence, sound judgment, business specialization, technical skills, diversity and other desired qualities.

Stockholders may submit recommendations for consideration to the Nominating and Corporate Governance Committee, which will be evaluated using substantially the same criteria as applied to recommendations of directors and members of management, by providing the person's name and appropriate background and biographical information by writing to the Nominating and Corporate Governance Committee at Ollie's Bargain Outlet Holdings, Inc., Attn: The Board of Directors, the Nominating and Corporate Governance Committee, 6295 Allentown Blvd., Suite 1, Harrisburg, Pennsylvania 17112. No potential director nominees were recommended by stockholders in 2018.

To assist it in performing its duties, the Nominating and Corporate Governance Committee has the authority to engage outside consulting firms.

As stated above, the Nominating and Corporate Governance Committee was established on April 25, 2019 and as such had no meetings in fiscal year 2018.

Director Nominations

As permitted by the Nasdaq rules, our director nominees up for election at this Annual Meeting are selected or recommended to our Board for election by our independent directors. The directors who participated in the consideration and recommendation of director nominees are Messrs. Fisch, Fleishman, Hendrickson, White and Zannino. Our Board believes that the independent directors can satisfactorily carry out the responsibility of properly selecting or approving director nominees. Our Board established a Nominating and Corporate Governance Committee, as part of the Board's continuing focus on governance practices. Going forward this committee will, among other things, focus on selecting and recommending to the Board the best available candidates that satisfy the Committee's selection criteria.

Our Board will also consider director candidates recommended for nomination by our stockholders during such times as they are seeking proposed nominees to stand for election at the next annual meeting of stockholders (or, if applicable, a special meeting of stockholders). In general, in identifying and evaluating nominees for director, our Board considers whether the candidates possess the required skill sets and fulfill the qualification requirements of directors approved by the Board, including independence, sound judgment, business specialization, technical skills, diversity and other desired qualities.

Our Board believes that a diversity of viewpoints, background, experience, industry knowledge and geography, as well as more traditional characteristics of diversity, such as race and gender are meaningful for Board function. Accordingly, although the Company does not have a separate policy specifically governing diversity, our newly formed Nominating and Corporate Governance Committee is focused on identifying highly qualified diverse candidates and will consider, among other factors, the extent to which a candidate would result in increased diversity of the Board. The Nominating and Corporate Governance Committee and the Board intends to begin a search for candidates who would enable the Board to become more diverse in terms of gender and ethnicity, and any director candidate so identified who also possesses the required skill sets and fulfills the Board established qualification requirements will be presented to the Nominating and Corporate Governance Committee for consideration.

Board Role in Risk Oversight

Our Board and management continually monitor the material risks facing our Company, including, but not limited to financial risk, strategic risk, operational risk, and legal and compliance risk. Management regularly reports to the Board on its activities in monitoring and mitigating such risks. Overall responsibility for risk oversight rests with our Board. In addition, the Board may delegate risk oversight responsibility to a particular committee in situations in which risk falls within the committee's area of focus or expertise. Our Board believes that for certain areas of risk, our Company is better served by having the initial risk evaluation and risk monitoring undertaken by a subset of the entire Board that is more focused on the issues pertaining to the particular risk. For instance, our Compensation Committee assists the Board in evaluating risks relating to our compensation policies and procedures. Also, our Audit Committee assists the Board in fulfilling the Board's oversight responsibility relating to the evaluation of financial, regulatory, cyber and other enterprise level risks confronting the Company. As it deems necessary, the respective committee to which oversight and monitoring of a particular risk has been assigned reports on risk exposures and mitigation strategies with respect to such risk to the entire Board.

Compensation Risk Analysis

The Compensation Committee is aware that compensation arrangements, if not properly structured, may encourage inappropriate risk-taking and conducts, annually, a formal review, in conjunction with Pearl Meyer, of all of its incentive programs for executives and employees. After conducting this review, the Committee has concluded that our compensation programs are not reasonably likely to incentivize employee behavior that would result in any material adverse effect on the Company.

Board Leadership Structure

Our Board understands there is no single, generally accepted approach to providing Board leadership and that given the dynamic and competitive environment in which we operate, the appropriate leadership may vary as circumstances warrant. Mr. Butler serves as our Chief Executive Officer and as the Chairman of our Board. Our Board believes it is in the Company's best interests to have Mr. Butler serve as Chairman of our Board and as Chief Executive Officer. Our Board believes combining these roles promotes effective leadership and provides the clear focus needed to execute our business strategies and objectives.

Attendance at Meetings

It is our policy that each director must be prepared to devote the time required to prepare for and attend Board meetings and fulfill their responsibilities effectively.

In fiscal year 2018, the Board held four (4) meetings and took action by unanimous written consent from time to time. All incumbent directors attended 100% of (i) the total number of meetings of the Board (held during the period for which he has been a director); and (ii) the total number of meetings held by all committees on which he served (during the periods that he served).

Executive Sessions

Executive sessions of our independent directors are held regularly.

Stockholder and Other Interested Party Communications with the Board

Stockholders and other parties interested in communicating directly with the Board as a group may do so by writing to the Board, c/o Ollie's Bargain Outlet Holdings, Inc., 6295 Allentown Boulevard, Suite 1, Harrisburg, Pennsylvania 17112. The General Counsel will review all correspondence and regularly forward to the Board all such correspondence that, in the opinion of the General Counsel, deals with the functions of the Board or committees thereof or that the General Counsel otherwise determines requires Board attention. Concerns relating to accounting, internal controls or auditing matters will immediately be brought to the attention of the Chairman of the Audit Committee. We have adopted a Whistleblower Policy, which establishes procedures for submitting these types of concerns, either personally or anonymously through the submission of a written statement to the General Counsel or the Audit Committee.

Stockholders and other parties interested in communicating directly with Mr. Hendrickson, as Chairman of the Audit Committee, may do so by writing to Mr. Thomas Hendrickson, Chairman, Audit Committee, c/o Ollie's Bargain Outlet Holdings, Inc., 6295 Allentown Boulevard, Suite 1, Harrisburg, Pennsylvania 17112.

Corporate Governance Guidelines and Principles

We have adopted Corporate Governance Guidelines and Principles. These guidelines outline the role of our Board, the composition and operating principles of our Board and its committees and our Board's working process. Our Corporate Governance Guidelines and Principles are posted on our website at www.ollies.us.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than ten percent of the common stock of the Company, to file with the SEC reports of ownership of Company securities and changes in reported ownership. Officers, directors, and greater than ten percent stockholders, are required by SEC rules to furnish the Company with copies of all Section 16(a) reports they file. Based solely on a review of the copies of such forms furnished to the Company, or written representations from the reporting persons that no Form 5 was required, the Company believes that during fiscal year 2018 all Section 16(a) filing requirements applicable to its officers, directors, and greater than ten percent beneficial owners were complied with.

Equity Compensation Plan Information

The following table sets forth, as of February 2, 2019, certain information related to our equity compensation plans under which our common stock may be issued.

| <u>Plan Category</u> | <u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u> | <u>Weighted-average exercise price of outstanding options, warrants and rights</u> | <u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u> |
|--|--|--|--|
| | (a) | (b) | |
| Equity compensation plans approved by security holders | 3,966,622 ⁽¹⁾ | \$15.29 ⁽²⁾ | 3,464,826 ⁽³⁾ |
| Equity compensation plans not approved by security holders | — | — | — |
| Total | 3,966,622 | \$15.29 | 3,464,826 |

(1) Includes 2,407,558 outstanding options granted pursuant to our 2012 Equity Incentive Plan (the "2012 Plan") and 1,338,864 outstanding options and 220,200 non-vested RSUs granted pursuant to our 2015 Equity Incentive Plan (the "2015 Plan" and together with the 2012 Plan, the "Equity Plans"). See Note 9 to our audited financial statements for fiscal year 2018 included in our Annual Report on Form 10-K for additional information regarding our Equity Plans.

(2) Represents the weighted average price of outstanding stock options and does not take into account RSUs granted under the 2015 Plan.

(3) All shares of common stock reserved for future issuance are reserved for issuance under the 2015 Plan.

COMPENSATION OF DIRECTORS

During fiscal year 2017, following a review of a compensation study performed by Pearl Meyer, the Compensation Committee recommended, and the Board approved, an increase to the annual compensation for Board, and Committee members. Following the increases, which were fully implemented in 2018, the Board and Committee members' compensation is at the median level for the peer group identified by Pearl Meyer (additional information on the peer group identified by Pearl Meyer is set out below). The annual cash retainers for Board members for fiscal year 2018 was \$60,000, and the value of the annual equity award was \$85,000. The Audit Committee Chair received \$20,000 for fiscal year 2018, and the Compensation Committee Chair was entitled to receive \$15,000. Committee member retainers were set at \$10,000 per year for Audit Committee members and \$7,500 per year for Compensation Committee members. Cash compensation is paid in quarterly installments to those eligible to receive it. We also reimburse each of our directors for direct travel expenses incurred in connection with attendance at meetings of the Board and its committees.

With the assistance of Pearl Meyer, our non-employee director compensation, after the changes described above, was benchmarked during fiscal 2017 against the National Association of Corporate Directors Survey, which revealed that both the level and form of non-employee director compensation was reasonable and at the median of general industry companies with revenues of between \$650 million to \$1.3 billion.

The Chair of the Compensation Committee, Mr. Zannino, did not receive director fees, Committee member retainer fees, Committee Chair fees, or equity during fiscal year 2018, or at any time since joining the Board for his services to the Company. On April 25, 2019, the Board agreed to pay Mr. Zannino for his services to the Company beginning for the fiscal year ending on February 1, 2020 ("fiscal year 2019").

Director Compensation for Fiscal Year 2018

The following table sets forth the information concerning all compensation paid by the Company during fiscal year 2018 to our non-employee directors.

| Name | Fees earned or paid in cash | Stock awards ⁽²⁾ | Total |
|--------------------------------------|-----------------------------------|--------------------------------|---------|
| Richard Zannino ⁽¹⁾ | \$ — | \$ — | \$ — |
| Robert Fisch | 67,500 | 85,000 | 152,500 |
| Stanley Fleishman | 70,000 | 85,000 | 155,000 |
| Thomas Hendrickson | 80,000 | 85,000 | 165,000 |
| Stephen White | 70,000 | 85,000 | 155,000 |

(1) Mr. Zannino did not receive any compensation for his services as a member of our Board in fiscal year 2018.

(2) Represents the aggregate grant date fair value for stock awards granted in 2018, determined in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718 *Compensation – Stock Compensation* excluding the effect of estimated forfeitures.

As of February 2, 2019, Messrs. Fisch and Fleishman both held 6,250 options and 2,677 RSUs, Mr. Hendrickson held 40,750 options and 2,677 RSUs and Mr. White held 2,223 RSUs granted in connection with their Board services.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Mark L. Butler our President and Chief Executive Officer (the "CEO").

The 2018 annual total compensation of the median compensated employee, other than our CEO, Mark L. Butler, was \$13,538; Mr. Butler's 2018 annual total compensation was \$4,072,167; and the ratio of these amounts was 301 to 1.

To identify the median compensated employee, we analyzed employees as of February 2, 2018. We used total cash compensation, including base salary (and overtime and allowances as applicable) for fiscal year 2017, with salaries annualized for those permanent employees who did not work for the full year as our consistently applied compensation measure. Reasonable estimates of cash compensation were made for those employees who were hired during 2017 using current base salary and any overtime or allowances paid during 2017. As the change in compensation of the employee identified for 2017 would result in a significant change in the Company's pay ratio, for purposes of this disclosure and as permitted by SEC rules, for 2018 we identified an employee whose consistently applied compensation measure in 2018 was substantially similar to that of the employee identified in 2017.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported herein, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

PROPOSAL 2 —NON-BINDING ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

Ollie's seeks a non-binding advisory vote from its stockholders to approve the compensation of its Named Executive Officers (the "Named Executive Officers" or "NEOs") as described in the Compensation Discussion and Analysis section beginning below. This vote is commonly known as "Say-on-Pay," and the Compensation Committee of the Board has adopted a policy of providing for an annual Say-on-Pay vote.

We encourage you to read the Compensation Discussion and Analysis and Compensation Table sections to learn more about our executive compensation programs and policies. The Board believes that its 2018 compensation decisions and our executive compensation programs align the interests of the stockholders and executives while emphasizing variable, at-risk compensation largely tied to company performance goals and balancing both long- and near-term objectives.

This vote is not intended to address a specific item of compensation, but rather our overall compensation policies and procedures related to the Named Executive Officers. While this "Say-on-Pay" vote is advisory in nature, it will not be binding on Ollie's or the Board. However, our Board will carefully consider the outcome of this vote and the discussions with investors when making future executive compensation arrangements. We will disclose how many stockholders voted "For" or "Against" the following resolution and how many stockholders abstained from voting.

The Board recommends that shareholders vote in favor of the following resolution:

"Resolved, that Ollie's stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in Ollie's proxy statement for the 2019 Annual Meeting of Stockholders pursuant to the executive compensation disclosure rules of the United States Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2018 Summary Compensation Table and the other related tables and disclosure."

Your Board unanimously recommends a vote "FOR" this proposal.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

The Compensation Committee is committed to providing a compensation program for our executives that is aligned with the strategic direction of our business and rewards executives for creating value for our shareholders. This compensation discussion and analysis (“CD&A”) provides an overview of our executive compensation program and how the compensation provided to our named executive officers (“NEOs”), who are our Chief Executive Officer, our Chief Financial Officer, and our three other most highly compensated executive officers, was determined in 2018.

Our NEOs for fiscal year 2018 are as follows:

| Name | Position |
|--------------|---|
| Mark Butler | President and Chief Executive Officer |
| Jay Stasz | Senior Vice President and Chief Financial Officer |
| John Swygert | Executive Vice President, Chief Operating Officer and Secretary |
| Omar Segura | Senior Vice President, Store Operations |
| Kevin McLain | Senior Vice President, General Merchandise Manager |

Executive Summary

In fiscal year 2018, we compensated our NEOs through a combination of base salary and annual cash bonuses as well as grants of stock options and RSUs pursuant to our Equity Plans. Our executive officers are also eligible to receive certain benefits, which include a 401(k) plan with matching contributions, life insurance, automobile allowances, group term life insurance and group health insurance, including medical, dental and vision insurance.

Fiscal Year 2018 Performance Highlights

- We reported a 17.1% increase in net sales and a 4.2% increase in comparable store sales (on a 52-week basis);
- We grew our store base 13.1% and ended the year with 303 stores in 23 states;
- Net income increased 5.8% to \$135.0 million and net income per diluted share increased 4.6% to \$2.05; and
- Adjusted EBITDA increased 18.2% to \$183.7 million and adjusted EBITDA margin increased 40 basis points to 14.8%.

Fiscal Year 2018 Compensation Highlights

Our compensation program for the NEOs is driven by the need to recruit, develop, motivate and retain top talent both in the short- and long-term and align the interests of NEOs and shareholders.

Base Salaries: Three of our NEOs, Messrs. Butler, Segura and McLain received base salary increases in fiscal year 2018. Two of our NEOs, Messrs. Stasz and Swygert, did not receive salary increases in fiscal year 2018. Mr. Butler received a 14.3% base salary increase in March 2018. Mr. Stasz received an increase of 15.4% in January 2018 and received no further increase in 2018. Mr. Swygert received an increase of 16.3% in January 2018 and received no further increase in 2018. During 2018 base salaries were increased by roughly 3.3% for Mr. Segura and 3.1% for Mr. McLain.

Annual Incentive Program

For participants in the annual incentive bonus plan (the “Incentive Bonus Plan”), the bonus is based on the salary of the individual, and a sliding scale that is consistent with their position with the Company, or set out in their Employment Agreement. Our Incentive Bonus Plan is based on the level of Company performance against a target that is approved by the Board on an annual basis, and which is based on a target Adjusted EBITDA (the “Target Adjusted EBITDA”). In the event that the Company does not exceed a threshold of 85% of the Target Adjusted EBITDA, no bonus will be paid. The maximum bonus is payable upon achievement of at least 115% of

Target Adjusted EBITDA. Between 85% and 115% of target, payouts are calculated based on linear interpolation between such amounts. For fiscal year 2018, our Adjusted EBITDA of \$183.7 million was approximately 107% of the Target Adjusted EBITDA of \$171.9 million. For a discussion of how the Company calculates Target Adjusted EBITDA for the fiscal year 2018 Incentive Bonus Plan, see “Elements of Our Executive Compensation and Benefits Programs—Annual Incentive Compensation,” below.

Long-Term Incentive

We have granted long-term equity awards in the form of time-vested stock options and RSUs. The stock options vest ratably over four years. Vesting of RSUs differs by individual based on their length of service with the Company. Employees with less than 10 years of service were awarded RSUs that cliff vest after four years (“Non-Tenured Employee RSU Vesting”). Employees with 10 years or more years of service were awarded RSUs that vest ratably over four years (“Tenured Employee RSU Vesting”). As an employee gains tenure, they will become eligible for the Tenured Employee RSU Vesting.

Compensation Practices

After we became a public company in July 2015, we immediately sought to adhere to key governance practices that reflect our compensation philosophy and support long-term company success while helping to mitigate compensation risks.

| What we do | What we don't do |
|---|--|
| <input checked="" type="checkbox"/> Majority of compensation is incentive-based and at risk tied to company performance | X No guaranteed incentive payments |
| <input checked="" type="checkbox"/> Engage independent compensation consultants | X No 280G excise tax gross-ups |
| <input checked="" type="checkbox"/> Engage in peer group benchmarking | X No pension or retirement plans |
| <input checked="" type="checkbox"/> Due diligence in setting compensation targets and goals | X No option repricing |
| <input checked="" type="checkbox"/> Periodically assess the compensation programs to ensure that they are not reasonably likely to incentivize employee behavior that would result in any material adverse risks to the company | X Perquisites are not a substantial portion of our NEO pay packages |
| <input checked="" type="checkbox"/> Provide reasonable severance protection in our employment agreements with double trigger protections upon a change in control | X No hedging or pledging of company stock permitted by directors or any company employees |
| <input checked="" type="checkbox"/> Double trigger change-in-control payments | X No single trigger change in control arrangement |
| <input checked="" type="checkbox"/> Clawbacks of equity compensation in the event of a restatement | |
| <input checked="" type="checkbox"/> Stock ownership guidelines | |

Role of the Compensation Committee, Management and Consultant

Compensation Committee

Our Board has delegated administration of our executive compensation program to the Compensation Committee, which among other things reviews the performance of our NEOs and makes determinations and decisions on their compensation programs, including the components, mix and targeted amounts. In evaluating and making determinations about the Company’s compensation programs and policies, the Compensation Committee considers, among other things, performance, the Company’s risk profile, recommendations of the compensation consultant, compensation levels among our peers, and the results of the most recent “say-on-pay” vote of our stockholders. As described in more detail in this Proxy Statement under “Corporate Governance - Compensation Committee,” the Compensation Committee operates under a written charter, which lays out its roles and responsibilities regarding executive compensation. Since the date of our IPO, all members of the Compensation Committee have met all applicable independence standards under Nasdaq corporate governance standards.

Management

The CEO provides input as to the other NEOs' performance and recommends compensation adjustments for executives other than himself. Ultimately, all decisions with respect to NEO compensation are made by the Compensation Committee.

Compensation Consultant

To assist it in performing its duties, the Compensation Committee has the authority to engage outside consulting firms. Our Compensation Committee has engaged Pearl Meyer as its independent compensation consultant, to advise on director and executive officer compensation since we began preparing for our IPO in early 2015. In fiscal year 2018, Pearl Meyer provided assistance to the Compensation Committee with respect to director and executive compensation matters.

The Compensation Committee has sole discretion to engage, retain, obtain the advice of, terminate and determine funding for our compensation consultant and is directly responsible for the appointment, compensation and oversight of the compensation consultant's work.

The Compensation Committee has examined the independence of Pearl Meyer under factors contained in the SEC rules and Nasdaq listing standards and determined that Pearl Meyer is independent and concluded that its work for us does not raise any conflict of interest.

Compensation Philosophy

Our executive compensation programs are designed to accomplish the following principles:

- align with and support the strategic direction of our business;
- to link pay with overall company performance and reward executives for behaviors which drive shareholder value creation; and
- to be financially efficient and affordable.

We have reviewed the competitiveness of compensation provided to our NEOs, and do not target a specific market level for the competitiveness of any individual element of compensation or for the program as a whole. However, we consider target compensation at levels that are competitive with other retail comparators.

Pay Mix

Our pay mix is driven by our compensation philosophy as well as each NEO's role and strategic value to the organization. A significant amount of each NEO's compensation is at risk, with particular focus on long-term equity incentives (options and RSUs) that align the interests of our executives with those of our shareholders.

Peer Group

Pearl Meyer completed a study in 2017 to evaluate the current peer group against the company's current revenue and market cap to determine if any changes were needed to the peer group. The Compensation Committee, in conjunction with Pearl Meyer, determined that a new peer group of 17 companies more closely matched the revenue and market cap of the Company. No additional study was commissioned in 2018. The peer group appropriately reflects Ollie's unique market cap to revenue size ratio, high growth profile and business characteristics.

| | |
|------------------------------|---|
| Aaron's | Lumber Liquidators Holdings, Inc. |
| At Home Group, Inc. | The Michaels Companies, Inc. |
| Big Lots, Inc. | Oxford Industries, Inc. |
| Boot Barn Holdings, Inc. | Party City Holdco Inc. |
| Conn's, Inc. | Perry Ellis International Inc. ¹ |
| Five Below, Inc. | RH |
| Floor & Décor Holdings, Inc. | Sleep Number Corporation |
| Fred's, Inc. | Tuesday Morning Corporation |
| Kirkland's Inc. | |

(1) Became a private company in October 2018.

Elements of Our Executive Compensation and Benefits Programs

Base Salary

The Compensation Committee considers what salaries must be paid in order to attract and retain high-quality executives. We annually review our executives' base salaries and make adjustments only when necessary based on individual and Company performance.

We provide a minimum, fixed level of cash compensation to reflect the level of accountability of talented executives who can continue to improve the Company's overall performance. In addition, salary is based on experience, industry knowledge, duties and scope of responsibility as well as the competitive market for talent.

Mr. Butler received a 14.3% base salary increase in March 2018. Mr. Stasz received an increase of 15.4% in January 2018 and received no further increase in 2018. Mr. Swygert received an increase of 16.3% in January 2018 and received no further increase in 2018. During 2018 base salaries were increased by approximately 3.3% for Mr. Segura and 3.1% for Mr. McLain.

Annual Incentive Compensation

In March 2018, the Compensation Committee approved the performance targets and potential bonus payouts for our NEOs for the 2018 fiscal year under our Incentive Bonus Plan. The Compensation Committee determined that, consistent with prior years, a main business objective was to continue increasing our Adjusted EBITDA, which was used as the basis for the Incentive Bonus Plan for our NEOs.

To calculate payouts under the Incentive Bonus Plan, the Company's Adjusted EBITDA is assessed relative to the relevant performance targets (see targets for the 2018 fiscal year provided below). Bonus payouts range from 0% of the NEO's base salary if threshold performance (85% of the Adjusted EBITDA) is not exceeded to 200% of the NEO's base salary if maximum performance (115% of the Adjusted EBITDA) is achieved. When the performance threshold is met, payouts are interpolated on a straight-line basis for performance levels between threshold and target and between target and maximum. The level of performance required to achieve maximum payout under the Incentive Bonus Plan was determined by the Compensation Committee to be reflective of truly outstanding performance.

We define EBITDA as net income before net interest expense, loss on extinguishment of debt, depreciation and amortization expenses and income taxes. Adjusted EBITDA represents EBITDA as further adjusted for non-cash stock based compensation expense and certain purchase accounting items, and transaction related expenses,

which we do not consider representative of our ongoing operating performance. EBITDA and Adjusted EBITDA are non-GAAP measures and may not be comparable to similar measures reported by other companies. For additional information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—EBITDA and Adjusted EBITDA” on page 31 of our Annual Report on Form 10-K, filed with the SEC on March 29, 2019.

The Adjusted EBITDA targets and potential payouts under the Incentive Bonus Plan for the 2018 fiscal year for each NEO, as well as performance achieved, were as follows based on \$183.7 million or approximately 107% of the Target Adjusted EBITDA (\$171.9 million):

| <u>Executive</u> | <u>Threshold Payout (% of Base)</u> | <u>Target Payout (% of Base)</u> | <u>Maximum Payout (% of Base)</u> | <u>Resulting Payout</u> |
|------------------------|---|--------------------------------------|---------------------------------------|-------------------------|
| Mark Butler | 0% | 100% | 200% | \$1,166,564 |
| Jay Stasz | 0% | 50% | 100% | \$ 220,000 |
| John Swygert | 0% | 75% | 150% | \$ 550,000 |
| Omar Segura | 0% | 50% | 80% | \$ 197,169 |
| Kevin McLain | 0% | 50% | 80% | \$ 157,477 |

Long-Term Equity Incentive Compensation

Equity awards under the Company’s 2015 Plan, are a vital piece of our total compensation package. They are intended to compensate NEOs for sustained long-term performance, align the interests of our NEOs and shareholders and encourage retention through multi-year vesting schedules. Long-term equity incentive awards may take a variety of forms, including the RSUs and stock option grants made in fiscal year 2018. Levels, mix and frequency of awards are determined by the Compensation Committee, and are designed to reflect each recipient’s level of responsibility and performance.

Fiscal Year 2018 Grants

Our long-term equity incentive program for fiscal year 2018 was designed to generally deliver 50% of long-term equity value in RSUs and 50% in stock options for our NEOs. We believe awarding a significant percentage of pay in the form of long-term equity fosters strong alignment between executive and shareholder interests.

Grant values were determined in accordance with our philosophy of providing competitive total compensation level, with a heavier emphasis on variable long-term pay.

Restricted Stock Units

RSUs directly align NEOs’ and shareholders’ interests over a longer-term period and are a very important retention component of our compensation program. RSUs vest over four years, or cliff vest on the fourth anniversary of date of grant for those employees with fewer than ten years of service. See also “Fiscal Year 2018 Compensation Highlights, Long Term Incentive,” above.

Stock Options

Stock options have traditionally been granted as a component of our long-term incentive program and continue to be a valuable vehicle designed to align NEOs’ and shareholders’ interests over a longer-term period. Stock options are granted at no less than fair market value and only have value to the extent of that our stock price increases. Stock options vest ratably over a four-year period.

Retirement, Health and Welfare Benefits and Other Perquisites

The majority of our compensation is in the form of base salary, Incentive Bonus Plan and long-term incentives with minimal perquisites provided. Our NEOs are entitled to participate in all of our employee benefit plans, including medical, dental, vision, group life and disability insurance, and our 401(k) Retirement Savings Plan. We provide vacation and paid holidays to our NEOs. Generally, our NEOs participate in these plans and programs on the same or similar basis as are offered to our other senior employees.

Recoupment Policy

Pursuant to our 2015 Plan, any cash or equity-based awards based on financial statements that are subsequently required to be restated may be recouped to the extent that the restated incentive payments would be decreased. This policy is intended to comply with any compensation recovery, “clawback” or similar policy made applicable by law including the provisions of Section 945 of the Dodd-Frank Act as applicable.

Hedging and Pledging Policy

Our Policy on Insider Trading contains explicit prohibitions for all employees and directors on hedging or pledging of any of our company stock.

Stock Holding Requirements

Beginning in March 2017, our Board has adopted ownership guidelines, which were amended in March 2018:

| Executive Level | Multiple of Salary Requirement |
|------------------------|---------------------------------------|
| CEO | 5x Salary |
| COO ⁽¹⁾ | 3x Salary |
| CFO | 2x Salary |
| Other Executives | 2x Salary |

(1) March 2018 Amendment.

For purposes of meeting this policy, ownership includes:

- Actual stock owned;
- Vested in-the-money stock options net of an assumed 40% tax rate;
- Vested Restricted Stock;
- Outside purchases or holdings of Company stock; and
- Shares beneficially owned by the family members of Covered Executive

Executives covered by the policy have five (5) years to meet the guidelines established by it. However, during the period that a person covered by the policy has not met the standards set by the policy, covered executives are encouraged to hold 50% of the shares unrealized from vesting or exercise of shares or stock options on a post-tax, net share basis. In addition to the established guidelines, other guidelines regarding the length of time an executive must attain the guideline along with the respective holding requirements are established within the policy.

The Compensation Committee will assess progress toward meeting ownership expectations on an annual basis, measured on the last day of the fiscal year. Management will communicate with the Compensation Committee the covered person’s progress toward increasing his or her ownership position. As of the date of the initial measurement, which occurred on February 2, 2019, each covered executive had either met the requirements, or was deemed to be on track to meet the requirements of the policy.

Impact of Accounting and Tax Matters

As a general matter, the Compensation Committee reviews and considers the various tax and accounting implications of compensation vehicles that we utilize. With respect to accounting matters, the Compensation Committee examines the accounting cost associated with equity compensation considering ASC Topic 718.

Compensation Committee Report

This report is submitted to the Ollie's stockholders by the Compensation Committee of the Company's Board of Directors. The Compensation Committee consists solely of non-executive directors who are independent, as determined by the Board in accordance with the Company's guidelines and NASDAQ listing standards.

The Compensation Committee has reviewed, and discussed with management, the Compensation Discussion and Analysis contained in this Proxy Statement, and based on this review and discussion, recommended to the Board that it be included in this Proxy Statement.

Submitted by the Compensation Committee,
Robert Fisch
Richard Zannino

Compensation Committee Interlocks and Insider Participation

No member of our Compensation Committee is a current or former officer or employee of the Company or any of its subsidiaries. None of our executive officers serves as a member of the board of directors or compensation committee of any company that has one or more of its executive officers serving as a member of our Board or Compensation Committee.

SUMMARY COMPENSATION TABLE

The following table sets forth certain information for fiscal years 2018, 2017 and 2016 concerning the total compensation awarded to, earned by or paid to our NEOs.

| Name and principal position | Year | Salary | Non-equity incentive plan compensation ⁽¹⁾ | Stock awards ⁽²⁾ | Option awards ⁽²⁾ | All other compensation ⁽³⁾ | Total |
|--|------|-----------|---|--------------------------------|---------------------------------|--|-------------|
| Mark Butler President and Chief Executive Officer | 2018 | \$795,385 | \$1,166,564 | \$1,045,239 | \$1,045,251 | \$19,728 | \$4,072,167 |
| | 2017 | \$645,231 | \$ 989,354 | \$1,032,493 | \$1,032,504 | \$79,520 | \$3,779,102 |
| | 2016 | \$600,000 | \$1,030,000 | \$ 952,504 | \$ 952,502 | \$78,045 | \$3,613,051 |
| Jay Stasz Senior Vice President, Chief Financial Officer | 2018 | \$300,000 | \$ 220,000 | \$ 187,479 | \$ 187,506 | \$15,040 | \$ 910,025 |
| | 2017 | \$259,615 | \$ 170,331 | \$ 154,976 | \$ 155,003 | \$15,040 | \$ 754,965 |
| | 2016 | \$250,000 | \$ 178,750 | \$ 137,505 | \$ 137,500 | \$13,738 | \$ 717,493 |
| John Swygert Executive Vice President, Chief Operating Officer and Secretary | 2018 | \$500,000 | \$ 550,000 | \$ 500,002 | \$ 499,992 | \$14,045 | \$2,064,039 |
| | 2017 | \$426,923 | \$ 487,865 | \$ 428,759 | \$ 428,743 | \$14,045 | \$1,786,335 |
| | 2016 | \$400,000 | \$ 515,000 | \$ 352,504 | \$ 352,500 | \$14,617 | \$1,634,621 |
| Omar Segura Senior Vice President of Store Operations | 2018 | \$308,077 | \$ 197,169 | \$ 193,722 | \$ 193,753 | \$ 8,112 | \$ 900,833 |
| | 2017 | \$298,077 | \$ 196,731 | \$ 149,988 | \$ 150,005 | \$ 8,112 | \$ 802,912 |
| | 2016 | \$289,038 | \$ 206,663 | \$ 150,005 | \$ 150,000 | \$ 4,593 | \$ 800,299 |
| Kevin McLain Senior Vice President of Merchandising | 2018 | \$246,058 | \$ 157,477 | \$ 154,671 | \$ 154,695 | \$13,240 | \$ 726,141 |
| | 2017 | \$238,942 | \$ 157,702 | \$ 120,009 | \$ 120,004 | \$13,240 | \$ 649,897 |

- (1) Represents amounts paid pursuant to the achievement of Adjusted EBITDA at 107% of the fiscal year 2018 Target Adjusted EBITDA. See "Annual Incentive Compensation," above.
- (2) Represents the aggregate grant date fair value of the RSUs and option awards, computed in accordance with FASB ASC Topic 718 excluding the effect of estimated forfeitures. These values have been determined based on the assumptions set forth in Note 9 to our audited consolidated financial statements for the year ended February 2, 2019 included in our Annual Report on Form 10-K for the year ended February 2, 2019. The actual value, if any, which may be realized will depend on the excess of the stock price over the exercise price on the date any such options are exercised.
- (3) All other compensation consists of automobile allowances, 401(k) matching and contributions, and medical, vision and dental insurance as set forth in the table below:

| | Year | Automobile allowance | Group term life insurance | 401(k) matching and contributions | Total |
|-------------------------------|------|-------------------------|------------------------------|---|----------|
| Mark Butler | 2018 | \$15,542 | \$2,772 | \$1,414 | \$19,728 |
| Jay Stasz | 2018 | \$12,000 | \$ 966 | \$2,074 | \$15,040 |
| John Swygert | 2018 | \$12,000 | \$ 656 | \$1,389 | \$14,045 |
| Omar Segura | 2018 | \$ 2,937 | \$1,806 | \$3,369 | \$ 8,112 |
| Kevin McLain | 2018 | \$10,000 | \$ 966 | \$2,274 | \$13,240 |

Fiscal Year 2018 Grants of Plan Based Awards

During fiscal year 2018 our NEOs were awarded the following under the 2015 Plan:

| Name | Grant date | Estimated potential payouts under non-equity incentive plans ⁽¹⁾ | | | All other stock awards: Number of shares of stock or units ⁽²⁾ | All other option awards: Number of securities underlying options ⁽³⁾ | Exercise or base price of option awards | Grant date fair value of stock and option awards ⁽⁴⁾ |
|----------------------------|------------|---|-----------|-------------|---|---|---|---|
| | | Threshold | Target | Maximum | | | | |
| Mark Butler . . . | 3/28/2018 | \$0 | \$815,000 | \$1,630,000 | 17,746 | 55,717 | \$58.90 | \$2,090,490 |
| Jay Stasz | 3/28/2018 | \$0 | \$150,000 | \$ 300,000 | 3,183 | 9,995 | \$58.90 | \$ 374,985 |
| John Swygert . . . | 3/28/2018 | \$0 | \$375,000 | \$ 750,000 | 8,489 | 26,652 | \$58.90 | \$ 999,994 |
| Omar Segura . . . | 3/28/2018 | \$0 | \$155,000 | \$ 248,000 | 3,289 | 10,328 | \$58.90 | \$ 387,475 |
| Kevin McLain . . | 3/28/2018 | \$0 | \$123,750 | \$ 198,000 | 2,626 | 8,246 | \$58.90 | \$ 309,366 |

(1) The amounts reflect the threshold, target and maximum amounts payable under the 2018 Incentive Bonus Plan. See “Annual Incentive Compensation” above. The actual amount paid under the 2018 Incentive Bonus Plan is reflected in the Summary Compensation Table under “Non-Equity Incentive Plan Compensation.”

(2) Represents RSUs granted to our NEOs in 2018. Messrs. Butler and Swygert qualify for Tenured Employee RSU Vesting. Messrs. McLain, Segura and Stasz qualify for Non-Tenured Employee RSU Vesting.

(3) Represents stock options granted to our NEOs in 2018. These options will vest ratably at a rate of twenty-five percent (25%) per year on each annual anniversary date of the grant until fully vested. Any unvested options are forfeited upon any termination of employment or death.

(4) Amounts represent the fair value of the awards calculated on the grant date in accordance with ASC 718 excluding the effect of estimated forfeitures.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information about outstanding equity awards held by our NEOs as of February 2, 2019.

| Name | Option grant date | Option Awards | | | | Stock Awards | |
|-------------------------------|---------------------------|---|---|------------------------|------------------------|---|---|
| | | Number of Securities underlying unexercised options (Exercisable) | Number of securities underlying unexercised options (Unexercisable) | Option exercise price | Option expiration date | Number of Shares or Units of Stock that have not vested | Market value of shares or units of stock that have not vested |
| Mark Butler | 9/28/2012 ⁽¹⁾ | 1,533,450 | — | \$ 6.48 ⁽³⁾ | 9/28/2022 | — | \$ — |
| | 7/15/2015 ⁽²⁾ | 119,062 | 39,688 | \$16.00 | 7/15/2025 | — | \$ — |
| | 3/7/2016 ⁽²⁾ | 73,952 | 73,952 | \$20.26 | 3/7/2026 | 23,507 ⁽⁵⁾ | \$1,865,280 ⁽⁷⁾ |
| | 3/22/2017 ⁽²⁾ | 24,443 | 73,332 | \$32.20 | 3/22/2027 | 24,049 ⁽⁵⁾ | \$1,908,288 ⁽⁷⁾ |
| | 3/28/2018 ⁽²⁾ | — | 55,717 | \$58.90 | 3/28/2028 | 17,746 ⁽⁵⁾ | \$1,408,145 ⁽⁷⁾ |
| Jay Stasz | 11/18/2015 ⁽²⁾ | 12,500 | 12,500 | \$17.26 | 11/18/2025 | — | \$ — |
| | 3/7/2016 ⁽²⁾ | — | 10,676 | \$20.26 | 3/7/2026 | 6,787 ⁽⁶⁾ | \$ 538,548 ⁽⁷⁾ |
| | 3/22/2017 ⁽²⁾ | 3,077 | 9,234 | \$32.20 | 3/22/2027 | 4,037 ⁽⁶⁾ | \$ 320,336 ⁽⁷⁾ |
| | 1/5/2018 ⁽²⁾ | 379 | 1,137 | \$53.50 | 1/5/2028 | 467 ⁽⁶⁾ | \$ 37,056 ⁽⁷⁾ |
| | 3/28/2018 ⁽²⁾ | — | 9,995 | \$58.90 | 3/28/2028 | 3,183 ⁽⁶⁾ | \$ 252,571 ⁽⁷⁾ |
| John Swygert | 3/11/2014 ⁽¹⁾ | — | 23,000 | \$ 6.48 ⁽³⁾ | 3/11/2024 | — | \$ — |
| | 3/10/2015 ⁽¹⁾ | — | 92,000 | \$11.54 ⁽⁴⁾ | 3/10/2025 | — | \$ — |
| | 7/15/2015 ⁽²⁾ | 44,062 | 14,688 | \$16.00 | 7/15/2025 | — | \$ — |
| | 3/7/2016 ⁽²⁾ | 27,368 | 27,368 | \$20.26 | 3/7/2026 | 8,700 ⁽⁵⁾ | \$ 690,345 ⁽⁷⁾ |
| | 3/22/2017 ⁽²⁾ | 8,966 | 26,900 | \$32.20 | 3/22/2027 | 8,822 ⁽⁵⁾ | \$ 700,026 ⁽⁷⁾ |
| | 1/5/2018 ⁽²⁾ | — | 3,032 | \$53.50 | 1/5/2028 | 702 ⁽⁵⁾ | \$ 55,704 ⁽⁷⁾ |
| 3/28/2018 ⁽²⁾ | — | 26,652 | \$58.90 | 3/28/2028 | 8,489 ⁽⁵⁾ | \$ 673,602 ⁽⁷⁾ | |

| Name | Option Awards | | | | Stock Awards | | |
|-------------------------------|--------------------------|---|---|------------------------|------------------------|---|---|
| | Option grant date | Number of Securities underlying unexercised options (Exercisable) | Number of securities underlying unexercised options (Unexercisable) | Option exercise price | Option expiration date | Number of Shares or Units of Stock that have not vested | Market value of shares or units of stock that have not vested |
| Omar Segura | 3/11/2014 ⁽¹⁾ | 10,000 | 46,000 | \$ 6.48 ⁽³⁾ | 3/11/2024 | — | \$ — |
| | 3/10/2015 ⁽¹⁾ | — | 23,000 | \$11.54 ⁽⁴⁾ | 3/10/2025 | — | \$ — |
| | 7/15/2015 ⁽²⁾ | — | 6,250 | \$16.00 | 7/15/2025 | — | \$ — |
| | 3/7/2016 ⁽²⁾ | — | 11,646 | \$20.26 | 3/7/2026 | 7,404 ⁽⁶⁾ | \$587,507 ⁽⁷⁾ |
| | 3/22/2017 ⁽²⁾ | 3,551 | 10,654 | \$32.20 | 3/22/2027 | 4,658 ⁽⁶⁾ | \$369,612 ⁽⁷⁾ |
| | 3/28/2018 ⁽²⁾ | — | 10,328 | \$58.90 | 3/28/2028 | 3,289 ⁽⁶⁾ | \$260,982 ⁽⁷⁾ |
| Kevin McLain | 6/10/2014 ⁽¹⁾ | 54,000 | 46,000 | \$ 8.03 ⁽⁸⁾ | 6/10/2024 | — | \$ — |
| | 3/10/2015 ⁽¹⁾ | — | 11,500 | \$11.54 ⁽⁴⁾ | 3/10/2025 | — | \$ — |
| | 7/15/2015 ⁽²⁾ | 4,375 | 4,375 | \$16.00 | 7/15/2025 | — | \$ — |
| | 3/7/2016 ⁽²⁾ | — | 8,152 | \$20.26 | 3/7/2026 | 5,183 ⁽⁶⁾ | \$411,271 ⁽⁷⁾ |
| | 3/22/2017 ⁽²⁾ | — | 8,523 | \$32.20 | 3/22/2027 | 3,727 ⁽⁶⁾ | \$295,737 ⁽⁷⁾ |
| | 3/28/2018 ⁽²⁾ | — | 8,246 | \$58.90 | 3/28/2028 | 2,626 ⁽⁶⁾ | \$208,373 ⁽⁷⁾ |

- (1) Options awarded under the 2012 Plan which vest ratably over five years from the grant date and which immediately vest in full upon the occurrence of a change of control.
- (2) Options awarded under the 2015 Plan which vest ratably over four years from the grant date. Unvested options will fully vest and become exercisable upon a termination of employment without cause or a resignation for good reason upon or within twelve months following the occurrence of a change of control.
- (3) Represents the per share exercise price underlying the option grant, as reduced from the original grant date exercise price of \$8.70 per share in connection with our payment of a cash dividend to our shareholders in April 2014 and in May 2015.
- (4) Represents the per share exercise price underlying the option grant, as reduced from the original grant date exercise price of \$12.56 per share in connection with our payment of a cash dividend to our shareholders in May 2015.
- (5) RSUs awarded under the 2015 Plan vest and become exercisable in 25% installments on each anniversary date of the grant and subject to continued service through each applicable vesting date.
- (6) RSUs awarded under the 2015 Plan vest in their entirety four years from the date of grant and subject to continued service through the vesting date.
- (7) Calculated based on \$79.35, the closing price of the Company's common stock on February 2, 2019, the last day of our 2018 fiscal year.
- (8) Represents the per share exercise price underlying the option grant, as reduced from the original grant date exercise price of \$9.04 per share in connection with our payment of a cash dividend to our shareholders in May 2015.

Options Exercised and Stock Vested

The following table sets forth all option exercises and restricted stock units vested for each of our NEOs during fiscal year 2018.

| Name | Option Awards | | Stock Awards | |
|---|---------------------------------------|------------------------------|--------------------------------------|---------------------------|
| | Number of shares acquired on exercise | Value realized upon exercise | Number of shares acquired on vesting | Value realized on vesting |
| Mark Butler | — | \$ — | 19,770 | \$1,172,947 |
| Jay Stasz ⁽¹⁾ | 10,675 | \$ 757,528 | — | \$ — |
| John Swygert | 149,000 | \$9,593,299 | 7,532 | \$ 448,678 |
| Omar Segura | 92,073 | \$5,613,270 | — | \$ — |
| Kevin McLain | 96,993 | \$6,247,639 | — | \$ — |

- (1) Mr. Stasz held 3,007 of these shares following exercise of the underlying options.

Employment Agreements

We have entered into employment agreements with all of our NEOs.

The Compensation Committee believes that severance and change in control arrangements, when properly tailored, are appropriate and necessary to retain the NEOs and to recruit other potential executive candidates. Further, in the case of any potential change in control, the Compensation Committee has concluded that such commitments are necessary to enable our NEOs to evaluate objectively the benefits to shareholders of the proposed transaction, notwithstanding any potential effects on their own job security.

The Compensation Committee also believes that reasonable severance and change in control benefits should be:

- established with reference to an executive's position and current cash compensation opportunities, not with reference to his or her tenure;
- conditioned upon execution of a release of claims against the Company and its affiliates; and
- conditioned on the executive's commitment not to compete with the Company for a reasonable period following any cessation of his or her employment.

No NEO of the Company has a right to receive a tax gross-up related to the impact of the excise tax under Section 280G of the Internal Revenue Code.

The material provisions of each such agreement are described below. For the purposes of the employment agreements, "Company EBITDA" refers to Adjusted EBITDA without any adjustments for pre-opening expenses.

Mark Butler

In September 2012, we entered into an employment agreement with Mr. Butler in his capacity as our Chief Executive Officer, which we amended in July 2015 (the "2015 Butler Amendment") as described below. The summary that follows reflects the terms of the employment agreement as amended except where otherwise noted.

The agreement has an initial term of three years and automatically renews for successive two-year terms unless earlier terminated in accordance with the termination provisions described below. Under the terms of the agreement, Mr. Butler is entitled to receive an annual base salary of \$500,000, which is reevaluated annually by our Compensation Committee, but may not be reduced below \$500,000. In fiscal year 2018, Mr. Butler's annual base salary was \$815,000.

Mr. Butler is eligible to receive an annual cash performance bonus based on our ability to achieve certain Company EBITDA targets. If our Company EBITDA is equal to or greater than a maximum for any given year, the bonus shall be 133.3% of his base salary (pursuant to the 2015 Butler Amendment this amount increased to 200% of his base salary earned during the year); if our Company EBITDA is equal to the target Company EBITDA for a given year, the bonus shall be 66.7% of his base salary (pursuant to the 2015 Butler Amendment this amount increased to 100% of his base salary earned during the year); and if our Company EBITDA is equal to or less than a minimum threshold for any given year, Mr. Butler will not be entitled to a bonus for that year. Our Compensation Committee may change the manner in which any bonus is determined or calculated with Mr. Butler's consent pursuant to the agreement. Mr. Butler is also eligible for six weeks of paid time off per year and may participate in our benefit and welfare plans that are available to senior management. In addition, Mr. Butler is entitled to use a company car, for which we pay the fuel, cost of insurance, and maintenance and repair. Under the terms of the agreement, we will procure life insurance policies for Mr. Butler with an aggregate death benefit of \$25 million, for which the annual aggregate premiums shall not exceed \$100,000. In addition, pursuant to his employment agreement, Mr. Butler was granted options to purchase 2,533,450 shares of non-voting Class B common stock under the terms of the 2012 Plan and the form of a nonqualified stock option award agreement. Under the terms of the 2012 Plan, one hundred percent (100%) of such options have now vested.

Either we or Mr. Butler may terminate the agreement at any time upon written notice as specified in the agreements and outlined below. We may terminate Mr. Butler's employment immediately by written notice for "cause", death or "disability", with 90 days prior written notice of the non-renewal of his employment, or with 30 days' prior written notice without "cause." Mr. Butler may resign by written notice for "good reason" and with 30 days' prior written notice without "good reason." Each of these terms has the definition as set forth in Mr. Butler's employment agreement, as may be amended from time to time.

If we terminate Mr. Butler's employment for cause or due to his disability or death, if he resigns without good reason or if he does not renew his employment, we must pay to him, in lieu of any other payments or benefits hereunder, any base salary earned but not paid through the termination date. If we terminate Mr. Butler's employment without cause, if we do not renew his employment, or if he resigns for good reason, we must (i) pay him his base salary for the Severance Period (defined below), (ii) pay him a pro-rata portion of the bonus for the fiscal year in which such termination occurred, payable in a lump sum during the following calendar year, (iii) continue to provide him with reimbursement of term life insurance policy premiums during the Severance Period and (iv) continue to provide health, life and disability insurance benefits to the extent permitted under such plans until the earlier of (A) the expiration of the Severance Period and (B) the date that Mr. Butler commences new employment; conditioned upon Mr. Butler's signing of a release of claims within 21 days following the termination date and not revoking such release within seven days thereafter, and further conditioned on his compliance with provisions relating to confidentiality, proprietary rights and restricted activities. Under Mr. Butler's employment agreement, "Severance Period" is defined as the longer of (X) 24 months following the termination date and (Y) the end of his current term of employment.

Mr. Butler's employment agreement includes confidentiality provisions as well as provisions relating to proprietary rights, non-solicitation and non-competition that apply during Mr. Butler's employment and that extend for two years thereafter (six months thereafter with respect to proprietary rights), except if Mr. Butler is terminated without cause (other than due to death, disability or non-renewal of the employment agreement), in which case such period shall end on the termination date.

Jay Stasz

In November 2015, we entered into an employment agreement with Jay Stasz, to serve as our Senior Vice President of Finance and Chief Accounting Officer. We amended this agreement in January 2018 (the "2018 Stasz Amendment") in connection with his promotion to Chief Financial Officer, at which time, Mr. Stasz became our Chief Financial Officer. The agreement shall remain in effect unless terminated by us or Mr. Stasz as further described below. In addition, Mr. Stasz was granted 50,000 options to purchase shares of company stock under the terms of the 2015 Plan; seventy-five percent (75%) of these options have now vested. Under the terms of the agreement, as amended by the 2018 Stasz Amendment, Mr. Stasz is entitled to receive an annual base salary of \$300,000, which is re-evaluated annually by our Compensation Committee with the input of the Chief Executive Officer, but may not be reduced below \$300,000. In fiscal year 2018, Mr. Stasz's annual base salary was \$300,000.

Mr. Stasz is eligible to receive an annual cash performance bonus based on our ability to achieve certain Company EBITDA targets. The 2018 Stasz Amendment increased the maximum annual cash payout to which Mr. Stasz is entitled if the Company achieves certain EBITDA targets. Currently, if our Company EBITDA is equal to or greater than a maximum for any given year, the bonus shall be 100% of his base salary; if our Company EBITDA is equal to the target Company EBITDA for a given year, the bonus shall be 50% of his base salary; and if our Company EBITDA is equal to or less than a minimum threshold for any given year, Mr. Stasz will not be entitled to a bonus for that year. Our Compensation Committee may change the manner in which any bonus is determined or calculated with Mr. Stasz's consent pursuant to the agreement. Previously, the performance bonus range for Mr. Stasz had been between 50% and 80% of his base annual salary. Mr. Stasz is also eligible for three weeks of paid time off per year and may participate in our benefit and welfare plans that are available to senior management. In addition, Mr. Stasz is entitled to use a company car, for which we pay for the fuel, cost of insurance, and maintenance and repair.

Either we or Mr. Stasz may terminate the agreement at any time upon written notice as specified in the agreement and outlined below. We may terminate Mr. Stasz's employment immediately by written notice for "cause," death or "disability" and with 30 days' prior written notice without "cause." Mr. Stasz may resign by written notice for "good reason" and with 30 days' prior written notice without "good reason." Such terms are defined in Mr. Stasz's employment agreement, as may be amended from time to time.

If we terminate Mr. Stasz's employment for cause or due to his disability or death or if Mr. Stasz resigns without good reason, we must pay to him, in lieu of any other payments or benefits hereunder, any base salary earned but not paid through the termination date.

If we terminate Mr. Stasz's employment without cause or if Mr. Stasz resigns for good reason, we must pay him his base salary for 12 months following the termination date until the earlier of the end of the such 12 month

period or the date Mr. Stasz has commenced new employment; conditioned upon Mr. Stasz's signing of a release of claims within 21 days following the termination date and not revoking such release within seven days thereafter, and further conditioned on Mr. Stasz's compliance with provisions relating to confidentiality, proprietary rights and restricted activities.

Mr. Stasz's employment agreement includes confidentiality provisions as well as provisions relating to proprietary rights, non-solicitation and non-competition that apply during Mr. Stasz's employment and extend for two years thereafter (six months thereafter with respect to proprietary rights), except if Mr. Stasz is terminated without cause (other than due to death, disability or non-renewal of the employment agreement), in which case such period shall end on the termination date.

John Swygert

In September 2012, we entered into an employment agreement with Mr. Swygert, our Chief Financial Officer, which we amended in July 2015 (the "2015 Swygert Amendment"). Mr. Swygert's agreement was further amended in January 2018 (the "2018 Swygert Amendment") in connection with his promotion to Chief Operating Officer. The summary that follows reflects the terms of the employment agreement as amended except where otherwise noted.

The agreement has an initial term of three years and automatically renews for successive two-year terms thereafter unless either we or Mr. Swygert give 90 days' notice of non-renewal prior to the end of any term. Under the terms of the agreement, as amended by the 2018 Swygert Amendment, Mr. Swygert is entitled to receive an annual base salary of \$500,000, which is re-evaluated annually by our Compensation Committee with the input of the Chief Executive Officer but may not be reduced below \$500,000. In fiscal year 2018, Mr. Swygert's annual base salary was \$500,000.

Mr. Swygert is eligible to receive an annual cash performance bonus based on our ability to achieve certain Company EBITDA targets. If our Company EBITDA is equal to or greater than a maximum for any given year, the bonus shall be 100% of his base salary (pursuant to the 2015 Swygert Amendment this amount increased to 150% of his base salary earned during the year); if our Company EBITDA is equal to the target Company EBITDA for a given year, the bonus shall be 50% of his base salary (pursuant to the 2015 Swygert Amendment, this amount increased to 75% of his base salary earned during the year); and if our Company EBITDA is equal to or less than a minimum threshold for any given year, Mr. Swygert will not be entitled to a bonus for that year. Our Compensation Committee may change the manner in which any bonus is determined or calculated with Mr. Swygert's consent pursuant to the agreement. Mr. Swygert is also eligible for four weeks of paid time off per year and may participate in our benefit and welfare plans that are available to senior management. In addition, Mr. Swygert is entitled to an annual \$12,000 automobile allowance. The agreement also provides for a grant of options to purchase 345,000 shares of non-voting Class B common stock under the terms of the 2012 Plan and the form of a nonqualified stock option award agreement. Under the terms of the 2012 Plan, one-hundred percent (100%) of such options have vested.

If we terminate Mr. Swygert's employment for cause or due to his disability or death, if he resigns without good reason or if he does not renew his employment, we must pay to him, in lieu of any other payments or benefits hereunder, any base salary earned but not paid through the termination date.

If we terminate Mr. Swygert's employment without cause, if we do not renew his employment, or if he resigns for good reason, we must (i) pay him his base salary for the Severance Period (defined below), (ii) pay him a pro-rata portion of the bonus for the fiscal year in which such termination occurred, payable in a lump sum during the following calendar year, and (iii) continue to provide health, life and disability insurance benefits to the extent permitted under such plans until the earlier of (A) the expiration of the Severance Period and (B) the date that Mr. Swygert commences new employment; conditioned upon the Executive's signing of a release of claims within 21 days following the termination date and not revoking such release within seven days thereafter, and further conditioned on Mr. Swygert's compliance with provisions relating to confidentiality, proprietary rights and restricted activities. Under Mr. Swygert's employment agreement, "Severance Period" is defined as the longer of (X) 24 months following the termination date and (Y) the end of his then-current term of employment. "Good reason" and "cause" are defined as set forth under Mr. Swygert's employment agreement, as may be amended from time to time.

Mr. Swygert's employment agreement includes confidentiality provisions as well as provisions relating to proprietary rights, non-solicitation and non-competition that apply during Mr. Swygert's employment and that

extend for two years thereafter (six months thereafter with respect to proprietary rights), except if Mr. Swygart is terminated without cause (other than due to death, disability or non-renewal of the employment agreement), in which case such period shall end on the termination date.

Omar Segura

In January 2014, we entered into an employment agreement with Omar Segura, our Senior Vice President of Store Operations. The agreement shall remain in effect unless terminated by us or Mr. Segura as further described below. Under the terms of the agreement, Mr. Segura is entitled to receive an annual base salary of \$275,000, which is re-evaluated annually by our Compensation Committee with the input of the Chief Executive Officer, but may not be reduced below \$275,000. In fiscal year 2018, Mr. Segura's annual base salary was \$310,000.

Mr. Segura is eligible to receive an annual cash performance bonus based on our ability to achieve certain Company EBITDA targets. If our Company EBITDA is equal to or greater than a maximum for any given year, the bonus shall be 80% of his base salary; if our Company EBITDA is equal to the target Company EBITDA for a given year, the bonus shall be 50% of his base salary; and if our Company EBITDA is equal to or less than a minimum threshold for any given year, Mr. Segura will not be entitled to a bonus for that year. Our Compensation Committee may change the manner in which any bonus is determined or calculated with Mr. Segura's consent pursuant to the agreement. Mr. Segura is also eligible for three weeks of paid time off per year and may participate in our benefit and welfare plans that are available to senior management. In addition, Mr. Segura is entitled to use a company car, for which we pay for the fuel, cost of insurance, and maintenance and repair.

In addition, pursuant to his employment agreement, Mr. Segura was granted options to purchase 230,000 shares of non-voting Class B common stock under the terms of the 2012 Plan and the form of a nonqualified stock option award agreement. Under the terms of the 2012 Plan, one-hundred percent (100%) of such options have now vested.

Either we or Mr. Segura may terminate the agreement at any time upon written notice as specified in the agreement and outlined below. We may terminate Mr. Segura's employment immediately by written notice for "cause", death or "disability" and with 30 days' prior written notice without "cause." Mr. Segura may resign by written notice for "good reason" and with 30 days' prior written notice without "good reason." Such terms are defined in Mr. Segura's employment agreement, as may be amended from time to time.

If we terminate Mr. Segura's employment for cause or due to his disability or death or if Mr. Segura resigns without good reason, we must pay to him, in lieu of any other payments or benefits hereunder, any base salary earned but not paid through the termination date.

If we terminate Mr. Segura's employment without cause or if Mr. Segura resigns for good reason, we must pay him his base salary for 12 months following the termination date until the earlier of the end of the such 12 month period or the date Mr. Segura has commenced new employment; conditioned upon Mr. Segura's signing of a release of claims within 21 days following the termination date and not revoking such release within seven days thereafter, and further conditioned on Mr. Segura's compliance with provisions relating to confidentiality, proprietary rights and restricted activities.

Mr. Segura's employment agreement includes confidentiality provisions as well as provisions relating to proprietary rights, non-solicitation and non-competition that apply during Mr. Segura's employment and extend for two years thereafter (six months thereafter with respect to proprietary rights), except if Mr. Segura is terminated without cause (other than due to death, disability or non-renewal of the employment agreement), in which case such period shall end on the termination date.

Kevin McLain

In 2014, we entered into an employment agreement with Kevin McLain, our Senior Vice President – General Merchandise Manager, which was subsequently amended in 2015. The agreement shall remain in effect unless terminated by us or Mr. McLain as further described below. Under the terms of the agreement, Mr. McLain is entitled to receive an annual base salary of \$225,000, which is re-evaluated annually by our Compensation Committee with the input of the Chief Executive Officer but may not be reduced below \$225,000. In fiscal year 2018, Mr. McLain's annual base salary was \$247,000.

Mr. McLain is eligible to receive an annual cash performance bonus based on our ability to achieve certain Company EBITDA targets. If our Company EBITDA is equal to or greater than a maximum for any given year, the bonus shall be 80% of his base salary; if our Company EBITDA is equal to the target Company EBITDA for a given year, the bonus shall be 50% of his base salary; and if our Company EBITDA is equal to or less than a minimum threshold for any given year, Mr. McLain will not be entitled to a bonus for that year. Our Compensation Committee may change the manner in which any bonus is determined or calculated with Mr. McLain's consent pursuant to the agreement. Mr. McLain is also eligible for three weeks of paid time off per year and may participate in our benefit and welfare plans that are available to senior management. In addition, Mr. McLain is entitled to use a company car, for which we pay for the fuel, cost of insurance, and maintenance and repair.

Either we or Mr. McLain may terminate the agreement at any time upon written notice as specified in the agreement and outlined below. We may terminate Mr. McLain's employment immediately by written notice for "cause," death or "disability" and with 30 days' prior written notice without "cause." Mr. McLain may resign by written notice for "good reason" and with 30 days' prior written notice without "good reason." Such terms are defined in Mr. McLain's employment agreement, as may be amended from time to time.

In addition, pursuant to his employment agreement, Mr. McLain was also granted options to purchase 230,000 shares of non-voting Class B common stock under the terms of the 2012 Plan and the form of a nonqualified stock option award agreement. Under the terms of the 2012 Plan, eighty percent (80%) of such options have now vested.

If we terminate Mr. McLain's employment for cause or due to his disability or death or if Mr. McLain resigns without good reason, we must pay to him, in lieu of any other payments or benefits hereunder, any base salary earned but not paid through the termination date.

If we terminate Mr. McLain's employment without cause or if Mr. McLain resigns for good reason, we must pay him his base salary for 12 months following the termination date until the earlier of the end of the such 12 month period or the date Mr. McLain has commenced new employment; conditioned upon Mr. McLain's signing of a release of claims within 21 days following the termination date and not revoking such release within seven days thereafter, and further conditioned on Mr. McLain's compliance with provisions relating to confidentiality, proprietary rights and restricted activities.

Mr. McLain's employment agreement includes confidentiality provisions as well as provisions relating to proprietary rights, non-solicitation and non-competition that apply during Mr. McLain's employment and extend for two years thereafter (six months thereafter with respect to proprietary rights), except if Mr. McLain is terminated without cause (other than due to death, disability or non-renewal of the employment agreement), in which case such period shall end on the termination date.

Potential Payments Upon Termination of Employment or Change in Control

The following table summarizes amounts that would be payable to each of our NEOs upon resignation by the NEO with "good reason" or by us without "cause," or upon a termination following a "change in control" on February 2, 2019. In the event of a termination by us for "cause," "death," disability, or without "good reason" no amounts are paid other than base salary earned but not paid through the termination date:

| | Good Reason or Termination without "Cause" | | | Termination Following a Change in Control ⁽³⁾ | |
|-------------------------------|---|------------------------------------|-------------|---|----------------------|
| | Severance Payments ⁽¹⁾ | Annual Incentive ⁽²⁾ | Total | Equity Compensation ⁽³⁾ | Total ⁽⁴⁾ |
| Mark Butler | \$1,630,000 | \$1,166,564 | \$2,796,564 | \$141,470,179 | \$144,266,743 |
| Jay Stasz | 300,000 | — | 300,000 | 4,155,657 | 4,455,657 |
| John Swygert | 1,000,000 | 550,000 | 1,550,000 | 19,304,862 | 20,854,862 |
| Omar Segura | 310,000 | — | 310,000 | 8,823,525 | 9,133,525 |
| Kevin McLain | 247,500 | — | 247,500 | 10,433,701 | 10,681,201 |

(1) Each of our NEOs are eligible to receive separation payments in the event they resign from the Company for "Good Reason" and upon termination without "Cause" and agree to certain other criteria. These conditions are more fully described in this Proxy Statement in the Section entitled "Employment Agreements."

- (2) In the event Messrs. Butler or Swygert resign for “good reason” or are terminated without “cause,” including following a change in control, then the Company will pay them a pro-rated portion of the bonus for the fiscal year in which such termination occurred, together with health, life and disability payments during the Severance Period.

In the event of a termination by us for “cause,” death or disability, no amounts are paid other than base salary earned but not paid through the termination date.

- (3) We do not maintain separate change in control agreements with any NEOs, but our 2015 Plan provides that equity awards granted to our NEOs will be accelerated to the extent that the NEO experiences a termination without Cause or with Good Reason (as defined in their employment agreements, if at all) within 12 months of the change in control.

Amounts for all NEOs represents stock options and RSUs outstanding as of February 2, 2019. A change in control triggers acceleration of vesting of these equity awards.

- (4) Includes severance and annual incentive payments upon termination for “good reason” or without “cause” following a change in control.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table includes information as of May 2, 2019, about the beneficial ownership of our common stock by:

- each person or group who is known by us to own beneficially more than 5% of our common stock;
- each member of our Board, each nominee for election as a director, and each of our named executive officers; and
- all members of our Board and our executive officers as a group.

Beneficial ownership of shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as otherwise indicated by footnote, the number of shares and percentage ownership indicated in the following table is based on 63,483,898 outstanding shares of common stock as of the record date. In addition, shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of May 2, 2019 are deemed to be outstanding and to be beneficially owned by the entity or person holding such options for the purpose of computing the percentage ownership of such entity or person, but are not treated as outstanding for the purpose of computing the number of shares owned and percentage ownership of any other entity or person. Except as indicated by footnote and subject to community property laws where applicable, to our knowledge, the persons named in the table below will have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

Unless otherwise indicated, the address for each holder listed below is c/o Ollie's Bargain Outlet Holdings, Inc., 6295 Allentown Boulevard, Suite 1, Harrisburg, Pennsylvania 17112.

| Name and Address of Beneficial Owner | Beneficial Ownership of Common Stock | |
|--|--------------------------------------|---------------------|
| | Number of shares | Percentage of Class |
| 5% Stockholder Not Listed Below: | | |
| Blackrock, Inc. | 6,190,043 ⁽¹⁾ | 9.75% |
| The Vanguard Group | 4,511,371 ⁽²⁾ | 7.11% |
| Named Executive Officers and Directors: | | |
| Mark Butler | 10,333,473 ⁽³⁾ | 15.82% |
| Jay Stasz. | 24,773 ⁽⁴⁾ | * |
| John Swygert | 154,624 ⁽⁵⁾ | * |
| Omar Segura | 19,684 ⁽⁶⁾ | * |
| Kevin McLain | 60,728 ⁽⁷⁾ | * |
| Thomas Hendrickson | 18,761 ⁽⁸⁾ | * |
| Stanley Fleishman | 46,661 ⁽⁹⁾ | * |
| Stephen White | 5,330 ⁽¹⁰⁾ | |
| Richard Zannino. | — | |
| Robert Fisch. | 17,161 ⁽¹¹⁾ | * |
| All Board members and executive officers as a group (11 persons). | 10,732,959 | 16.36% |

* Represents beneficial ownership of less than 1% of our outstanding common stock.

- (1) In its Schedule 13G/A filed on February 6, 2019, BlackRock Inc., 55 East 52nd Street, New York, NY 10055, stated that it beneficially owned the number of common shares reported in the table as of December 31, 2018, had sole voting power over 5,657,602 of the shares and sole dispositive power over all of the shares, and had no shared voting owner or shared dispositive power over any of the shares.
- (2) In its Schedule 13G/A filed on February 11, 2019, The Vanguard Group., 100 Vanguard Blvd., Malvern, PA 19355, stated that it beneficially owned the number of common shares reported in the table as of December 31, 2018, had sole voting power over 103,482 of the shares, shared voting power over 8,529 shares and sole dispositive power over 4,710,852 of the shares and shared dispositive power over 106,891 shares. This reporting person indicated that its wholly-owned subsidiaries, Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd. owned 98,362 shares and 13,649 shares, respectively.
- (3) Includes 2,504,522 shares held directly by Mark Butler, 6,002,695 shares held by the Mark L. Butler 2012 DE Dynasty Trust and 1,826,256 shares underlying vested options.

- (4) Includes 10,403 shares held directly by Mr. Stasz and 14,370 shares underlying vested options or options vesting within 60 days.
- (5) Includes 25,156 shares held directly by Mr. Swygert and 129,468 shares underlying vested options or options vesting within 60 days.
- (6) Represents 19,684 shares underlying vested options or options vesting within 60 days.
- (7) Represents 60,728 shares underlying vested options or options vesting within 60 days.
- (8) Includes 1,474 shares held directly by Mr. Hendrickson and 17,287 shares underlying vested options or options vesting within 60 days and excludes 1,950 shares held by Mr. Hendrickson's sister-in-law in an account over which Mr. Hendrickson has discretionary trading authority. Mr. Hendrickson disclaims beneficial ownership of such 1,950 shares other than any pecuniary interest therein.
- (9) Includes 41,974 shares held directly by Mr. Fleishman and 4,687 shares underlying vested options or options vesting within 60 days.
- (10) Represents 5,330 shares held directly by Mr. White.
- (11) Includes 12,474 shares held directly by Mr. Fisch and 4,687 shares underlying vested options or options vesting within 60 days.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Our Board has adopted a written policy relating to the approval of related person transactions. A “related person transaction” is a transaction or arrangement or series of transactions or arrangements in which we participate (whether or not we are a party) and a related person has a direct or indirect material interest in such transaction. Our Audit Committee reviews and approves or ratifies related person transactions that exceed \$120,000 individually or in the aggregate between us and (i) our directors, director nominees or executive officers, (ii) any 5% record or beneficial owner of our common stock or (iii) any immediate family member of any person specified in (i) and (ii) above. The Audit Committee will review all such related person transactions and, where the Audit Committee determines that such transactions are in our best interests, approve such transactions.

As set forth in the related person transaction policy, in the course of its review and approval or ratification of a related person transaction, the Audit Committee will, in its judgment, consider in light of the relevant facts and circumstances whether the related person transaction is, or is not inconsistent with, our best interests, including consideration of various factors enumerated in the policy.

Any member of the Audit Committee who is a related person with respect to a related person transaction under review or is otherwise not disinterested will not be permitted to participate in the discussions or approval or ratification of the related person transaction. Our policy also includes certain exemptions for related person transactions that need not be reported and provides the Audit Committee with the discretion to pre-approve certain related person transactions.

As of February 2, 2019, we lease four of our stores and our corporate headquarters from entities in which Mr. Butler, our co-founder, Chairman, President and Chief Executive Officer, or Mr. Butler’s family has a direct or indirect material interest. We lease two of our stores from Brooke Investments Co., LLC, a Pennsylvania limited liability company owned directly by Mr. Butler and his family and managed by Mr. Butler for which Brooke Investments Co., LLC receives aggregate annual lease payments of approximately \$368,000. We lease one of our stores from BSA Enterprises, a Pennsylvania partnership, which is majority owned by Brooke Investments Co., LLC and which receives aggregate annual lease payments of approximately \$219,000. We lease one of our stores and our corporate headquarters from MBBF L.P., a Pennsylvania limited partnership, which is managed and owned by Mr. Butler. MBBF L.P. receives aggregate annual lease payments from us of approximately \$707,000. Leases for the four stores expire between January 2022 and January 2027. The lease for our corporate headquarters expires in February 2033.

**PROPOSAL 3—TO AMEND OUR SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION TO DECLASSIFY OUR BOARD OF DIRECTORS
BY THE 2022 ANNUAL MEETING OF STOCKHOLDERS**

As part of our Board’s review of its corporate governance principles and the periodic evaluation of its size, structure, composition and functioning in light of corporate governance trends and recognized best practices, our Board has determined that holding annual elections of each of our directors is in the best interests of our stockholders. The Board is also seeking to eliminate the requirement for a supermajority vote to amend certain provisions of our Charter (as defined below), as reflected in Proposal 4. The Board also amended the Bylaws on April 25, 2019 to provide for a majority voting standard in uncontested elections of directors effective immediately, including for purposes of the Annual Meeting.

Accordingly, our Board has recommended and is seeking stockholder approval of an amendment to our Second Amended and Restated Certificate of Incorporation (our “Charter”) to provide for the phased elimination of the Company’s classified board structure (the “Proposed Declassification Amendment”). The proposed amendment to our Charter would eliminate the classification of the board over a three-year period beginning at the 2020 Annual Meeting, at which time each director on the ballot for election would be elected for a one-year term following the expiration of such director’s existing term.

Currently, Section 5.3 of our Charter divides the Board into three classes that are elected by class for three-year terms. If approved by stockholders at the Annual Meeting, the Proposed Declassification Amendment will be implemented pursuant to the Third Amended and Restated Certificate of Incorporation (the “Amended and Restated Charter”) and would declassify the Board over a three-year period, as follows:

- Class II directors will be elected at the 2020 Annual Meeting for a one-year term, and they and any successors will stand for re-election at our 2021 annual meeting;
- Class III directors will serve out their current three-year terms, and they and any successors will stand for election to a one-year term at our 2021 annual meeting; and
- Class I directors will be elected at this Annual Meeting and serve out their three-year terms, and they and any successors will stand for election to a one-year term at the 2022 annual meeting.

Beginning at the 2022 Annual Meeting, all directors would be elected annually. If approved by our stockholders, the Amended and Restated Charter would become effective upon its filing with the Secretary of State of the State of Delaware, which the Company would file promptly following the Annual Meeting. The proposed amendment would not change the present number of directors or the Board’s authority to increase or decrease the size of the Board or fill any vacancies or newly created director positions. Vacancies which occur during the year may be filled by the board for the remainder of the full term.

In accordance with Delaware law, our Amended and Restated Charter will provide that any director selected to serve on the Board at the 2020 Annual Meeting or thereafter may be removed from office by the Company’s stockholders, with or without cause, by the affirmative vote of the holders of a majority of the voting power of all outstanding shares of our common stock then entitled to vote in the election of directors.

This description of the proposed amendment to our Charter is qualified in its entirety by reference to, and should be read in conjunction with, the full text of the Amended and Restated Charter attached to this Proxy Statement as Appendix A, in which we have shown the proposed amendments with deletions indicated by strikeouts and additions indicated by underlining.

The affirmative vote of the holders of sixty-six and two-thirds percent (66 2/3%) of the voting power of the Company’s outstanding shares of common stock entitled to vote on this proposal will be required to approve this proposal. Abstentions and broker non-votes will count as votes against this proposal. The Company also intends to make certain conforming amendments to the Bylaws if this proposal is approved. The approval of this proposal is not conditioned on the approval of Proposals 4 or 5.

The Board unanimously recommends a vote “FOR” this proposal.

PROPOSAL 4—TO AMEND OUR SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE SUPERMAJORITY VOTE PROVISIONS

Consistent with our Board’s review of our corporate governance principles and focus on promoting certain governance best practices, our Board has recommended and is seeking stockholder approval of an amendment to our Charter that would eliminate the requirement for a supermajority vote to amend certain provisions described below, and replace these requirements with a majority vote requirement.

Currently, Article XII of our Charter requires the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 ²/₃%) of the voting power of our then outstanding shares of common stock, entitled to vote thereon, to amend, modify, or repeal the following provisions of our Charter:

- Section 5.3 (Classification)
- Section 5.4 (Removal of Directors)
- Section 5.5 (Term)
- Section 5.6 (Vacancies)
- Section 6.3 (No Stockholder Action by Consent)
- Section 6.5 (Special Meetings of Stockholders)
- Article IX (Amendments to Bylaws)
- Article XI (Forum)
- Article XII (Amendment of Certificate)

This proposal will be implemented pursuant to the Amended and Restated Charter.

Our Board recognizes that a majority voting standard for effecting changes to the Charter enhances our stockholders’ ability to participate in corporate governance and aligns the Company with recognized best practices in corporate governance.

If approved by the Company’s stockholders, the Amended and Restated Charter reflecting the elimination of all supermajority vote requirements for amending our Charter would become effective upon its filing with the Secretary of State of the State of Delaware, which the Company would file promptly following the Annual Meeting. As a result, at future meetings of stockholders, the affirmative vote of the holders of a majority in voting power of the Company’s outstanding stock entitled to vote thereon will be required to amend all provisions of the Amended and Restated Charter. This description of the proposed amendment to our Charter is qualified in its entirety by reference to, and should be read in conjunction with, the full text of the Amended and Restated Charter attached to this proxy statement as Appendix A, in which we have shown the proposed amendments with deletions indicated by strikeouts and additions indicated by underlining.

The affirmative vote of the holders of at least sixty-six and two-thirds percent (66 ²/₃%) of the voting power of the Company’s outstanding shares of common stock entitled to vote on this proposal will be required to approve this proposal. Abstentions and broker non-votes will count as votes against this proposal. The Company also intends to make certain conforming amendments to the Bylaws if this proposal is approved. The approval of this proposal is not conditioned on the approval of Proposals 3 or 5.

The Board unanimously recommends a vote “FOR” this proposal.

**PROPOSAL 5—TO AMEND OUR SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION TO ELIMINATE OBSOLETE PROVISIONS**

Our Board has recommended and is seeking stockholder approval for amendments to our Charter that would eliminate a number of provisions relating to CCMP L.P. and certain of its affiliates (“CCMP”) and other certain provisions that have become obsolete, including as a result of CCMP no longer owning any shares of the Company’s stock. These provisions:

- provide for the conversion of the Company’s Class B common stock, which shares have been converted and are no longer outstanding or issued by the Company (Section 4.1);
- provide that, until such time as CCMP and Mark Butler and certain of his affiliates, in his capacity as an investor, collectively own less than 49.9% of the Company’s outstanding stock, stockholder action may be taken by written consent in lieu of a meeting of stockholders (Section 6.3);
- provide that, until such time as CCMP and Mark Butler and certain of his affiliates, in his capacity as an investor, collectively own less than 49.9% of the Company’s outstanding stock, CCMP may cause a special meeting to be called (Section 6.5)
- until there occurs a transaction following which CCMP owns less than 5%, provide an opt-out from the restrictions on certain transactions involving the Company and significant shareholders that are contained in Section 203 of the General Corporation Law of the State of Delaware, allowing transactions involving CCMP to not be subject to any such restrictions, while transactions involving all other stockholders would be subject to the same restrictions as if the Company had not opted out of the law (Article IX);
- renounce the Company’s interest in corporate opportunities that are presented to CCMP (Section 10.2); and
- require, for so long as CCMP owns 10% or more of the Company’s outstanding stock, the additional approval of CCMP for amendments to Article X of our Charter (Section 10.3).

The proposal will be implemented pursuant to the Amended and Restated Charter.

Our Board believes it is in the best interests of our stockholders to eliminate these provisions to avoid potential confusion relating to provisions that are no longer applicable.

If approved by the Company’s stockholders, the Amended and Restated Charter reflecting the deletion of certain obsolete provisions of the Certificate would become effective upon its filing with the Secretary of State of the State of Delaware, which the Company would file promptly following the Annual Meeting. The Company also intends to make certain conforming amendments to the Bylaws. This description of the proposed amendment to our Charter is qualified in its entirety by reference to, and should be read in conjunction with, the full text of the Amended and Restated Charter attached to this proxy statement as Appendix A, in which we have shown the proposed amendments with deletions indicated by strikeouts and additions indicated by underlining.

The affirmative vote of the holders of at least sixty-six and two-thirds percent (66 ²/₃%) of the voting power of the Company’s outstanding stock entitled to vote on this proposal is required to approve this proposal. Abstentions and broker non-votes will count as votes against this proposal. The approval of this proposal is not conditioned on the approval of Proposals 3 or 4.

PROPOSAL 6—RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board recommends that the stockholders ratify the selection of KPMG LLP (“KPMG”) as our independent registered public accounting firm for the year ending February 1, 2020. The Audit Committee approved the selection of KPMG as our independent registered public accounting firm for our fiscal year 2019. In doing so, the Audit Committee considers among other things, such factors as:

- the quality and efficiency of KPMG’s historical and recent performance on the Company’s audit;
- KPMG’s capability and expertise;
- The quality and candor of communications and discussions with KPMG;
- The ability of KPMG to remain independent;
- The appropriateness of fees charged; and
- KPMG’s tenure as the Company’s independent public accountants and their familiarity with our operations businesses, accounting practices, and internal controls over financial reporting.

KPMG is currently our independent registered public accounting firm.

Although the Company is not required to seek stockholder approval of this appointment, the Board believes that doing so is consistent with good corporate governance practices. If the appointment is not ratified, the Audit Committee will explore the reasons for stockholder rejection and will reconsider the appointment.

We have been advised that a representative of KPMG, our independent registered public accounting firm for the year ended February 2, 2019, will attend the Annual Meeting, will have an opportunity to make a statement if such representative desires to do so, and will be available to respond to appropriate questions.

The selection of KPMG as our independent registered accounting firm will be ratified by the affirmative vote of the holders of a majority of shares of common stock represented at the Annual Meeting and entitled to vote and voting on the proposal.

The Board recommends a vote “FOR” ratification of the selection of KPMG as our independent registered public accounting firm.

Principal Accounting Fees and Services

KPMG serves as our independent registered public accounting firm. The following table presents aggregate fees for professional services rendered by KPMG for the fiscal years ended February 2, 2019 and February 3, 2018.

| | For the Fiscal Year Ended February 2, 2019 | For the Fiscal Year Ended February 3, 2018 |
|---|---|---|
| Audit fees ⁽¹⁾ | \$991,000 | \$960,000 |
| Audit-related fees ⁽²⁾ | — | — |
| Tax fees ⁽²⁾ | — | — |
| All other fees ⁽³⁾ | 1,780 | 1,780 |

-
- (1) Audit fees for the fiscal year ended February 2, 2019 include fees for professional services rendered for the audit and quarterly reviews of our consolidated financial statements filed with the SEC on Forms 10-K and 10-Q and the audit of internal control over financial reporting. Audit fees for the fiscal year ended February 3, 2018 include fees for professional services rendered for the audit and quarterly reviews of our consolidated financial statements filed with the SEC on Forms 10-K and 10-Q and the audit of internal control over financial reporting.
- (2) There were no amounts billed for audit-related or tax fees for the fiscal years ended February 2, 2019 or February 3, 2018.
- (3) Other fees for the fiscal years ended February 2, 2019 and February 3, 2018 is for our use of KPMG LLP's online accounting research software.

The services provided by KPMG were pre-approved by the Audit Committee. The Audit Committee has considered whether the provision of the above-noted services is compatible with maintaining the independence of the independent registered public accounting firm and has determined, based on advice from KPMG, that the provision of such services has not adversely affected KPMG's independence.

According to its charter, the Audit Committee is responsible for approving all audit engagement fees, terms and non-audit engagements with the independent registered public accounting firm on behalf of the Company in advance of providing any service. It is not the responsibility of the Audit Committee to prepare the financial statements of the Company, or to plan or execute the audits of these statements, or to determine whether the statements themselves are accurate and set out in accordance with generally accepted accounting principles. Ollie's management is responsible for the preparation of these statements and establishing and maintaining effective internal controls over financial reporting. The independent registered public accounting firm is responsible for the audit of Ollie's financial statements and the audit of the effectiveness of Ollie's internal control over financial reporting.

REPORT OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee is one of oversight, as set forth in its charter. A current copy of the Audit Committee Charter, can be found on our website, www.ollies.us, under the “Investor Relations/Governance” section.

The Audit Committee has:

- reviewed and discussed our audited financial statements for the year ended February 2, 2019 with management;
- discussed with KPMG, our independent registered public accounting firm, the matters required to be discussed by the Public Company Accounting Oversight Board (“PCAOB”) Auditing Standard No. 1301 (Communications with Audit Committees); and
- received from KPMG the written disclosures and the letter from KPMG required by the applicable requirements of the PCAOB regarding KPMG’s communications with the Audit Committee concerning independence and has discussed with KPMG its independence.

Based on these reviews and discussions and the reports of KPMG, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended February 2, 2019 for filing with the SEC.

The Audit Committee annually reviews the independence and performance of KPMG, including its lead audit partner and engagement team, in connection with the Audit Committee’s responsibility for the appointment and oversight of the Company’s independent registered public accounting firm and determines whether to re-engage KPMG or consider other audit firms.

Submitted by the Audit Committee:

Thomas Hendrickson, Chair
Stanley Fleishman
Stephen White

STOCKHOLDER PROPOSALS AND NOMINATIONS AT THE 2020 ANNUAL MEETING

In order to be included in the Company's proxy materials for presentation at the 2020 annual meeting, a stockholder proposal pursuant to Rule 14a-8 of the Exchange Act must be received by the Company at its principal executive offices at Ollie's Bargain Outlet Holdings, Inc., Attn: John Swygert, Executive Vice President, Chief Operating Officer and Secretary, 6295 Allentown Boulevard, Suite 1, Harrisburg, Pennsylvania 17112 by no later than the close of business on January 15, 2020, and must comply with the requirements of Rule 14a-8.

The Bylaws contain an advance notice of stockholder business and nominations requirement, which generally prescribes the procedures that a stockholder of the Company must follow if the stockholder intends, at an annual or special meeting of stockholders, to nominate a person for election to the Company's Board of Directors or to propose other business to be considered by stockholders. These procedures include, among other things, that the stockholder give timely notice to the Secretary of the Company of the nomination or other proposed business, that the notice contain specified information, and that the stockholder comply with certain other requirements. Generally, in the case of an annual meeting of stockholders, a stockholder's notice in order to be timely must be delivered in writing to the Secretary of the Company, at its principal executive office, not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting.

Accordingly, if a stockholder of the Company intends, at the Company's 2019 annual meeting of stockholders, to nominate a person for election to the Company's Board of Directors or to propose other business, the stockholder must deliver a notice of such nomination or proposal to the Company's Secretary not later than the close of business on March 27, 2020 and not earlier than the close of business on February 26, 2020.

Notices should be addressed in writing to the Secretary at Ollie's Bargain Outlet Holdings, Inc., Attn: John Swygert, Executive Vice President, Chief Operating Officer and Secretary, 6295 Allentown Boulevard, Suite 1, Harrisburg, Pennsylvania 17112.

OTHER BUSINESS

The Board has no knowledge of any other matter to be submitted at the Annual Meeting. If any other matter shall properly come before the Annual Meeting, the persons named in this proxy statement will have discretionary authority to vote the shares thereby represented in accordance with their best judgment.

It is important that your proxy be returned promptly, whether by mail, by the Internet or by telephone. The proxy may be revoked at any time by you before it is exercised. If you attend the meeting in person, you may withdraw any proxy (including an Internet or telephonic proxy) and vote your own shares.

By Order of the Board,



MARK BUTLER
President and Chief Executive Officer

**~~SECOND~~THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
OLLIE'S BARGAIN OUTLET HOLDINGS, INC.**

**(Under Sections 242 and 245 of the
Delaware General Corporation Law)**

Ollie's Bargain Outlet Holdings, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware, as amended (the "DGCL"), does hereby certify as follows:

FIRST. The Corporation filed its original certificate of incorporation (the "~~Original Certificate of Incorporation~~") with the Secretary of State of the State of Delaware on August 27, 2012 under the name Bargain Holdings, Inc., and the Corporation amended and restated its ~~Original Certificate of Incorporation~~ on September 27, 2012 ~~(the "Amended and Restated Certificate of Incorporation")~~; ~~further amended the Amended and Restated Certificate of Incorporation,~~ on March 23, 2015; ~~and further amended the Amended and Restated Certificate of Incorporation,~~ on June 17, 2015 and on July 15, 2015 (as amended to date, the "Previous Certificate of Incorporation").

SECOND. The board of directors of the Corporation (the "Board of Directors") adopted resolutions proposing to amend and restate the Previous Certificate of Incorporation in its entirety, and the requisite stockholders of the Corporation have duly approved the amendment and restatement.

THIRD. Pursuant to Sections 242 and 245 of the DGCL, this ~~Second~~Third Amended and Restated Certificate of Incorporation (this "Certificate") restates, integrates and further amends the Previous Certificate of Incorporation of the Corporation to read in its entirety as follows:

ARTICLE I

1.1 Name. The name of the Corporation is:

Ollie's Bargain Outlet Holdings, Inc.

ARTICLE II

2.1 Address. The address of the Corporation's registered office in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III

3.1 Purpose. The purpose of the Corporation is to engage in any and all lawful acts or activities for which corporations may be organized under the DGCL. Without limiting the generality of the foregoing, the Corporation shall have all of the powers conferred on corporations by the DGCL and other applicable law.

ARTICLE IV

~~4.1 Conversion Immediately Upon Filing of this Certificate.~~

~~(a) The Conversion. Immediately upon the filing this Certificate, all outstanding shares of Class B Non-Voting Common Stock of the Corporation, par value \$0.001 (the "Class B Common Stock"), shall automatically convert on a one-to-one basis into shares of Class A Voting Common Stock of the Corporation, par value \$0.001 (the "Class A Common Stock"), which, in turn will be recapitalized into a single class of shares of Common Stock of the Corporation, par value \$0.001 (the "Common Stock") (the "Conversion"). Following the Conversion, the certificates representing such shares of Class A Common Stock or Class B Common Stock shall be deemed to represent shares of Common Stock, without a need for such certificates to be surrendered to the Corporation and exchanged for certificates of Common Stock. The Conversion will therefore be effective whether or not the certificates representing such shares of Class A Common Stock or Class B Common Stock are surrendered to the Corporation or its transfer agent; provided, however, that if any holder of Common Stock requests to receive certificates evidencing shares of Common Stock issuable upon the Conversion, the Corporation shall not be~~

~~obligated to issue such certificates evidencing such shares of Common Stock unless and until the certificates evidencing such shares of Class A Common Stock or Class B Common Stock are either delivered to the Corporation or its transfer agent, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement reasonably satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates.~~

~~(b) Board Approval. In connection with the filing of this Certificate, the Board of Directors has approved the determination of the number of shares of Common Stock to be received upon the Conversion as set forth herein for all purposes, including, without limitation, Rule 16(b)-3(d) promulgated under the Exchange Act. Prior to the Conversion, the Board of Directors shall take all actions necessary or desirable in the reasonable opinion of the majority in interest of the holders of shares of Class A Common Stock or Class B Common Stock Common Stock, including the adoption of appropriate resolutions of the Board of Directors, to exempt, to the extent feasible under applicable law, the determination of the number of shares of Common Stock to be received upon the Conversion from the provisions of Section 16(b) of the Securities Exchange Act.~~

4.1 ~~4.2~~ Authorized Shares. The total number of shares of capital stock that the Corporation shall have authority to issue is 550,000,000 shares, of which (i) 500,000,000 shares shall be designated shares of Common Stock, par value \$0.001 per share (the "Common Stock"), and (ii) 50,000,000 shares shall be undesignated shares of preferred stock, par value \$0.001 per share (the "Preferred Stock"). Notwithstanding anything to the contrary contained herein, the rights and preferences of the Common Stock shall at all times be subject to the rights and preferences of the Preferred Stock as may be set forth in one or more certificates of designations filed with the Secretary of State of the State of Delaware from time to time in accordance with the DGCL and this Certificate. The number of authorized shares of Preferred Stock and Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) from time to time by the affirmative vote of the holders of at least a majority of the voting power of the Corporation's then outstanding shares of stock entitled to vote thereon, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class or series shall be required therefor.

4.2 ~~4.3~~ Common Stock. The Common Stock shall have the following powers, designations, preferences, rights, qualifications, limitations and restrictions:

(a) Voting Rights. Each holder of record of shares of Common Stock shall be entitled to vote at all meetings of the stockholders of the Corporation and shall have one vote for each share of Common Stock held of record by such holder of record as of the applicable record date on any matter that is submitted to a vote of the stockholders of the Corporation; provided, however, that to the fullest extent permitted by law, holders of Common Stock, as such, shall have no voting power with respect to, and shall not be entitled to vote on, any amendment to this Certificate (including any certificate of designations relating to any series or class of Preferred Stock) that relates solely to the terms of one or more outstanding series or class(es) of Preferred Stock if the holders of such affected series or class(es) of Preferred Stock are entitled, either separately or together with the holders of one or more other such series or class(es), to vote thereon pursuant to applicable law or this Certificate (including any certificate of designations relating to any series or class of Preferred Stock). For the avoidance of doubt, to the fullest extent permitted by law, holders of Common Stock, as such, shall have no voting power with respect to, and shall not be entitled to vote on, the initial adoption of any certificate of designations that establish, or authorize to the issuance of, any series or class of Preferred Stock.

(b) Dividends and Distributions. Subject to the prior rights of all classes or series of stock at the time outstanding having prior rights as to dividends or other distributions, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, property, or stock as may be declared on the Common Stock by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in all such dividends and other distributions.

(c) Liquidation, Winding Up Subject to the prior rights of creditors of the Corporation and the holders of all classes or series of stock at the time outstanding having prior rights as to distributions upon

liquidation, dissolution or winding up of the Corporation, in the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of shares of Common Stock shall be entitled to receive their ratable and proportionate share of the remaining assets of the Corporation.

(d) No holder of shares of Common Stock shall have cumulative voting rights.

(e) No holder of shares of Common Stock shall be entitled to preemptive or subscription rights pursuant to this Certificate.

4.3 4.4 Preferred Stock. The Board of Directors is hereby expressly authorized, to the fullest extent as may now or hereafter be permitted by the DGCL, by resolution or resolutions, at any time and from time to time, to provide for the issuance of a share or shares of Preferred Stock in one or more series or classes and to fix for each such series or class (i) the number of shares constituting such series or class and the designation of such series or class, (ii) the voting powers (if any), whether full or limited, of the shares of such series or class, (iii) the powers, preferences, and relative, participating, optional or other special rights of the shares of each such series or class, and (iv) the qualifications, limitations, and restrictions thereof, and to cause to be filed with the Secretary of State of the State of Delaware a certificate of designation with respect thereto. Without limiting the generality of the foregoing, to the fullest extent as may now or hereafter be permitted by the DGCL, the authority of the Board of Directors with respect to the Preferred Stock and any series or class thereof shall include, but not be limited to, determination of the following:

(a) the number of shares constituting any series or class and the distinctive designation of that series or class;

(b) the dividend rate or rates on the shares of any series or class, the terms and conditions upon which and the periods in respect of which dividends shall be payable, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series or class;

(c) whether any series or class shall have voting rights, in addition to the voting rights provided by applicable law, and, if so, the number of votes per share and the terms and conditions of such voting rights;

(d) whether any series or class shall have conversion privileges and, if so, the terms and conditions of conversion, including provision for adjustment of the conversion rate upon such events as the Board of Directors shall determine;

(e) whether the shares of any series or class shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(f) whether any series or class shall have a sinking fund for the redemption or purchase of shares of that series or class, and, if so, the terms and amount of such sinking fund;

(g) the rights of the shares of any series or class in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series or class; and

(h) any other powers, preferences, rights, qualifications, limitations, and restrictions of any series or class.

The powers, preferences and relative, participating, optional and other special rights of the shares of each series or class of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series or classes at any time outstanding. Unless otherwise provided in the resolution or resolutions providing for the issuance of such series or class of Preferred Stock, shares of Preferred Stock, regardless of series or class, which shall be issued and thereafter acquired by the Corporation through purchase, redemption, exchange, conversion or otherwise shall return to the status of authorized but unissued Preferred Stock, without designation as to series or class of Preferred Stock, and the Corporation shall have the right to reissue such shares.

4.4 4.5 Power to Sell and Purchase Shares. Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of any shares of any class of stock herein or hereafter

authorized to such persons, and for such consideration and for such corporate purposes, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class, and as otherwise permitted by law. Subject to the requirements of applicable law, the Corporation shall have the power to purchase any shares of any class of stock herein or hereafter authorized from such persons, and for such consideration and for such corporate purposes, as the Board of Directors shall from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class, and as otherwise permitted by law.

ARTICLE V

5.1 Powers of the Board. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by applicable law or by this Certificate (including any certificate of designations relating to any series or class of Preferred Stock) or the Bylaws of the Corporation, the Board of Directors is hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, except as otherwise specifically required by law or as otherwise provided in this Certificate (including any certificate of designations relating to any series or class of Preferred Stock).

5.2 Number of Directors. The total number of directors constituting the entire Board of Directors shall be such number as may be fixed from time to time exclusively by resolution of at least a majority of the Board then in office.

5.3 Classification Election. Subject to the terms of any one or more series or classes of Preferred Stock, ~~and upon the effectiveness of this Certificate (the "Effective Time"),~~ the directors of the Corporation shall be divided into three classes designated Class I, Class II and Class III. ~~Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The Board of Directors may assign members of the Board of Directors already in office to such classes as of the Effective Time. The term of office of the initial Class I directors shall expire at the first~~ until the annual meeting of the stockholders ~~following the Effective Time; the term of office of the initial Class II directors shall expire at the second annual meeting of the stockholders following the Effective Time; and the term of office of the initial Class III directors shall expire at the third annual meeting of the stockholders following the Effective Time~~ to be held in 2022. At each annual meeting of stockholders, commencing with the ~~first annual meeting of the stockholders to be held in 2022,~~ each director shall be elected for a one-year term and from that point forward each director shall have a one-year term and each shall hold office until his or her term expires at the next annual meeting of stockholders ~~following the Effective Time, successors to the class of directors whose term expires at that annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election~~ and until his or her respective successor shall have been duly elected and qualified. ~~If~~ So long as the Board of Directors is classified, if the number of directors is changed, any increase or decrease shall be apportioned among the classes in such a manner as the Board of Directors shall determine so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

5.4 Removal of Directors. Subject to the terms of any one or more series or classes of Preferred Stock, any director or the entire Board of Directors may be removed from office at any time, ~~but only~~ with for without cause ~~and only~~ by the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of Common Stock then entitled to vote on the election of directors, voting together as a single class. For purposes of this Section 5.4, "cause" shall mean, with respect to any director, (i) the willful failure by such director to perform, or the gross negligence of such director in performing, the duties of a director, (ii) the engaging by such director in willful or serious misconduct that is injurious to the Corporation or (iii) the conviction of such director of, or the entering by such director of a plea of *nolo contendere* to, a crime that constitutes a felony.

5.5 Term. A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement or removal from office. A director may resign at any time upon written notice to the Corporation.

5.6 Vacancies. Subject to the terms of any one or more series or classes of Preferred Stock, any vacancies in the Board of Directors for any reason and any newly created directorships resulting by reason of any increase in the number of directors shall be filled ~~only~~ by the Board of Directors (and not by the stockholders), acting by a majority of the remaining directors then in office, even if less than a quorum, or by a sole remaining director, and any directors so appointed shall hold office until the next ~~election of the class of directors to which such directors have been appointed~~ annual meeting of stockholders and until their successors are duly elected and qualified.

5.7 Director Elections by Holders of Preferred Stock. Notwithstanding the foregoing, whenever the holders of any one or more series or classes of Preferred Stock shall have the right, voting separately by series or class, to elect one or more directors at an annual or special meeting of stockholders, the election, filling of vacancies, removal of directors and other features of such one or more directorships shall be governed by the terms of such one or more series or classes of Preferred Stock to the extent permitted by law.

5.8 Officers. Except as otherwise expressly delegated by resolution of the Board of Directors, the Board of Directors shall have the exclusive power and authority to appoint and remove officers of the Corporation.

ARTICLE VI

6.1 Elections of Directors. Elections of directors need not be by written ballot except and to the extent provided in the Bylaws of the Corporation.

6.2 Advance Notice. Advance notice of nominations for the election of directors or proposals of other business to be considered by stockholders, made other than by the Board of Directors or a duly authorized committee thereof or any authorized officer of the Corporation to whom the Board of Directors or such committee shall have delegated such authority, shall be given in the manner provided in the Bylaws of the Corporation. Without limiting the generality of the foregoing, the Bylaws may require that such advance notice include such information as the Board of Directors may deem appropriate or useful.

6.3 No Stockholder Action by Consent. Subject to the terms of any one or more series or classes of Preferred Stock, ~~from and after the time that CCMP Capital Investors II, L.P., a Delaware limited partnership, CCMP Capital Investors (Cayman) II, L.P., a Cayman Islands exempted limited partnership (collectively, the "Sponsor"), Mark Butler in his capacity as a stockholder, the Mark L. Butler 2012 Delaware Dynasty Trust, or any entity established by Mark Butler in his capacity as a stockholder for estate planning purposes (collectively, the "Butler Stockholder"), and their respective affiliates collectively, beneficially own (as shall be determined in accordance with Rules 13d-3 and 13d-5 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) less than 50.1% of the then outstanding shares of the Common Stock, then~~ any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such stockholders of the Corporation and may not be effected by any written consent in lieu of a meeting by such stockholders, unless the directors then in office unanimously recommend that such action be permitted to be taken by written consent of stockholders. In the event that an action is permitted to be taken by written consent of stockholders in accordance with this Section 6.3 and a signed written consent(s) (and any related revocation(s)) is (are) delivered to the Corporation in the manner provided by applicable law, the Corporation may engage independent inspectors of elections for the purpose of performing promptly a ministerial review of the validity of the consents and revocations. In the event the Corporation engages such inspectors, then for the purpose of permitting the inspectors to perform such review no action by written consent in lieu of a meeting of stockholders shall be effective until such inspectors have completed their review, determined that the requisite number of valid and unrevoked consents delivered to the Corporation in accordance with applicable law have been obtained to take the action specified in the consents, and certified such determination for entry in the records of the Corporation kept for the purpose of recording the proceedings of meetings of stockholders, and such action by written consent will take effect as of the date and time of the certification of the written consents and will not relate back to the date the written consents to take action were delivered to the Corporation. ~~For purposes of this Section 6.3, Section 6.5, Section 7.2(e) and Article X below, "affiliates" shall mean, with respect to a given person, any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified; provided, further, that for the purposes of this definition (i) the Corporation, its subsidiaries and any entities (including corporations, partnerships, limited liability companies or other persons) in which the Corporation or its subsidiaries hold, directly or indirectly, an ownership interest shall not be deemed to be "affiliates" of the Sponsor or the Butler Stockholder; provided,~~

~~further, that no “portfolio company” (as such term is customarily used among institutional investors) of the Sponsor or any entity controlled by any portfolio company of the Sponsor shall constitute a Sponsor affiliate. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”) as applied to any person means the possession, direct or indirect, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract, or otherwise.~~

6.4 Postponement, Conduct and Adjournment of Meetings. Any meeting of stockholders may be postponed by action of the Board of Directors at any time in advance of such meeting. The Board of Directors shall have the power to adopt such rules and regulations for the conduct of the meetings and management of the affairs of the Corporation as they may deem proper and the power to adjourn any meeting of stockholders without a vote of the stockholders, which powers may be delegated by the Board of Directors to the Chairperson of such meeting in either such rules and regulations or pursuant to the Bylaws of the Corporation.

6.5 Special Meetings of Stockholders. Subject to the terms of any one or more series or classes of Preferred Stock, special meetings of the stockholders of the Corporation, for any purpose or purposes, may be called at any time, but only by or at the direction of a majority of the directors then in office, the Chairperson of the Board or the Chief Executive Officer of the Corporation, except as otherwise provided in the Corporation’s Bylaws. The ability of stockholders to call a special meeting of stockholders is specifically denied ~~from and after the time that the Sponsor and the Butler Stockholder and their respective affiliates collectively beneficially own (as shall be determined in accordance with Rules 13d-3 and 13d-5 of the Exchange Act) less than 50.1% of the then outstanding shares of the Common Stock.~~

ARTICLE VII

7.1 Limited Liability of Directors. To the fullest extent permitted by the DGCL, as the same exists or as may hereafter be amended, no director of the Corporation shall have any personal liability to the Corporation or any of its stockholders for monetary damages for any breach of fiduciary duty as a director. If the DGCL is amended hereafter to permit the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. Any alteration, amendment, addition to or repeal of this Section 7.1, or adoption of any provision of this Certificate (including any certificate of designations relating to any series or class of Preferred Stock) inconsistent with this Section 7.1, shall not adversely affect any right or protection of a director of the Corporation existing at the time of such alteration, amendment, addition to, repeal or adoption with respect to acts or omissions occurring prior to such alteration, amendment, addition to, repeal or adoption.

7.2 Amendment of Article VII. No alteration, amendment, addition to or repeal of this Article VII, nor the adoption of any provision of this Certificate (including any certificate of designations relating to any series or class of Preferred Stock) inconsistent with this Article VII or Article VI of the Bylaws, shall adversely affect any rights to indemnification and to the advancement of expenses of a director or officer (or, as authorized by the Board, of an employee or agent) of the Corporation existing at the time of such alteration, amendment, addition to, repeal or adoption with respect to any acts or omissions occurring prior to such alteration, amendment, addition to, repeal or adoption.

ARTICLE VIII

8.1 Delaware. Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the DGCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE IX

9.1 Amendments to Bylaws. In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered to make, alter, amend, add to or repeal any and all Bylaws of the Corporation by a majority of the directors then in office. Notwithstanding anything to the contrary contained in this Certificate (including any certificate of designations relating to any series or class of Preferred Stock), the affirmative vote of the holders of at least ~~66-2/3% of the a~~

majority in voting power of the Corporation's then outstanding shares of Common Stock, voting together as a single class, shall be required for the stockholders to make, alter, amend, add to or repeal any or all Bylaws of the Corporation or to adopt any provision inconsistent therewith.

ARTICLE X

10.1 Section 203 of the DGCL. The Corporation shall ~~not~~ be governed by Section 203 of the DGCL ("Section 203"), ~~and the restrictions contained in Section 203 shall not apply to the Corporation, until the moment in time immediately following the time at which both of the following conditions exist (if ever): (i) Section 203 by its terms would, but for the provisions of this Article X, apply to the Corporation; and (ii) there occurs a transaction following the consummation of which the Sponsor and the affiliates of the Sponsor own (as defined in Section 203) collectively less than 5% of the voting power of the Corporation's then outstanding shares of voting stock (as defined in Section 203) of the Corporation, and the Corporation shall thereafter be governed by Section 203 if and for so long as Section 203 by its terms shall apply to the Corporation.~~

~~10.2 Corporate Opportunities. To the fullest extent permitted by Section 122(17) of the DGCL and except as may be otherwise expressly agreed in writing by the Corporation and the Sponsor, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, business opportunities, which are from time to time presented to the Sponsor, or any of its affiliates (other than the Corporation and its subsidiaries), or any of its or such of its affiliates' employees, trustees, managers, officers, directors, agents, stockholders, members and partners, even if the opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and no such person or entity shall be liable to the Corporation or any of its subsidiaries for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such person or entity pursues or acquires such business opportunity, directs such business opportunity to another person or entity or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation or its subsidiaries unless, in the case of any such person who is a director or officer of the Corporation, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as a director or officer of the Corporation. Neither the alteration, amendment, addition to or repeal of this Article X, nor the adoption of any provision of this Certificate (including any certificate of designations relating to any series or class of Preferred Stock) inconsistent with this Article X, shall eliminate or reduce the effect of this Article X in respect of any business opportunity first identified or any other matter occurring, or any cause of action, suit or claim that, but for this Article X, would accrue or arise, prior to such alteration, amendment, addition, repeal or adoption.~~

~~10.3 Amendments to Article X. Notwithstanding anything to the contrary in this Certificate or the Bylaws of the Corporation, for as long as the Sponsor and the affiliates of the Sponsor collectively beneficially own shares of stock of the Corporation representing at least 10% of the Corporation's then outstanding shares entitled to vote generally in the election of directors, this Article X shall not be amended, altered or revised, including by merger or otherwise, without the Sponsor's prior written consent.~~

ARTICLE XI

11.1 Forum. Unless the Corporation consents in writing in advance to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by, or any wrongdoing by, any director, officer or employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate (including as it may be amended from time to time), or the Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of the Corporation's Certificate of Incorporation or the Bylaws, or (v) any action asserting a claim governed by the internal affairs doctrine. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XI.

ARTICLE XII

12.1 Amendment. The Corporation reserves the right, at any time and from time to time, to alter, amend, add to or repeal any provision contained in this Certificate (including any certificate of designations relating to

any series or class of Preferred Stock) in any manner now or hereafter prescribed by law (subject to the express provisions hereof that prohibit retroactive application of changes), and all rights, preferences, privileges and powers of any nature conferred upon stockholders, directors or any other persons herein are granted subject to this reservation; provided, however, that notwithstanding any other provision of this Certificate (including any certificate of designations relating to any series or class of Preferred Stock), and in addition to any other vote that may be required by law, the affirmative vote of the holders of at least ~~66-2/3% of the~~ majority in voting power of the Corporation's then outstanding shares of Common Stock, entitled to vote thereon, voting together as a single class, shall be required to alter, amend, add to or repeal, or to adopt any provision ~~inconsistent with, Sections 5.3, 5.4, 5.5 and 5.6 of Article V, Sections 6.3 and 6.5 of Article VI, Article IX and Article XI, hereof, or this proviso of this Article XH~~ of this Certificate.

ARTICLE XIII

13.1 Severability. If any provision (or any part thereof) of this Certificate shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate including, without limitation, each portion of any section of this Certificate containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Certificate of Incorporation (including, without limitation, each such containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed on its behalf this ~~15th~~ day of ~~July~~June 201~~5~~9.

OLLIE'S BARGAIN OUTLET HOLDINGS, INC.

By: ~~/s/ Rob Bertram~~ _____

Name: Rob Bertram

Title: Vice President and General Counsel

