As filed with the Securities and Exchange Commission on October 30, 2012

Registration No. 333-176767

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 9
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RESTORATION HARDWARE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**5712**	**45-3052669**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

15 Koch Road, Suite J
Corte Madera, CA 94925
(415) 924-1005
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Carlos E. Alberini
Chief Executive Officer
15 Koch Road, Suite J
Corte Madera, CA 94925
(415) 924-1005
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Stewart L. McDowell, Esq. **Steven R. Shoemate, Esq.** **Gibson Dunn & Crutcher, LLP** **555 Mission Street** **San Francisco, CA 94105** **Tel: (415) 393-8200** **Fax: (415) 986-5309**	**Gavin B. Grover, Esq.** **John M. Rafferty, Esq.** **Andrew D. Thorpe, Esq.** **Morrison & Foerster LLP** **425 Market Street** **San Francisco, CA 94105** **Tel: (415) 268-7000** **Fax: (415) 268-7522**	**Sharon R. Flanagan, Esq.** **Justin L. Bastian, Esq.** **Sidley Austin LLP** **555 California Street** **San Francisco, CA 94104** **Tel: (415) 772-1200** **Fax: (415) 772-7400**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

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

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Explanatory Note

This Amendment No. 9 is being filed solely for the purpose of filing the exhibits indicated in Item 16 of Part II of the Registration Statement. No change is made to the prospectus constituting Part I of the Registration Statement or Items 13, 14, 15 and 17 or Part II of the Registration Statement.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than the underwriting discount, payable in connection with the sale and distribution of the securities being registered. All amounts are estimated except the SEC registration fee, the FINRA filing fee and the NYSE listing fee. Except as otherwise noted, all the expenses below will be paid by us.

	Amount to be paid
SEC Registration Fee	$ 16,549
FINRA Filing Fee	15,500
NYSE Listing Fee	250,000
Legal Fees and Expenses	5,400,000
Accounting Fees and Expenses	1,310,000
Printing and Engraving Expenses	550,000
Blue Sky Fees and Expenses	50,000
Transfer Agent and Registrar Fees	39,500
Director and Officer Insurance	940,000
Miscellaneous Expenses	1,043,451
Total	$ 9,615,000

Item 14. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law (the "DGCL") permits a corporation to include in its charter documents, and in agreements between the corporation and its directors and officers, provisions expanding the scope of indemnification beyond that specifically provided by the current law.

Our certificate of incorporation will provide that our directors will not be liable for monetary damages for breach of fiduciary duty.

Our bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by the DGCL, subject to certain exceptions contained in our bylaws. Our bylaws provide for the indemnification of officers and directors acting on our behalf if this person acted in good faith and in a manner reasonably believed to be in and not opposed to our best interest, and, with respect to any criminal action or proceeding, the indemnified party had no reason to believe his or her conduct was unlawful.

We intend to enter into indemnification agreements with each of our executive officers and directors, in addition to indemnification provided for in our charter documents, and we intend to enter into indemnification agreements with any new directors and executive officers in the future. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under the DGCL, subject to certain exceptions contained in those agreements.

The underwriting agreement (Exhibit 1.1 hereto) provides for indemnification by the underwriters of us, and indemnification of the underwriters by us for certain liabilities, including liabilities arising under the Securities Act of 1933, as amended, in connection with matters specifically provided in writing by the underwriters for inclusion in the registration statement.

We will purchase and intend to maintain insurance on behalf of us and any person who is or was a director or officer against any loss arising from any claim asserted against him or her and incurred by him or her in that capacity, subject to certain exclusions and limits of the amount of coverage.

Item 15. Recent Sales of Unregistered Securities

Set forth below is information regarding securities sold by Home Holdings, LLC ("Home Holdings") within the past three fiscal years that were not registered under the Securities Act of 1933, as amended (the "Securities Act"). Also included is information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed.

(1) In connection with the agreement and plan of merger described in the prospectus that is a part of this registration statement, Gary Friedman, certain funds affiliated with Glenhill and certain funds affiliated with Palo Alto Investors, LLC entered into rollover agreements with Home Holdings pursuant to which they agreed to contribute, immediately prior to the effective time of the merger, a portion of his or its shares of Restoration Hardware, Inc.'s common stock in exchange for a pro rata equity interest in Home Holdings.

(2) In December 2008, May 2010 and June 2010, as described in the prospectus that is a part of this registration statement, two of our officers entered into subscription agreements with Home Holdings whereby they purchased 215,269 Class A units, 2,006,952 Class A-1 units and 2,006,952 Class A-2 units at an aggregate purchase price of approximately $10 million.

(3) In May 2009, Gary Friedman was granted 7,183,441 Class B-1 units under the Home Holdings 2008 Team Resto Ownership Plan (the "Team Resto Ownership Plan"), and in June 2010, Carlos Alberini, our Chief Executive Officer and a director, was granted 4,225,554 Class B-1 units and one Class B-2 unit under the Team Resto Ownership Plan. In addition to these grants to Mr. Friedman and Mr. Alberini, from May 2009 through April 18, 2012, 146 of our current and former employees, consultants, directors and members of our board were granted 16,125,476 Class B units under the Team Resto Ownership Plan.

(4) In September 2011, as described in the prospectus that is a part of this Registration Statement, 1,215,269 Class A Units of Home Holdings held by Gary Friedman were reclassified into 1,215,269 Class A Prime units of Home Holdings, 1,118,064 Class A-1 units of Home Holdings held by Mr. Friedman were reclassified into 1,118,064 Class A-1 Prime units of Home Holdings and 1,810,000 Class B units held by Ken Dunaj, our Chief Operating Officer, were reclassified into 1,810,000 Class B Prime units of Home Holdings, in each case in connection with the repayment of loans owed to Home Holdings by Mr. Friedman or Mr. Dunaj, as applicable.

There were no underwriters employed in connection with any of the transactions set forth in Item 15. These transactions were made in reliance upon Section 4(2) of the Securities Act (or Rule 501 of Regulation D promulgated thereunder), or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving a public offering or pursuant to a compensatory benefit plan approved by the issuer's board of directors. Each recipient of the securities in these transactions represented his, her or its intention to acquire the securities for investment only and not with a view to, or for resale in connection with, any distribution thereof. In each case, the recipient received adequate information about the issuer or had adequate access, through his, her or its relationship with Home Holdings, to information about Home Holdings. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

The exhibit index attached hereto is incorporated herein by reference.

(b) Financial Statement Schedules

Financial statement schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted as to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus as filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby further undertakes that:

If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Signatures

Pursuant to the requirements of the Securities Act of 1933, we have duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Corte Madera, State of California, on the 30th day of October, 2012.

RESTORATION HARDWARE HOLDINGS, INC.

By: /s/ Carlos Alberini
Carlos Alberini
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Carlos Alberini Carlos Alberini	Chief Executive Officer; Director (Principal Executive Officer)	October 30, 2012
/s/ Karen Boone Karen Boone	Chief Financial Officer (Principal Financial Officer; Principal Accounting Officer)	October 30, 2012
* J. Michael Chu	Director	October 30, 2012
* Scott Dahnke	Director	October 30, 2012
* Mark Demilio	Director	October 30, 2012
* William Forrest	Director	October 30, 2012
* Glenn Krevlin	Director	October 30, 2012
* Marc Magliacano	Director	October 30, 2012
* Frederick Wilson	Director	October 30, 2012

*By: /s/ Carlos Alberini
Carlos Alberini
Attorney-in-Fact

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
1.1‡	Form of Purchase Agreement.
3.1	Form of Certificate of Incorporation of Restoration Hardware Holdings, Inc., to be in effect upon completion of this offering.
3.2	Form of Bylaws of Restoration Hardware Holdings, Inc., to be in effect upon completion of this offering.
4.1‡	Form of Restoration Hardware Holdings, Inc.'s Common Stock Certificate.
5.1‡	Opinion of Morrison & Foerster LLP.
10.1†‡	Amended and Restated Offer Letter, between Restoration Hardware, Inc. and Ken Dunaj.
10.2†‡	Form of Indemnification Agreement to be entered into by and between Restoration Hardware Holdings, Inc. and each of its directors.
10.3‡	First Amendment to Ninth Amended and Restated Credit Agreement dated as of January 6, 2012, by and among Restoration Hardware, Inc., as lead borrower, Restoration Hardware Canada, Inc., as Canadian borrower, the other borrowers party thereto, the guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent.
10.4‡	Ninth Amended and Restated Credit Agreement dated as of August 3, 2011, by and among Restoration Hardware, Inc., as lead borrower, Restoration Hardware Canada, Inc., as Canadian borrower, the other borrowers party thereto, the guarantors party thereto, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and collateral agent.
10.5†	2012 Stock Incentive Plan.
10.6†	Employee Form of Option Agreement under the 2012 Stock Incentive Plan.
10.7†	Form of Option Agreement under the 2012 Stock Incentive Plan.
10.8†	Form of Restricted Stock Agreement under the 2012 Stock Incentive Plan.
10.9†	2012 Equity Replacement Plan.
10.10†	Employee Form of Award Agreement for Replacement Awards under the 2012 Equity Replacement Plan.
10.11†	Form of Award Agreement for Gary Friedman and Carlos Alberini under the 2012 Equity Replacement Plan.
10.12†	2012 Stock Option Plan.
10.13†	Employee Form of Option Agreement under the 2012 Stock Option Plan.
10.14†	Form of Award Agreement for Gary Friedman and Carlos Alberini under the 2012 Stock Option Plan.
10.15†‡	Transition Agreement, entered into December 21, 2011, between Restoration Hardware, Inc. and James Stewart.
10.16	Form of Stockholders Agreement to be entered into effective upon completion of this offering among Restoration Hardware Holdings, Inc., and Home Holdings, LLC.
10.17	Form of Registration Rights to be entered into effective upon completion of this offering among Restoration Hardware Holdings, Inc., Home Holdings, LLC, CP Home Holdings, LLC, Tower Three Home, LLC, and the other parties thereto.
10.18	Advisory Services Agreement entered into October 20, 2012, between Restoration Hardware, Inc. and Gary Friedman.

Exhibit Number	Description of Exhibit
10.19†	Form of Employment Agreement to be entered into effective upon completion of this offering by and between Restoration Hardware, Inc. and Carlos Alberini.
10.20†	Form of Employment Agreement by and between Restoration Hardware, Inc. and Karen Boone.
21.1‡	Subsidiary List.
23.1‡	Consent of Counsel (included in exhibit 5.1).
23.2‡	Consent of PricewaterhouseCoopers LLP.
23.3‡	Consent of PricewaterhouseCoopers LLP.
24.1‡	Powers of Attorney (included on signature page).
99.1‡	Director Nominee Consent of Eri Chaya.
99.2‡	Director Nominee Consent of Thomas Mottola.
99.3‡	Director Nominee Consent of Barry Sternlicht.

* To be filed by amendment.
† Indicates a management contract or compensatory plan or arrangement.
‡ Previously filed.

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
RESTORATION HARDWARE HOLDINGS, INC.

(originally incorporated on August 18, 2011)

ARTICLE 1

The name of the corporation is Restoration Hardware Holdings, Inc. (the "**Corporation**").

ARTICLE 2

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, 19801, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE 3

The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it are as follows: To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "**DGCL**").

ARTICLE 4

A. The total number of shares of all classes of stock that the Corporation is authorized to issue is One Hundred Ninety Million (190,000,000), consisting of:

One Hundred Eighty Million (180,000,000) shares of Common Stock, with a par value of $0.0001 per share (the "**Common Stock**"); and

Ten Million (10,000,000) shares of Preferred Stock, with a par value of $0.0001 per share (the "**Preferred Stock**").

B. The Board of Directors of the Corporation (the "**Board of Directors**") is authorized, subject to any limitations prescribed by law, to provide for the issuance of shares of Preferred Stock in one or more series, and by filing a certificate pursuant to the applicable law of the State of Delaware (such certificate being hereinafter referred to as a "**Preferred Stock Designation**"), to establish from time to time the number of shares to be included in each such series, and to fix the powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, including, without limitation, the authority to fix or alter the dividend rights, dividend rates, conversion rights, exchange rights, voting rights, rights and terms of redemption (including sinking and purchase fund provisions), the redemption price or prices, the dissolution preferences and the rights in respect to any distribution of assets of any wholly unissued series of Preferred Stock and the number of shares constituting any such series, and the designation thereof, or any of them and to

increase or decrease the number of shares of any series so created, subsequent to the issue of that series but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series. There shall be no limitation or restriction on any variation between any of the different series of Preferred Stock as to the designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof; and the several series of Preferred Stock may vary in any and all respects as fixed and determined by the resolution or resolutions of the Board of Directors or by a committee of the Board of Directors, providing for the issuance of the various series.

C. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Common Stock or the Preferred Stock, or of any series thereof, unless a separate vote of any such holders is required pursuant to the terms of any Preferred Stock Designation, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware.

D. Except as otherwise required by law, or as otherwise fixed by resolution or resolutions of the Board of Directors with respect to one or more series of Preferred Stock each stockholder of the Corporation who at the time possesses voting power for any purpose shall be entitled, on all matters on which stockholders are generally entitled to vote, to one (1) vote for each share of such stock standing in his name on the books of the Corporation; provided, however, that, except as otherwise required by law, holders of the Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation relating to any series of Preferred Stock).

E. Subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive dividends out of any funds of the Corporation legally available therefor when, as and if declared by the Board of Directors.

F. Upon the dissolution, liquidation or winding up of the Corporation, subject to the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

ARTICLE 5

A. The Board of Directors is expressly authorized to adopt, amend and repeal the Bylaws of the Corporation.

B. The stockholders are expressly authorized to adopt, amend and repeal the Bylaws of the Corporation, (i) prior to the Trigger Date, by the affirmative vote of the holders of more than fifty percent (50%) of the voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote thereon and (ii) from and after the Trigger Date, by the affirmative vote of the holders of at least seventy percent (70%) of the voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote thereon. For purposes of this Certificate of Incorporation, the "**Trigger Date**" means the date on which Home Holdings, LLC, CP Home Holdings, LLC, Tower Three Home, LLC, any investment fund managed by Catterton Management Company, LLC, Tower Three Partners, LLC, or Glenhill Capital, or Affiliates or Associates of any investment fund managed by Catterton Management Company, LLC, Tower Three Partners, LLC, or Glenhill Capital, and their respective successors and Affiliates (collectively, the "**Principal Equity Holders**") cease collectively to beneficially own (directly or indirectly) a majority of the voting power of the outstanding shares of capital stock. For purposes of this Article 5, "**Affiliate**" and "**Associate**" have the meanings set forth in Article 12.

ARTICLE 6

A. Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

B. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the number of directors which shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the Whole Board. For purposes of this Amended and Restated Certificate of Incorporation, the term "**Whole Board**" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships. To the fullest extent permitted by Delaware law, until the Trigger Date, Home Holdings, LLC shall have the right to nominate to the Board of Directors a majority of the members of the Board of Directors. To the fullest extent permitted by Delaware law, from the Trigger Date until the date on which the Principal Equity Holders cease collectively to beneficially own (directly or indirectly) at least thirty percent (30%) of the voting power of all of the outstanding shares of capital stock of the Corporation, Home Holdings, LLC shall have the right to nominate to the Board of Directors two members of the Board of Directors. To the fullest extent permitted by Delaware law, at any time at which Home Holdings, LLC has nominated less than the total number of designees to the Board of Directors that Home Holdings, LLC is then entitled to nominate, Home Holdings, LLC shall have the right to nominate such additional number of designees to the Board of Directors to which it is entitled, in accordance with the following procedure: (i) the CP Designee and T3 Designee (as such terms are defined in Article 6.F) shall jointly deliver to the Board of Directors a notice (the "**Designation Notice**") invoking such nomination privileges as afforded pursuant to this Article 6.B and setting forth such number of names of the designees ("**Additional Designees**") to be nominated to the Board of Directors as are authorized by the terms of the Article 6.B and (ii) the Board of Directors shall automatically increase the size of the Board of Directors by such number of directors as is required to enable the Additional Designees to be elected to the Board of Directors and such vacancy or vacancies, or newly-created directorships, as applicable, shall be filled exclusively with the Additional Designees as set forth in the Designation Notice.

C. Except as otherwise required by law and subject to the (i) rights of the holders of any series of Preferred Stock then outstanding, and (ii) the rights of Home Holdings, LLC pursuant to paragraph B of Article 6 of this Amended and Restated Certificate of Incorporation, unless the Board of Directors otherwise determines, newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board of Directors resulting from the death, resignation, retirement, disqualification, removal from office or other cause shall be filled only by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director, and not by the stockholders.

D. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director, or the entire Board of Directors, may be removed from office only for cause, at a meeting called for that purpose, by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all outstanding shares of capital stock entitled to vote at an election of directors, voting together as a single class. Notwithstanding the foregoing, until the Trigger Date, directors may be removed, with or without cause, by the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of capital stock entitled to vote thereon.

E. Subject to the special rights of the holders of any class or series of stock to elect directors, the Board of Directors shall be divided into three classes, designated Class I, Class II and Class III. The initial Class I Directors shall serve for a term expiring at the first annual meeting of stockholders of the Corporation following the effective time of this Amended and Restated Certificate of Incorporation; the initial Class II Directors shall serve for a term expiring at the second annual meeting of stockholders following the effective time of this Amended and Restated Certificate of Incorporation; and the initial Class III Directors shall serve for a term expiring at the third annual meeting of stockholders following the effective time of this Amended and Restated Certificate of Incorporation. Each director in each class shall hold office until his or her successor is duly elected and qualified. At each annual meeting of stockholders beginning with the first annual meeting of stockholders following the effective time of this Amended and Restated Certificate of Incorporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the third annual meeting of stockholders following their election, with each director in each such class to hold office until his or her successor is duly elected and qualified. The Board is authorized to assign members of the Board already in office to Class I, Class II or Class III at the effective time of the Amended and Restated Certificate of Incorporation.

F. To the fullest extent permitted by Delaware law, notwithstanding anything herein to the contrary, from October 31, 2012 until the Trigger Date, no action may be taken or vote approved by the Board of Directors or any committee thereof (other than the audit committee or any other committee of directors that may be created with the approval of Home Holdings, LLC as not being subject to this provision) without the affirmative vote of one director nominated by Home Holdings, LLC and designated by Home Holdings, LLC as the "**CP Designee**" and one director nominated by Home Holdings, LLC and designated by Home Holdings, LLC as the "**T3 Designee**."

G. 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 statute or by this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

H. A majority of the Whole Board shall constitute a quorum for all purposes at any meeting of the board of directors, and, except as otherwise expressly required by law or by this Amended and Restated Certificate of Incorporation, all matters shall be determined by the affirmative vote of a majority of the directors present at any meeting at which a quorum is present.

ARTICLE 7

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; provided, however, that, notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of this Corporation required by law or by this Amended and Restated Certificate of Incorporation, (i) prior to the Trigger Date, the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of capital stock entitled to vote thereon and (ii) from and after the Trigger Date, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to amend or repeal, or adopt any provision of this Amended and Restated Certificate of Incorporation inconsistent with, Article 5, Article 6, this Article 7, Article 8, Article 9 or Article 12 of this Amended and Restated Certificate of Incorporation, and (iii) at any time after the Trigger Date, if any Person is an Interested Stockholder and has been an Interested Stockholder for less than three years, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding voting power which is not owned by such stockholder shall be required to amend, repeal, or adopt any provisions inconsistent with Article 12. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any sentence of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE 8

To the fullest extent permitted by Delaware law, no director of this Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. No amendment to, or modification or repeal of, this Article 8 shall

adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such amendment, modification or repeal.

ARTICLE 9

Except as otherwise required by law or any resolution or resolutions of the Board of Directors providing for the issuance of any series of Preferred Stock, from and after the Trigger Date, no action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with this Amended and Restated Certificate of Incorporation and the Bylaws of the Corporation, and no action shall be taken by the stockholders by written consent. Except as otherwise required by law or any resolution or resolutions of the Board of Directors providing for the issuance of any series of Preferred Stock, prior to the Trigger Date, any action required or permitted to be taken by stockholders may be effected by consent in writing by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Except as otherwise required by law, special meetings of the stockholders of the Corporation may be called only by (i) the affirmative vote of a majority of the Whole Board; and (ii) prior to the Trigger Date, the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of capital stock.

ARTICLE 10

A. The provisions of this Article 10 are set forth to define, to the extent permitted by applicable law, the duties of Exempted Persons (as defined below) to the Corporation with respect to certain classes or categories of business opportunities. "**Exempted Persons**" means the Principal Equity Holders, members of the Board of Directors designated by Home Holdings, LLC, and managers, officers, directors, members, partners, Affiliates and any related investment funds or portfolio companies of Affiliates of the Principal Equity Holders. "**Affiliate**" and "**Person**" for purposes of this Article 10 shall have the meanings set forth in Article 12.

B. To the fullest extent permitted by applicable law, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to the Exempted Persons, unless such business opportunity is presented to, or acquired, created or developed by, or otherwise comes into the possession of, an Exempted Person expressly and solely in such Exempted Person's capacity as a director of the Corporation, even if the opportunity is one that the Corporation might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and, to the fullest extent permitted by law, each such Exempted Person shall have no duty to communicate or offer such business opportunity to the Corporation and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such Exempted Person pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation.

C. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of Article 8 and this Article 10.

ARTICLE 11

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction.

ARTICLE 12

A. The Corporation expressly elects not to be governed by Section 203 of the DGCL.

B. Notwithstanding any other provision in this Amended and Restated Certificate of Incorporation to the contrary, the Corporation shall not engage in any Business Combination (as defined hereinafter) with any Interested Stockholder (as defined hereinafter) for a period of three years following the time that such stockholder became an Interested Stockholder, unless:

(a) prior to such time the Board of Directors approved either the Business Combination or the transaction which resulted in such stockholder becoming an Interested Stockholder;

(b) upon consummation of the transaction which resulted in such stockholder becoming an Interested Stockholder, such stockholder owned at least eighty-five percent (85%) of the Voting Stock (as defined hereinafter) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the Voting Stock outstanding (but not the outstanding Voting Stock owned by such stockholder) those shares owned (i) by Persons (as defined hereinafter) who are directors and also officers of the Corporation and (ii) employee stock plans of the Corporation in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(c) at or subsequent to such time the Business Combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding Voting Stock which is not owned by such stockholder.

C. The restrictions contained in this Article 12 shall not apply if:

(a) a stockholder becomes an Interested Stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an Interested Stockholder; and (ii) would not, at any time within the three-year period immediately prior to a Business Combination between the Corporation and such stockholder, have been an Interested Stockholder but for the inadvertent acquisition of ownership; or

(b) the Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the second sentence of this subparagraph C.(b) of Article 12; (ii) is with or by a Person who either was not an Interested Stockholder during the previous three years or who became an Interested Stockholder with the approval of the Board of Directors; and (iii) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any Person becoming an Interested Stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to fifty percent (50%) or more of either that aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock (as defined hereinafter) of the Corporation; or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding Voting Stock of the Corporation. The Corporation shall give not less than 20 days' notice to all Interested Stockholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of this subparagraph C.(b) of Article 12.

D. As used in this Article 12 only, and unless otherwise provided by the express terms of this Article 12, the following terms shall have the meanings ascribed to them as set forth in this paragraph D:

(a) "**Affiliate**" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person;

(b) "**Associate**", when used to indicate a relationship with any Person, means: (i) any corporation, partnership, unincorporated association or other entity of which such Person is a director, officer or partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of Voting Stock; (ii) any trust or other estate in which such Person has at least a twenty percent (20%) beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such Person, or any relative of such spouse, who has the same residence as such Person;

(c) "**Business Combination**" means:

(i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation with (A) the Interested Stockholder, or (B) with any Person if the merger or consolidation is caused by the Interested Stockholder and as a result of such merger or consolidation paragraph B of this Article 12 is not applicable to the surviving entity;

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the Interested Stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock of the Corporation;

(iii) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any Stock of the Corporation or of such subsidiary to the Interested Stockholder, except: (A) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the Interested Stockholder became such; (B) pursuant to a merger under Section 251(g) or 253 of the DGCL; (C) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of Stock of the Corporation subsequent to the time the Interested Stockholder became such; (D) pursuant to an exchange offer by the Corporation to purchase

Stock made on the same terms to all holders of such Stock; or (E) any issuance or transfer of Stock by the Corporation; provided however, that in no case under items (C) through (E) of this subparagraph D.(c)(iii) of Article 12 shall there be an increase in the Interested Stockholder's proportionate share of the Stock of any class or series of the Corporation or of the Voting Stock of the Corporation;

(iv) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the Stock of any class or series, or securities convertible into the Stock of any class or series, of the Corporation or of any such subsidiary which is owned by the Interested Stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of Stock not caused, directly or indirectly, by the Interested Stockholder; or

(v) any receipt by the Interested Stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs D.(c)(i) through (iv) of Article 12) provided by or through the Corporation or any direct or indirect majority-owned subsidiary of the Corporation;

(d) "**Control,**" including the terms "**controlling,**" "**controlled by**" and "**under common control with,**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of stock or other equity interests, by contract or otherwise. A Person who is the owner of twenty percent (20%) or more of the outstanding Voting Stock of any corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary; notwithstanding the foregoing, a presumption of control shall not apply where such Person holds Voting Stock, in good faith and not for the purpose of circumventing this Article 12, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity;

(e) "**Interested Stockholder**" means any Person (other than the Corporation and any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of fifteen percent (15%) or more of the outstanding Voting Stock of the Corporation, or (ii) is an Affiliate or Associate of the Corporation and was the owner of fifteen percent (15%) or more of the outstanding Voting Stock of the Corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such Person is an Interested Stockholder, and the Affiliates and Associates of such Person. Notwithstanding

anything in this Article 12 to the contrary, the term "**Interested Stockholder**" shall not include: (w) the Principal Equity Holders; (x) any Person who would otherwise be an Interested Stockholder because of a transfer, sale, assignment, conveyance, hypothecation, encumbrance, or other disposition of five percent (5%) or more of the outstanding Voting Stock of the Corporation (in one transaction or a series of transactions) by any party specified in the immediately preceding clause (w) to such Person; *provided*, *however*, that such Person was not an Interested Stockholder prior to such transfer, sale, assignment, conveyance, hypothecation, encumbrance, or other disposition; or (y) any Person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of action taken solely by the Corporation, provided that, for purposes of this clause (z), such Person shall be an Interested Stockholder if thereafter such Person acquires additional shares of Voting Stock of the Corporation, except as a result of further action by the Corporation not caused, directly or indirectly, by such Person;

(f) "**Owner,**" including the terms "**own**" and "**owned,**" when used with respect to any Stock, means a Person that individually or with or through any of its affiliates or associates beneficially owns such Stock, directly or indirectly; or has (A) the right to acquire such Stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the owner of Stock tendered pursuant to a tender or exchange offer made by such Person or any of such Person's Affiliates or Associates until such tendered Stock is accepted for purchase or exchange; or (B) the right to vote such Stock pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the owner of any Stock because of such Person's right to vote such Stock if the agreement, arrangement or understanding to vote such Stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more Persons; or has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in (B) of this paragraph D.(f) of Article 12), or disposing of such Stock with any other Person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such Stock; *provided*, that, for the purpose of determining whether a Person is an Interested Stockholder, the Voting Stock of the Corporation deemed to be outstanding shall include Stock deemed to be owned by the Person through application of this definition of "**owned**" but shall not include any other unissued Stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise;

(g) "**Person**" means any individual, corporation, partnership, unincorporated association or other entity;

(h) "**Stock**" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest; and

(i) "**Voting Stock**" means, with respect to any corporation, Stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of Voting Stock shall refer to such percentage of the votes of such Voting Stock.

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, and which has been duly adopted in accordance with Sections 242 and 245 of the Delaware General Corporation Law, to be signed by Carlos Alberini, its Chief Executive Officer, on this [—] day of [—], 2012.

RESTORATION HARDWARE HOLDINGS, INC.

By: _____
Name: Carlos Alberini
Title: Chief Executive Officer

Exhibit 3.2

AMENDED AND RESTATED

BYLAWS

OF

RESTORATION HARDWARE HOLDINGS, INC.

a Delaware corporation

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AMENDED AND RESTATED BYLAWS

OF

RESTORATION HARDWARE HOLDINGS, INC.

ARTICLE 1

OFFICES

Section 1.1 Registered Office.

The registered office of Restoration Hardware Holdings, Inc. (the "**Corporation**") in the State of Delaware shall be set forth in the Certificate of Incorporation of the Corporation.

Section 1.2 Other Offices.

The Corporation may also have offices at such other places, either within or without the State of Delaware, as the Board of Directors of the Corporation (the "**Board of Directors**") may from time to time determine or the business of the Corporation may require.

ARTICLE 2

STOCKHOLDERS' MEETINGS

Section 2.1 Place of Meetings.

Meetings of the stockholders of the Corporation shall be held at such place, either within or without the State of Delaware, or at no place and solely by means of remote communications, as may be designated by or in the manner provided in these Bylaws, or, if not so designated, as determined from time to time by the Board of Directors.

Section 2.2 Annual Meetings.

The annual meetings of the stockholders of the Corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors.

Section 2.3 Special Meetings.

Special meetings of the stockholders of the Corporation may only be called in the manner provided in the Corporation's Certificate of Incorporation as then in effect (the "**Certificate of Incorporation**"). Only such business shall be brought before a special meeting of stockholders as shall have been specified in the notice of such meeting.

Section 2.4 Notice of Meetings.

(a) Except as otherwise required by law or the Certificate of Incorporation, written notice of each meeting of stockholders, specifying the place, if any, date and hour and purpose or purposes of the meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining stockholders entitled to notice of the meeting), shall be given not less than 10 nor more than 60 days before the date of such meeting to each stockholder entitled to vote thereat, directed to the address of such stockholder as it appears upon the books of the Corporation. If the Board of Directors fixes a date for determining the stockholders entitled to notice of a meeting of stockholders, such date shall also be the record date for determining the stockholders entitled to vote at such meeting, unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

(b) When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. If the adjournment is for more than 30 days, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting, and in such case shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

(c) Notice of the time, place and purpose of any meeting of stockholders may be waived in writing or by electronic transmission, either before or after such meeting, and, to the extent permitted by law, will be waived by any stockholder by his attendance thereat, in person or by proxy except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called or convened.

(d) Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the Delaware General Corporation Law, as amended ("**DGCL**"), the Certificate of Incorporation, or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if (i) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent, and (ii) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given pursuant to this subsection (e) shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (2) if by electronic

mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of these Bylaws, "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 2.5 Quorum and Voting.

(a) At all meetings of stockholders except where otherwise required by law, the Certificate of Incorporation or these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the voting power of all the shares of stock entitled to vote shall constitute a quorum for the transaction of business. Where a separate vote by a class or classes or series is required, a majority of the voting power of the shares of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, by vote of the holders of a majority of the voting power represented thereat or by the chairman of the meeting, but no other business shall be transacted at such meeting. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the original meeting. To the fullest extent permitted by law, the stockholders present at a duly called or convened meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

(b) Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, and except as otherwise required by the rules of any stock exchange upon which the Corporation's securities are listed, all matters other than the election of directors shall be decided by a majority of the votes cast on such matter affirmatively or negatively. For purposes of these Bylaws, a share present at a meeting, but for which there is an abstention or broker non-vote on a particular matter shall be counted as present for the purpose of establishing a quorum but shall not be counted as a vote cast on the matter in question.

Section 2.6 Voting Rights.

(a) Except as otherwise required by law, only persons in whose names shares entitled to vote stand on the stock records of the Corporation on the record date for determining the stockholders entitled to vote at said meeting shall be entitled to vote at such meeting.

(b) Every person entitled to vote or to execute consents shall have the right to do so either in person or by proxy, which proxy shall be filed with the Secretary of the Corporation at or before the meeting at which it is to be used. Said proxy so appointed need not be a stockholder. No proxy shall be voted on after three (3) years from its date unless the proxy

provides for a longer period. Unless and until voted, every proxy shall be revocable unless it states that it is irrevocable and is coupled with an interest sufficient at law to support an irrevocable power.

(c) Without limiting the manner in which a stockholder may authorize another person or persons to act for him as proxy pursuant to subsection (b) of this section, the following shall constitute a valid means by which a stockholder may grant such authority:

(1) A stockholder may execute a writing authorizing another person or persons to act for him as proxy. Execution may be accomplished by the stockholder or his authorized officer, director, employee or agent signing such writing or causing his or her signature to be affixed to such writing by any reasonable means including, but not limited to, by facsimile signature.

(2) A stockholder may authorize another person or persons to act for him as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such transmission must either set forth or be submitted with information from which it can be determined that the transmission was authorized by the stockholder. Such authorization can be established by the signature of the stockholder on the proxy, either in writing or by a signature stamp or facsimile signature, or by a number or symbol from which the identity of the stockholder can be determined, or by any other procedure deemed appropriate by the inspectors or other persons making the determination as to due authorization.

(d) Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to subsection (c) of this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

Section 2.7 Voting Procedures and Inspectors of Elections.

(a) The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability.

(b) The inspectors shall (i) ascertain the number of shares outstanding and the voting power of each, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify

their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

(c) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery shall determine otherwise upon application by a stockholder.

(d) In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with Section 211(e) or 212(c)(2) of the DGCL, or any information provided pursuant to Section 211(a)(2)(B)(i) or (iii) thereof, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification pursuant to subsection (b)(v) of this section shall specify the precise information considered by them including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

Section 2.8 List of Stockholders.

The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting (or, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote on the tenth day before the meeting date), arranged in alphabetical order, showing the address of and the number of shares registered in the name of each stockholder. The Corporation need not include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 2.9 Stockholder Proposals at Annual Meetings.

At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than nominations of directors made pursuant to Section 2.10) must be brought before the meeting (i) by or at the direction of the Board of Directors, or (ii) by a stockholder of record of the Corporation (a "**Record Stockholder**") at the time of the giving of the notice required in the following paragraph, who is entitled to vote and the meeting and who complies with this Section 2.9. The foregoing clause (ii) shall be the exclusive means for a stockholder to propose business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) at an annual meeting of stockholders.

In addition to any other applicable requirements for business to be properly brought before an annual meeting by a Record Stockholder, (a) the Record Stockholder must have given timely notice thereof in writing to the Secretary of the Corporation (b) any such business must be a proper matter for stockholder action under Delaware law and (c) the Record Stockholder and the beneficial owner, if any, on whose behalf any such proposal is made, must have acted in accordance with the representations set forth in the Business Solicitation Statement required by these Bylaws. To be timely, a Record Stockholder's notice must be delivered to the Secretary at the Corporation's principal executive offices not less than 90 days or more than 120 days prior to the first anniversary of the date on which the Corporation first mailed its proxy materials (or, in the absence of proxy materials, its notice of meeting) for the previous year's annual meeting of stockholders. However, if the Corporation did not hold an annual meeting the previous year, or if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, then to be timely, notice by the stockholder must be delivered to the Secretary at the Corporation's principal executive offices not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 10h day following the day on which public announcement of the date of such meeting is first made. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above. Other than with respect to stockholder proposals relating to director nomination(s), which requirements are set forth in Section 2.10 below, a stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the Record Stockholder proposing such business and the beneficial owner, if any, on whose behalf the proposal is made, (iii) the class, series, and number of shares of the Corporation which are owned, directly or indirectly, beneficially and of record by the Record Stockholder, (iv) any material interest of the Record Stockholder in such business and the beneficial owner, if any, on whose behalf the proposal is made, (v) as to the stockholder giving the notice and any Stockholder Associated Person (as defined below) or any member of such stockholder's immediate family sharing the same household, whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including, but not limited to, any short position or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss or increase profit to or manage the risk or benefit of stock price changes for, or to

increase or decrease the voting power of, such stockholder, such Stockholder Associated Person or family member with respect to any share of stock of the Corporation (each, a "**Relevant Hedge Transaction**"), (vi) as to the stockholder giving the notice and any Stockholder Associated Person or any member of such stockholder's immediate family sharing the same household, to the extent not set forth pursuant to the immediately preceding clause, (a) whether and the extent to which such stockholder, Stockholder Associated Person or family member has direct or indirect beneficial ownership of any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation (a "**Derivative Instrument**"), (b) any proxy, contract, arrangement, understanding, or relationship pursuant to which either party has a right to vote, directly or indirectly, any shares of any security of the Corporation, (c) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder, Stockholder Associated Person or family member that are separated or separable from the underlying shares of the Corporation, (d) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder, Stockholder Associated Person or family member is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (e) any performance-related fees (other than an asset-based fee) that such stockholder, Stockholder Associated Person or family member is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), and (vii) a statement whether or not such person intends or is part of a group that intends to deliver a proxy statement or form of proxy to holders of at least the percentage of voting power of all shares of capital stock reasonably believed to be sufficient to carry the proposal and/or otherwise to solicit votes or proxies in support of such proposal (such statement, a "**Business Solicitation Statement**").

For purposes of this Section 2.9 and Section 2.10, "**Stockholder Associated Person**" of any stockholder shall mean (i) any person controlling or controlled by, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder and (iii) any person controlling, controlled by or under common control with such Stockholder Associated Person.

Notwithstanding anything in the Bylaws to the contrary, no business (other than a nomination submitted in accordance with Section 2.10) shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 2.9, provided, however, that nothing in this Section 2.9 shall be deemed to preclude discussion by any stockholder of any business properly brought before the annual meeting in accordance with said procedure. Notwithstanding the foregoing provisions of this Section 2.9, if the stockholder making a proposal or a qualified representative of such stockholder does not appear at the annual meeting to present a proposal submitted in compliance with this Section 2.9 (including without limitation any proposal included in the Corporation's proxy statement under Rule 14a-8 under the Exchange Act), such proposal shall not be presented or voted upon at the annual meeting. For

purposes of the foregoing sentence, to be considered a qualified representative of a stockholder, a person must be a duly authorized manager, officer or partner of such stockholder or must be authorized by such stockholder in writing to act as such. In the event a qualified representative of a stockholder will appear at a meeting and make a proposal in lieu of a stockholder, the stockholder must provide the notice of such designation at least twenty-four hours prior to the meeting. If no such advance notice is provided only the stockholder may make the proposal and the proposal may be disregarded in the event the stockholder fails to appear and make the proposal.

The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 2.9, and if he should so determine he shall so declare to the meeting, and any such business not properly brought before the meeting shall not be transacted.

Nothing in this Section 2.9 shall affect the right of a stockholder to request inclusion of a proposal in the Corporation's proxy statement or information statement pursuant to Rule 14a-8 under the Exchange Act, and any proposal submitted in compliance with Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement or information statement pursuant thereto shall be deemed to be properly before the meeting. For purposes of these Bylaws, "**public announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Section 2.10 Nominations of Persons for Election to the Board of Directors.

In addition to the rights afforded to Home Holdings, LLC pursuant to Section 6.B of the Certificate of Incorporation, and any other applicable requirements, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (i) by or at the direction of the Board of Directors, or by any nominating committee or person appointed by the Board of Directors, (ii) by any Record Stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 2.10. The foregoing clause (ii) shall be the exclusive means for a stockholder to make nominations at a meeting of stockholders.

In addition to any other applicable requirements for nominations to be properly brought before an annual meeting by a stockholder (a) such nominations must be made pursuant to timely notice in writing to the Secretary of the Corporation and (b) the Record Stockholder, the beneficial owner, if any, on whose behalf the nomination is made, and the nominee, must have acted in accordance with the representations set forth in the Nomination Solicitation Notice required by these Bylaws. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 90 days or more than 120 days prior to the first anniversary of the date on which the Corporation first mailed its proxy materials (or, in the absence of proxy materials, its notice of meeting) for the previous year's annual meeting of stockholders. However, if the Corporation did not hold an annual meeting the previous year, or if the date of the annual meeting is advanced more than 30 days

prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, then to be timely, notice by the stockholder must be delivered to the Secretary at the Corporation's principal executive offices not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 10th day following the day on which public announcement of the date of such meeting is first made. Notwithstanding anything in the preceding sentence to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there has been no public announcement naming all of the nominees for director or indicating the increase in the size of the Board of Directors made by the Corporation at least 10 days before the last day a Record Stockholder may deliver a notice of nomination in accordance with the preceding sentence, a Record Stockholder's notice required by this bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above. The stockholder's notice relating to director nomination(s) shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class, series and number of shares of the Corporation which are beneficially owned by the person, (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Exchange Act and such person's written consent to serve as a director if elected; (b) as to the Record Stockholder giving the notice, and the beneficial owner, if any, on whose behalf the proposal was made, (i) the name and record address of the stockholder, and (ii) the class, series and number of shares of the Corporation which are beneficially owned; (c) as to the Record Stockholder giving the notice and any Stockholder Associated Person (as defined in Section 2.9) or any member of such stockholder's immediate family sharing the same household, to the extent not set forth pursuant to the immediately preceding clause, whether and the extent to which any Relevant Hedge Transaction (as defined in Section 2.9) has been entered into; and (d) as to the stockholder giving the notice and any Stockholder Associated Person or any member of such stockholder's immediate family sharing the same household, (1) whether and the extent to which any Derivative Instrument (as defined in Section 2.9) is directly or indirectly beneficially owned, (2) any proxy, contract, arrangement, understanding, or relationship pursuant to which either party has a right to vote, directly or indirectly, any shares of any security of the Corporation, (3) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (4) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (5) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose

such ownership as of the record date); and (e) a statement whether or not such person or its nominee intends or is part of a group that intends to deliver a proxy statement or form of proxy to holders of at least the percentage of voting power of all shares of capital stock reasonably believed to be sufficient to elect the nominee or nominees proposed to be nominated and/or otherwise to solicit votes or proxies in support of such nomination (the "**Nomination Solicitation Notice**"). The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein. These provisions shall not apply to nomination of any persons entitled to be separately elected by holders of preferred stock.

A person shall not be eligible for election or re-election as a director at an annual meeting unless (i) the person is nominated by a Record Stockholder in accordance with this Section 2.10 or (ii) the person is nominated by or at the direction of the Board of Directors. Only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this section. Notwithstanding the foregoing provisions of this Section 2.10, if the stockholder making a nomination or a qualified representative of such stockholder does not appear at the annual meeting to present a nomination submitted in compliance with this Section 2.10, such nomination(s) shall not be presented or voted upon at the annual meeting. For purposes of the foregoing sentence, to be considered a qualified representative of a stockholder, a person must be a duly authorized manager, officer or partner of such stockholder or must be authorized by such stockholder in writing to act as such. In the event a qualified representative of a stockholder will appear at a meeting and make a nomination in lieu of a stockholder, the stockholder must provide the notice of such designation at least twenty-four hours prior to the meeting. If no such advance notice is provided only the stockholder may make the nomination and the nomination may be disregarded in the event the stockholder fails to appear and make the nomination.

The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

Section 2.11 Action Without Meeting.

Unless otherwise provided in the Certificate of Incorporation, the stockholders of the Corporation may not act by written consent.

ARTICLE 3

DIRECTORS

Section 3.1 Number and Term of Office.

(a) The number of directors of the Corporation shall not be less than 3 nor more than 12. Subject to the rights of the holders of any series of preferred stock to elect additional

directors under specified circumstances, the exact number of directors shall be fixed from time to time exclusively by resolutions duly adopted by a majority of the Whole Board. The term "**Whole Board**" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorship. Subject to the foregoing provisions for changing the number of directors, the number of directors of the Corporation has been fixed at seven (7). Elected directors shall hold office until the next annual meeting in which their terms expire and until their successors shall be duly elected and qualified. Directors need not be stockholders. In no case will a decrease in the number of directors shorten the term of any incumbent director.

(b) Subject to the rights of the holders of any series of preferred stock to elect additional directors under specified circumstances, the directors shall be divided into three classes, designated Class I, Class II, and Class III. Upon the effectiveness of the Amended and Restated Certificate of Incorporation including this provision, each director then in office shall be designated as a Class I director, a Class II director or a Class III director. The term of office of the initial Class I directors shall expire at the first succeeding annual meeting of the stockholders following the effectiveness of the Amended and Restated Certificate of Incorporation, the term of office of the initial Class II directors shall expire at the second succeeding annual meeting of the stockholders following the effectiveness of the Amended and Restated Certificate of Incorporation and the term of office of the initial Class III directors shall expire at the third succeeding annual meeting of the stockholders following the effectiveness of the Amended and Restated Certificate of Incorporation. At each annual meeting of stockholders beginning with the first annual meeting of stockholders following the effective time of the Amended and Restated Certificate of Incorporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the third annual meeting of stockholders following their election, with each director in each such class to hold office until his or her successor is duly elected and qualified. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of preferred stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the applicable terms of these Bylaws and any certificate of designation creating such class or series of preferred stock, and such directors so elected shall not be divided into classes pursuant to this Section 3.1 unless expressly provided by such terms.

(c) Except as provided in Section 3.3 of this Article 3, the directors shall be elected by a plurality vote of the votes cast and entitled to vote on the election of directors at any meeting for the election of directors at which a quorum is present.

Section 3.2 Powers.

The powers of the Corporation shall be exercised, its business conducted and its property controlled by or under the direction of the Board of Directors.

Section 3.3 Vacancies and Newly Created Directorships.

Subject to the rights of Home Holdings, LLC pursuant to the Certificate of Incorporation and the holders of any series of preferred stock then outstanding, vacancies and newly created directorships resulting from any increase in the authorized number of directors shall, unless otherwise required by law or by resolution of the Board of Directors, be filled by a majority of the directors then in office, although less than a quorum (and not by stockholders), or by a sole remaining director, and each director so elected shall hold office for the unexpired portion of the term of the director whose place shall be vacant or until his successor shall have been duly elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this section in the case of the death, removal, disqualification, resignation of any director, or otherwise.

Section 3.4 Resignations and Removals.

(a) Any director may resign at any time by delivering his resignation to the Secretary in writing or by electronic transmission, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made it shall be deemed effective upon receipt. When one or more directors shall resign from the Board of Directors effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

(b) Subject to the rights of the holders of any series of preferred stock then outstanding, except as otherwise set forth in the Certificate of Incorporation, a director, or the entire Board of Directors, may be removed from office only for cause, at a meeting called for that purpose, by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all outstanding shares of capital stock entitled to vote at an election of directors, voting together as a single class. Notwithstanding the foregoing, until the Trigger Date (as defined in the Amended and Restated Certificate of Incorporation), directors may be removed, with or without cause, by the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of capital stock entitled to thereon.

Section 3.5 Meetings.

(a) The annual meeting of the Board of Directors shall be held immediately after the annual stockholders' meeting and at the place where such meeting is held or at the place announced by the chairman at such meeting. No notice of an annual meeting of the Board of Directors shall be necessary, and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Except as hereinafter otherwise provided, regular meetings of the Board of Directors shall be held at the principal executive office of the Corporation. Regular meetings of the Board of Directors may also be held at any place, within or without the State of Delaware, which has been approved by the Board of Directors.

(c) Special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board.

(d) Written notice of the time and place of all regular and special meetings of the Board of Directors shall be delivered personally to each director or sent by any form of electronic transmission at least 48 hours before the start of the meeting, or sent by first class mail at least 120 hours before the start of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat unless the director attends for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened.

Section 3.6 Quorum and Voting.

(a) A quorum of the Board of Directors shall consist of a majority of the Whole Board as fixed from time to time in accordance the Certificate of Incorporation and these Bylaws.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by a vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation, or these Bylaws.

(c) Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

Section 3.7 Action Without Meeting.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or of such committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.8 Fees and Compensation.

Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by resolution of the Board of Directors.

Section 3.9 Committees.

(a) **Executive Committee:** The Board of Directors may appoint an Executive Committee of not less than one member, each of whom shall be a director. To the extent

permitted by law, the Executive Committee shall have and may exercise when the Board of Directors is not in session all powers of the Board of Directors in the management of the business and affairs of the Corporation, except such committee shall not have the power or authority to amend these Bylaws or to approve or recommend to the stockholders any action (other than the election or removal of directors) which must be submitted to stockholders for approval under the DGCL.

(b) **Other Committees:** The Board of Directors may from time to time appoint such other committees as may be permitted by law. Except as otherwise required by law, such other committees appointed by the Board of Directors shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committee.

(c) **Term:** Subject to the provisions of subsections (a) and (b) of this Section 3.9, the Board of Directors may at any time increase or decrease the number of members of a committee or terminate the existence of a committee; provided that no committee shall consist of less than one member. The membership of a committee member shall terminate on the date of his death or voluntary resignation, but the Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) **Meetings:** Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 3.9 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter; special meetings of any such committee may be held at the principal executive office of the Corporation or at any place which has been designated from time to time by resolution of such committee, and may be called by any director who is a member of such committee upon written notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time after the meeting and will be waived by any director by attendance thereat unless the director attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present, subject to the rights of the directors nominated by Home Holdings, LLC pursuant to Article 6.F of the Amended and Restated Certificate of Incorporation, shall be the act of such committee.

ARTICLE 4

OFFICERS

Section 4.1 Officers Designated.

The officers of the Corporation shall be a Chief Executive Officer, a Secretary and a Treasurer. The Board of Directors or the Chief Executive Officer may also appoint a Chairman of the Board of Directors, one or more Vice-Presidents, Assistant Secretaries, Assistant Treasurers, and such other officers and agents with such powers and duties as it or he shall deem necessary. The order of the seniority of the Vice-Presidents shall be in the order of their nomination unless otherwise determined by the Board of Directors. The Board of Directors may assign such additional titles to one or more of the officers as they shall deem appropriate. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the Corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 4.2 Tenure and Duties of Officers.

(a) **General:** All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors. Nothing in these Bylaws shall be construed as creating any kind of contractual right to employment with the Corporation.

(b) **Duties of the Chairman of the Board of Directors:** The Chairman of the Board of Directors (if there be such an officer appointed) when present shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(c) **Duties of Chief Executive Officer:** The Chief Executive Officer shall be the chief executive officer of the Corporation and shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. The Chief Executive Officer shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) **Duties of Vice-Presidents:** The Vice-Presidents may assume and perform the duties of the Chief Executive Officer in the absence or disability of the Chief Executive Officer or whenever the office of the Chief Executive Officer is vacant. The Vice-President shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(e) **Duties of Secretary:** The Secretary shall attend all meetings of the stockholders and of the Board of Directors and any committee thereof, and shall record all acts and proceedings thereof in the minute book of the Corporation, which may be maintained in either paper or electronic form. The Secretary shall give notice, in conformity with these Bylaws, of all

meetings of the stockholders and of all meetings of the Board of Directors and any Committee thereof requiring notice. The Secretary shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(f) **Duties of Treasurer:** The Treasurer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner, and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer. The Treasurer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Treasurer shall perform all other duties commonly incident to his office and shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer may direct any Assistant Treasurer to assume and perform the duties of the Treasurer in the absence or disability of the Treasurer, and each Assistant Treasurer shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

ARTICLE 5

EXECUTION OF CORPORATE INSTRUMENTS, AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 5.1 Execution of Corporate Instruments.

(a) The Board of Directors may in its discretion determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the Corporation.

(b) Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the Corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the Corporation, may be executed, signed or endorsed by the Chairman of the Board of Directors (if there be such an officer appointed), by the Chief Executive Officer or by any Vice-President, and by the Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer. All other instruments and documents requiring the corporate signature but not requiring the corporate seal may be executed as aforesaid or in such other manner as may be directed by the Board of Directors.

(c) All checks and drafts drawn on banks or other depositaries on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

(d) Execution of any corporate instrument may be effected in such form, either manual, facsimile or electronic signature, as may be authorized by the Board of Directors.

Section 5.2 Voting of Securities Owned by Corporation.

All stock and other securities of other Corporations owned or held by the Corporation for itself or for other parties in any capacity shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors or, in the absence of such authorization, by the Chairman of the Board of Directors (if there be such an officer appointed), or by the Chief Executive Officer, or by any Vice-President.

ARTICLE 6

SHARES OF STOCK

Section 6.1 Form and Execution of Certificates.

The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Certificates for the shares of stock of the Corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Corporation by, the Chairman of the Board of Directors (if there be such an officer appointed), or by the Chief Executive Officer or any Vice-President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the Corporation. The Chief Executive Officer shall be deemed the President for purposes of Section 158 of the DGCL with respect to signing certificates. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 6.2 Lost Certificates.

The Board of Directors may direct a new certificate or certificates (or uncertificated shares in lieu of a new certificate) to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates (or uncertificated shares in lieu of a new certificate), the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to indemnify the Corporation in such manner as it shall require and/or to give the Corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Section 6.3 Transfers.

Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, who shall furnish proper evidence of authority to transfer, and in the case of stock represented by a certificate, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed.

Section 6.4 Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the date on which the meeting is held. A determination of stockholders of record entitled notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing or by electronic transmission without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing or by electronic transmission without a meeting, when no prior action by the Board of Directors is required by the DGCL, shall be the first date on which a signed written consent or electronic transmission setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or

agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; provided that any such electronic transmission shall satisfy the requirements of Section 2.4(d) and, unless the Board of Directors otherwise provides by resolution, no such consent by electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing or by electronic transmission without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 6.5 Registered Stockholders.

The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE 7

OTHER SECURITIES OF THE CORPORATION

All bonds, debentures and other corporate securities of the Corporation, other than stock certificates, may be signed by the Chairman of the Board of Directors (if there be such an officer appointed), or the Chief Executive Officer or any Vice-President or such other person as may be authorized by the Board of Directors and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signature of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer

of the Corporation, or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon has ceased to be an officer of the Corporation before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

ARTICLE 8

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

Section 8.1 Right to Indemnification.

Each person who was or is a party or is threatened to be made a party to or is involved (as a party, witness, or otherwise), in any threatened, pending, or completed action, suit, investigation, or proceeding, and any appeal thereof, whether civil, criminal, administrative, arbitrative, or investigative or otherwise and/or any inquiry or investigation, whether formal or informal, conducted by the Corporation or any other party, that such person in good faith believes might lead to the institution of any such action (hereinafter a "**Proceeding**"), related to or arising out of the fact that such person, or a person of whom he is the legal representative, is or was a director or officer, or an agent with whom the Corporation has executed an indemnification agreement, or while a director or officer is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, or related to or arising out of anything done or not done by such person in any such capacity (hereinafter an "**Indemnitee**"), shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL (subject to the exceptions contained in these Bylaws and any other agreement) against any and all expenses, liability, and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement, and any interest, assessments, or other charges imposed thereon, and any federal, state, local, or foreign taxes imposed on any Indemnitee as a result of the actual or deemed receipt of any payments under this Article) (collectively, "**Liabilities**") reasonably incurred or suffered by such person in connection with such Proceeding.

Expenses incurred by an Indemnitee in defending a Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding, provided, however, that if required by the DGCL, or any other agreement between the Indemnitee and Corporation, such expenses shall be advanced only upon delivery to the Corporation of an undertaking by or on behalf of such Indemnitee to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article or otherwise. Expenses incurred by other employees or agents of the Corporation may be advanced upon such terms and conditions as the Board of Directors deems appropriate. Any obligation to reimburse the Corporation for expense advances shall be unsecured and no interest shall be charged thereon.

Section 8.2 Limits on Indemnification and Advancement.

Notwithstanding anything in these Bylaws or any other agreement to the contrary, an Indemnitee shall not be entitled pursuant to this Article (a) to indemnification or advancement in connection with any Proceeding initiated by the Indemnitee against the Corporation or any of its directors or officers unless (i) the Corporation has joined in or consented to the initiation of such Proceeding, or (ii) the proceeding is brought under Section 8.3 hereof to enforce Indemnitee's rights hereunder; or (b) to indemnification on account of any suit in which judgment is rendered against the Indemnitee pursuant to Section 16(b) of the Exchange Act for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Corporation, (c) to any amounts described in Section 8.8, or (d) to any amounts described in Section 8.12.

Section 8.3 Right of Claimant to Bring Suit.

If a claim under Section 8.1 or 8.2 of this Article is not paid in full by the Corporation within 60 days after a written demand has been made by the Indemnitee to the Corporation, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the fullest extent permitted by law, if successful in whole or in part, the Indemnitee shall be entitled to be paid also the expenses (including attorneys' fees) incurred in prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending a Proceeding in advance of its final disposition where the required undertaking has been tendered to the Corporation) that the Indemnitee has not met the standards of conduct that make it permissible under the DGCL for the Corporation to indemnify the Indemnitee for the amount claimed. The burden of proving such a defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification is proper under the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the Indemnitee has not met the applicable standard of conduct.

Section 8.4 Provisions Nonexclusive.

The rights conferred on any person by this Article shall not be exclusive of any other rights that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, agreement, vote of stockholders or disinterested directors, or otherwise.

Section 8.5 Authority to Insure.

The Corporation may purchase and maintain insurance to protect itself and any person against any Liability, whether or not the Corporation would have the power to indemnify the person against such Liability under applicable law or the provisions of this Article.

Section 8.6 Enforcement of Rights

Without the necessity of entering into an express contract, all rights provided under this Article shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the Corporation and such Indemnitee. Any rights granted by this Article to an Indemnitee shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction.

Section 8.7 Survival of Rights.

The rights provided by this Article shall continue as to a person who has ceased to be an Indemnitee and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 8.8 Settlement of Claims.

The Corporation shall not be liable to indemnify any Indemnitee under this Article (a) for any amounts paid in settlement of any action or claim effected without the Corporation's written consent, which consent shall not be unreasonably withheld; or (b) for any judicial award if the Corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action.

Section 8.9 Effect of Amendment.

Any amendment, alteration or repeal of this Article VIII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

Section 8.10 Primacy of Indemnification.

Notwithstanding that an Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by other persons (collectively, the "**Other Indemnitors**"), the Corporation: (i) shall be the indemnitor of first resort (i.e., its obligations to an Indemnitee are primary and any obligation of the Other Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Indemnitee are secondary); and (ii) shall be required to advance the full amount of expenses incurred by an Indemnitee and shall be liable for the full amount of all Liabilities, without regard to any rights such Indemnitee may have against any of the Other Indemnitors. No advancement or payment by the Other Indemnitors on behalf of an Indemnitee with respect to any claim for which such Indemnitee has sought indemnification from the Corporation shall affect the immediately preceding sentence, and the Other Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnitee against the Corporation.

Section 8.11 Subrogation.

In the event of payment under this Article, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee (other than against the Other Indemnitors), who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation effectively to bring suit to enforce such rights.

Section 8.12 No Duplication of Payments.

Except as otherwise set forth in Section 8.11 above, the Corporation shall not be liable under this Article to make any payment in connection with any claim made against the Indemnitee to the extent the Indemnitee has otherwise actually received payment (under any insurance policy, agreement, vote, or otherwise) of the amounts otherwise indemnifiable hereunder.

Section 8.13 Saving Clause.

If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee to the fullest extent not prohibited by any applicable portion of this Article that shall not have been invalidated, or by any other applicable law.

ARTICLE 9

NOTICES

Whenever, under any provisions of these Bylaws, notice is required to be given to any stockholder, the same shall be given either (1) in writing, timely and duly deposited in the United States Mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the Corporation, or (2) by a means of electronic transmission that satisfies the requirements of Section 2.4(d) of these Bylaws, and has been consented to by the stockholder to whom the notice is given. An affidavit of mailing, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be prima facie evidence of the statements therein contained. All notices given by mail, as above provided, shall be deemed to have been given as at the time of mailing and all notices given by means of electronic transmission shall be deemed to have been given as at the sending time recorded by the electronic transmission equipment operator transmitting the same. It shall not be necessary that the same method of giving notice be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation, or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed

equivalent thereto. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the Corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

ARTICLE 10

AMENDMENTS

Except as otherwise provided in Section 8.9 above, these Bylaws may be repealed, altered or amended or new Bylaws adopted (i) by the Board of Directors by unanimous written consent or at any annual, regular, or special meeting by the affirmative vote of a majority of the Whole Board, (ii) prior to the Trigger Date (as defined in the Amended and Restated Certificate of Incorporation), by the affirmative vote of the holders of more than 50% of the voting power of all of the then-outstanding shares of the Corporation's capital stock entitled to vote thereon, or (iii) from and after the Trigger Date, by the affirmative vote of holders of at least seventy percent (70%) of the voting power of the then-outstanding shares of the Corporation's capital stock entitled to vote thereon, unless a larger vote is required by these Bylaws or the Certificate of Incorporation.

ARTICLE 11

SEVERABILITY

If any provision or provisions of these Bylaws shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of these Bylaws (including, without limitation, each portion of any sentence of these Bylaws containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

CERTIFICATE OF SECRETARY

The undersigned, Secretary of Restoration Hardware Holdings, Inc., a Delaware corporation, hereby certifies that the foregoing is a full, true and correct copy of the Bylaws of said corporation, with all amendments thereof to date.

WITNESS the signature of the undersigned this [—]th day of [—], 2012.

[—], [Secretary]

Exhibit 10.5

RESTORATION HARDWARE HOLDINGS, INC.

2012 STOCK INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.

2. Definitions. The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

(a) "Administrator" means the Board or any of the Committees appointed to administer the Plan.

(b) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

(c) "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of federal securities laws, state corporate and securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to Awards granted to residents therein.

(d) "Assumed" means that pursuant to a Corporate Transaction either (i) the Award continues to be maintained by the Company or (ii) the contractual obligations represented by the Award are assumed by the successor entity or its Parent in connection with the Corporate Transaction with equitable and appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which preserves the intrinsic value of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.

(e) "Award" means the grant of an Option, SAR, Dividend Equivalent Right, Restricted Stock, Restricted Stock Unit, Cash-Based Award or other right or benefit under the Plan.

(f) "Award Agreement" means the written agreement or other instrument evidencing the grant of an Award, including any amendments thereto. An Award Agreement may be in the form of an agreement to be executed by both the Grantee and the Company (or an authorized representative of the Company) or certificates, notices or similar instruments.

(g) "Board" means the Board of Directors of the Company.

(h) "Cash-Based Award" means an award entitling the Grantee to Shares that may or may not be subject to restrictions upon issuance or cash compensation, as established by the Administrator.

(i) "Cause" means, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that, unless otherwise provided for in the applicable Award Agreement, such termination is for "Cause" as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee's: (i) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or a Related Entity; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity; or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; provided, however, that with regard to any agreement that defines "Cause" on the occurrence of or in connection with a Corporate Transaction or a Change in Control, such definition of "Cause" shall not apply until a Corporate Transaction or a Change in Control actually occurs.

(j) "Change in Control" means a change in ownership or control of the Company after the Registration Date effected through either of the following transactions:

(i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's then outstanding securities pursuant to a tender or exchange offer made directly to the Company's stockholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such stockholders accept, or

(ii) a change in the composition of the Board over a period of twelve (12) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors.

(k) "Code" means the Internal Revenue Code of 1986, as amended.

(l) "Committee" means any committee composed of members of the Board appointed by the Board to administer the Plan.

(m) "Common Stock" means the common stock of the Company, par value $0.0001 per share.

(n) "Company" means Restoration Hardware Holdings, Inc., a Delaware corporation, or any successor entity that adopts the Plan in connection with a Corporate Transaction.

(o) "Consultant" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(p) "Continuing Directors" means members of the Board who either (i) have been Board members continuously for a period of at least twelve (12) months or (ii) have been Board members for less than twelve (12) months and were elected or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board.

(q) "Continuous Service" means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee's Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in an individual Award Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave. For purposes of each Incentive Stock Option granted under the Plan, if such leave exceeds three (3) months, and reemployment upon expiration of such leave is not guaranteed by statute or contract, then the Incentive Stock Option shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the expiration of such three (3) month period.

(r) "Corporate Transaction" means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(i) a merger or consolidation of the Company in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the shares of Common Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such

securities immediately prior to such merger or the initial transaction culminating in such merger; or

(v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(s) "Covered Employee" means an Employee who is a "covered employee" under Section 162(m)(3) of the Code.

(t) "Director" means a member of the Board or the board of directors of any Related Entity.

(u) "Disability" means such term (or word of like import) as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, "Disability" means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(v) "Dividend Equivalent Right" means a right entitling the Grantee to compensation measured by dividends paid with respect to Common Stock.

(w) "Employee" means any person, including an Officer or Director, who is in the employ of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(x) "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor thereto.

(y) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on one or more established stock exchanges or national market systems, including without limitation the New York Stock Exchange, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Common Stock is listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading

date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such stock as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock of the type described in (i) and (ii) above, the Fair Market Value thereof shall be determined by the Administrator in good faith.

(z) "Grantee" means an Employee, Director or Consultant who receives an Award under the Plan.

(aa) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(bb) "Non-Qualified Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

(cc) "Officer" means a person who is an officer of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(dd) "Option" means an option to purchase Shares pursuant to an Award Agreement granted under the Plan.

(ee) "Parent" means a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code.

(ff) "Performance-Based Compensation" means compensation qualifying as "performance-based compensation" under Section 162(m) of the Code.

(gg) "Performance Period" means the period of time during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to, or the amount or entitlement to, an Award.

(hh) "Plan" means this Restoration Hardware Holdings, Inc. 2012 Stock Incentive Plan.

(ii) "Registration Date" means the first to occur of (i) the closing of the first sale to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, of

(A) the Common Stock or (B) the same class of securities of a successor corporation (or its Parent) issued pursuant to a Corporate Transaction in exchange for or in substitution of the Common Stock; and (ii) in the event of a Corporate Transaction, the date of the consummation of the Corporate Transaction if the same class of securities of the successor corporation (or its Parent) issuable in such Corporate Transaction shall have been sold to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or prior to the date of consummation of such Corporate Transaction.

(jj) "Related Entity" means any Parent or Subsidiary of the Company.

(kk) "Replaced" means that pursuant to a Corporate Transaction the Award is replaced with a comparable stock award or a cash incentive award or program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the intrinsic value of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

(ll) "Restricted Stock" means Shares issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator.

(mm) "Restricted Stock Units" means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

(nn) "Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act or any successor thereto.

(oo) "SAR" means a stock appreciation right entitling the Grantee to Shares or cash compensation or a combination thereof, as established by the Administrator, measured by appreciation in the value of Common Stock.

(pp) "Share" means a share of the Common Stock.

(qq) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock and Cash Subject to the Plan.

(a) Subject to the provisions of Section 10, below, the maximum aggregate number of Shares which may be issued pursuant to all Awards is [—] Shares. In addition, prior to the date that the exemption from application of Section 162(m) of the Code described in Section 18 (or any exemption having similar effect) ceases to apply to Awards, the maximum aggregate amount of cash which may be issued pursuant to Awards granted to Covered

Employees is $40,000,000 (U.S. dollars). Commencing with the first business day of each fiscal year of the Company, beginning with the Company's fiscal year following the fiscal year in which the Registration Date occurs, the number of Shares available for issuance under the Plan shall be increased by a number equal to the lesser of (A) two (2) percent of the number of Shares outstanding on the last day of the immediately preceding fiscal year of the Company, calculated on a fully diluted basis or (B) such lesser number of Shares as determined by the Board. Notwithstanding the foregoing, subject to the provisions of Section 10, below, of the number of Shares specified above, the maximum aggregate number of Shares available for grant of Incentive Stock Options shall be [—] Shares, plus an annual increase to be added on the first business day of each fiscal year of the Company, beginning with the Company's fiscal year following the fiscal year in which the Registration Date occurs equal to the lesser of (A) two (2) percent of the number of Shares outstanding on the last day of the immediately preceding fiscal year of the Company or (B) such lesser number of Shares as determined by the Board. SARs payable in Shares shall reduce the maximum aggregate number of Shares which may be issued under the Plan only by the net number of actual Shares issued to the Grantee upon exercise of the SAR. The Shares to be issued pursuant to Awards may be authorized, but unissued, or reacquired Common Stock.

(b) Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if Shares issued under the Plan are later forfeited, or repurchased by the Company at the lower of their original purchase price or their Fair Market Value at the time of repurchase, such Shares shall become available for future grant under the Plan. To the extent not prohibited by Applicable Law, any Shares covered by an Award which are surrendered (i) in payment of the Award exercise or purchase price (including pursuant to the "net exercise" of an option pursuant to Section 7(b)(v)) or (ii) in satisfaction of tax withholding obligations incident to the exercise of an Award shall be deemed not to have been issued for purposes of determining the maximum number of Shares which may be issued pursuant to all Awards under the Plan.

4. Administration of the Plan.

(a) Plan Administrator.

(i) Administration with Respect to Directors and Officers. With respect to grants of Awards to Directors or Officers, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(ii) Administration With Respect to Consultants and Other Employees. With respect to grants of Awards to Employees or Consultants who are neither Directors nor Officers, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board or Committee may also authorize one or more Officers to administer the Plan with respect to Awards to Employees or Consultants who are

neither Directors nor Officers (and to grant such Awards) and may limit such authority as the Board or Committee, as applicable, determines from time to time.

(iii) Administration With Respect to Covered Employees. Notwithstanding the foregoing, it is intended that as of and after the date that the exemption for the Plan under Section 162(m) of the Code expires, as set forth in Section 18 below (or any exemption having similar effect), grants of Awards to any Covered Employee intended to qualify as Performance-Based Compensation will be made only by a Committee (or subcommittee of a Committee) which is comprised solely of two or more Directors eligible to serve on a committee making Awards qualifying as Performance-Based Compensation. In the case of such Awards granted to Covered Employees, references to the "Administrator" or to a "Committee" shall be deemed to be references to such Committee or subcommittee.

(iv) Administration Errors. In the event an Award is granted in a manner inconsistent with the provisions of this subsection (a), such Award shall be presumptively valid as of its grant date to the extent permitted by the Applicable Laws.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board or any Committee, the Administrator shall have the authority, in its discretion to do all things that it determines to be necessary or appropriate in connection with the administration of the Plan, including, without limitation:

(i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;

(ii) to determine whether, when and to what extent Awards are granted hereunder;

(iii) to determine the number of Shares or the amount of cash or other consideration to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder;

(vi) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent, provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non-Qualified Stock Option shall not be treated as adversely affecting the rights of the Grantee;

(vii) to reduce, in each case, without stockholder approval, the exercise price of any Option awarded under the Plan and the base appreciation amount of any SAR awarded under the Plan and canceling an Option or SAR at a time when its exercise price or base appreciation amount (as applicable) exceeds the Fair Market Value of the underlying Shares, in exchange for another Option, SAR, Restricted Stock, or other Award or for cash;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan and to define terms not otherwise defined herein;

(ix) to construe and interpret the terms of the Plan, any rules and regulations under the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan;

(x) to approve corrections in the documentation or administration of any Award;

(xi) to grant Awards to Employees, Directors and Consultants employed outside the United States or to otherwise adopt or administer such procedures or subplans that the Administrator deems appropriate or necessary on such terms and conditions different from those specified in the Plan as may, in the judgment of the Administrator, be necessary or desirable to further the purpose of the Plan; and

(xii) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator; provided that the Administrator may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Administrator or in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan. The Administrator shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any Officer or other Employee of the Company and such attorneys, consultants and accountants as it may select.

(a) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees, members of the Board and any Officers or Employees to whom authority to act for the Board is delegated by the Administrator or the Company shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

5. Eligibility. Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants as the Administrator may determine from time to time. Incentive Stock Options may be granted only to Employees of the Company or a Parent or a Subsidiary of the Company as the Administrator may determine from time to time. An Employee, Director or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards. Awards may be granted to such Employees, Directors or Consultants who are residing in non-U.S. jurisdictions as the Administrator may determine from time to time.

6. Terms and Conditions of Awards.

(a) Types of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an Option, a SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such awards include, without limitation, Options, SARs, sales or bonuses of Restricted Stock, Restricted Stock Units, Dividend Equivalent Rights, or Cash-Based Awards and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

(b) Designation of Award. Each Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, an Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the grant date of the relevant Option. In the event that the Code or the regulations promulgated thereunder are amended after the date the Plan becomes effective to provide for a different limit on the Fair Market Value of Shares permitted to be subject to Incentive Stock Options, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria. The performance criteria established by the Administrator for any Awards intended to be Performance-Based Compensation shall be one of, or combination of, net earnings or net income (before or after taxes); earnings per share; revenues or sales (including net sales or revenue growth); net operating profit; return measures (including return on assets, net assets, capital, invested capital, equity, sales, or revenue); cash flow (including operating cash flow, free cash flow, cash flow return on equity, and cash flow

return on investment); earnings before or after taxes, interest, depreciation, and/or amortization; gross or operating margins; productivity ratios; share price (including growth measures and total stockholder return); expense targets; margins; operating efficiency; market share; working capital targets and change in working capital; economic value added or EVA® (net operating profit after tax minus the sum of capital multiplied by the cost of capital); net operating income; customer satisfaction; or employee satisfaction. The performance criteria may be applicable to the Company, Related Entities and/or any individual business units of the Company or any Related Entity and may be measured annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Administrator. Performance criteria shall be calculated in accordance with generally accepted accounting principles, but excluding, unless otherwise specified by the Administrator, the effect (whether positive or negative) of any change in accounting standards and any extraordinary, unusual or nonrecurring item occurring after the establishment of the performance criteria.

(d) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan ("Substitute Awards") in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, stock purchase, asset purchase or other form of transaction.

(e) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration to be received under an Award other than an Award of Options or SARs. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(f) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

(g) Individual Limitations on Awards.

(i) Individual Limit for Options and SARs. Following the date that the exemption from application of Section 162(m) of the Code described in Section 18 (or any exemption having similar effect) ceases to apply to Awards, the maximum number of Shares with respect to which Options and SARs may be granted to any Grantee in any calendar year shall be [—] Shares. The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 10, below. To the extent required by Section 162(m) of the Code or the regulations thereunder, in applying the foregoing limitations with respect to a Grantee, if any Option or SAR is canceled, the canceled Option or SAR shall continue to count against the maximum number of Shares with respect to which Options and SARs may be granted to the Grantee. For this purpose, the repricing of an Option (or in the case of a SAR, the base amount on which the stock

appreciation is calculated is reduced to reflect a reduction in the Fair Market Value of the Common Stock) shall be treated as the cancellation of the existing Option or SAR and the grant of a new Option or SAR.

(ii) Individual Limit for Restricted Stock and Restricted Stock Units. Following the date that the exemption from application of Section 162(m) of the Code described in Section 18 (or any exemption having similar effect) ceases to apply to Awards, for awards of Restricted Stock and Restricted Stock Units that are intended to be Performance-Based Compensation, the maximum number of Shares with respect to which such Awards may be granted to any Grantee in any calendar year shall be [—] Shares. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 10, below.

(iii) Individual Limit for Cash-Based Awards. Following the date that the exemption from application of Section 162(m) of the Code described in Section 18 (or any exemption having similar effect) ceases to apply to Awards, for Cash-Based Awards that are intended to be Performance-Based Compensation, with respect to each twelve (12) month period that constitutes or is part of each Performance Period, the maximum amount that may be paid to a Grantee pursuant to such Awards shall be $10,000,000. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 10, below. In addition, the foregoing limitation shall be prorated for any Performance Period consisting of fewer than twelve (12) months by multiplying such limitation by a fraction, the numerator of which is the number of months in the Performance Period and the denominator of which is twelve (12).

(h) Deferral. If the vesting or receipt of Shares or cash under an Award is deferred to a later date, any amount (whether denominated in Shares or cash) paid in addition to the original number of Shares or amount of cash subject to such Award will not be treated as an increase in the number of Shares or amount of cash subject to the Award if the additional amount is based either on a reasonable rate of interest or on one or more predetermined actual investments such that the amount payable by the Company at the later date will be based on the actual rate of return of a specific investment (including any decrease as well as any increase in the value of an investment).

(i) Early Exercise. The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(j) Term of Award. The term of each Option and SAR shall be the term stated in the Award Agreement, provided, however, that the term of an Incentive Stock Option shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Stock Option

shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement.

(k) Transferability of Awards. Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee. Other Awards shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator, but only to the extent such transfers are made to family members, to family trusts, to family controlled entities, to charitable organizations, and pursuant to domestic relations orders or agreements, in all cases without payment for such transfers to the Grantee. Unless otherwise agreed to by the Administrator, all vesting, exercisability and forfeiture provisions that are conditioned on the Grantee's continued employment or service shall continue to be determined with reference to the Grantee's employment or service (and not to the status of the transferee) after any transfer of an Award pursuant to this Section 6(i), and the responsibility to pay any taxes in connection with an Award shall remain with the Grantee notwithstanding any transfer other than by will or the laws of descent and distribution. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(l) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other later date as is determined by the Administrator.

7. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows:

(i) In the case of an Incentive Stock Option:

(A) granted to an Employee who, at the time of the grant of such Incentive Stock Option owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the per Share exercise price shall be not less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant; or

(B) granted to any Employee other than an Employee described in the preceding paragraph, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Non-Qualified Stock Option, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iii) In the case of Awards intended to qualify as Performance-Based Compensation, the exercise or purchase price, if any, shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iv) In the case of SARs, the base appreciation amount shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(v) In the case of other Awards, such price as is determined by the Administrator.

(vi) Notwithstanding the foregoing provisions of this Section 7(a), in the case of a Substitute Award, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant). In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following, provided that the portion of the consideration equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(i) cash;

(ii) check;

(iii) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

(iv) with respect to Options, if the exercise occurs on or after the Registration Date, payment through a broker-assisted cashless exercise program made available by the Company;

(v) with respect to Options, payment through a "net exercise" procedure established by the Company such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares; or

(vi) any combination of the foregoing methods of payment.

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement, or by other means, grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

(c) Taxes. No Shares or cash shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of any non-U.S., federal, state, or local income and employment tax withholding obligations (calculated at the statutory minimum amount for such withholding), including, without limitation, obligations incident to the receipt of Shares or cash. Upon exercise or vesting of an Award the Company shall withhold or collect from the Grantee an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of the whole number of Shares covered by the Award, if applicable, sufficient to satisfy the applicable tax withholding obligations incident to the exercise or vesting of an Award (calculated at the statutory minimum amount for such withholding).

8. Exercise of Award.

(a) Procedure for Exercise; Rights as a Stockholder.

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been made, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(v).

(b) Exercise of Award Following Termination of Continuous Service

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided in the Award Agreement.

(ii) Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

(iii) Any Award designated as an Incentive Stock Option to the extent not exercised within the time permitted by law for the exercise of Incentive Stock Options following the termination of a Grantee's Continuous Service shall convert automatically to a Non-Qualified Stock Option and thereafter shall be exercisable as such to the extent exercisable by its terms for the period specified in the Award Agreement.

9. Conditions Upon Issuance of Shares.

(a) If at any time the Administrator determines that the delivery of Shares pursuant to the exercise, vesting or any other provision of an Award is or may be unlawful under Applicable Laws, the vesting or right to exercise an Award or to otherwise receive Shares pursuant to the terms of an Award shall be suspended until the Administrator determines that

such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance. The Company shall have no obligation to effect any registration or qualification of the Shares under federal or state laws.

(b) The Administrator may provide that the Shares issued upon exercise of an Option or SAR or otherwise subject to or issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Administrator in its discretion may specify prior to the exercise of such Option or SAR or the grant, vesting or settlement of such Award, including without limitation, conditions on vesting or transferability, forfeiture or repurchase provisions and method of payment for the Shares issued upon exercise, vesting or settlement of such Award (including the actual or constructive surrender of Shares already owned by the Grantee) or payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Grantee or other subsequent transfers by the Grantee of any Shares issued under an Award, including without limitation (i) restrictions under an insider trading policy or pursuant to applicable law, (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by the Grantee and holders of other Company equity compensation arrangements, (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers, and (iv) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.

10. Adjustments Upon Changes in Capitalization. Subject to any required action by the stockholders of the Company and Section 11 hereof, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, the numerical limits set forth in Section 6(g), as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, (iii) any other transaction with respect to Common Stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration" or (iv) any distribution of cash or other assets to stockholders other than a normal cash dividend (collectively "adjustments"). Any such adjustments to outstanding Awards will be effected in a manner that precludes the enlargement of rights and benefits under such Awards and shall be designed to comply with Sections 409A and 424 of the Code (to the extent applicable). In connection with the foregoing adjustments, the Administrator may, in its discretion, prohibit the exercise of Awards or other issuance of Shares, cash or other consideration pursuant to Awards during certain periods of time. Such adjustments shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

11. Corporate Transactions and Changes in Control.

(a) Termination of Award to Extent Not Assumed in Corporate Transaction Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are Assumed in connection with the Corporate Transaction.

(b) Acceleration of Award Upon Corporate Transaction or Change in Control

(i) Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction, for the portion of each Award that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares (or other consideration) at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Grantee's Continuous Service has not terminated prior to such date.

(ii) Change in Control. Except as provided otherwise in an individual Award Agreement, in the event of a Change in Control (other than a Change in Control which also is a Corporate Transaction), each Award which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value), immediately prior to the specified effective date of such Change in Control, for all of the Shares (or other consideration) at the time represented by such Award, provided that the Grantee's Continuous Service has not terminated prior to such date.]

(c) Effect of Acceleration on Incentive Stock Options. Any Incentive Stock Option accelerated under this Section 11 in connection with a Corporate Transaction or Change in Control shall remain exercisable as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded.

12. Effective Date and Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated. Subject to Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

13. Amendment, Suspension or Termination of the Plan

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by Applicable Laws.

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 12, above) shall adversely affect any rights under Awards already granted to a Grantee.

14. Limitation of Liability. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or a Related Entity to terminate the Grantee's Continuous Service at any time, with or without cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been terminated for Cause for the purposes of this Plan.

16. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan," "Pension Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

17. Effect of Section 162(m) of the Code. Section 162(m) of the Code will not apply to the Plan and the numerical limits set forth in Section 6(g) of the Plan shall not be applicable until the expiration of the transition period set forth in Treasury Regulation Section 1.162-27(f), in the form existing on the effective date of the Plan. Following the Registration Date, the Plan and all Awards issued thereunder are intended to be exempt from the application of Section 162(m) of the Code, which restricts under certain circumstances the Federal income tax deduction for compensation paid by a public company to named executives in excess of $1 million per year. The exemption is based on Treasury Regulation Section 1.162-27(f), in the form existing on the effective date of the Plan, with the understanding that such regulation generally exempts from the application of Section 162(m) of the Code compensation paid pursuant to a plan that existed before a company becomes publicly held. Under such Treasury Regulation, this exemption is available to the Plan for the duration of the period that lasts until the earliest of: (i) the expiration of the Plan; (ii) the material modification of the Plan; (iii) the exhaustion of the maximum number of shares of Common Stock available for Awards under the Plan, as set forth in Section 3(a); (iv) the first meeting of stockholders at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the Company first becomes subject to the reporting obligations of Section 12 of the Exchange Act; or (v) such other date required by Section 162(m) of the Code and the rules and regulations promulgated thereunder. To the extent that the Administrator determines as of the date of grant of an Award that (i) the Award is intended to qualify as Performance-Based

Compensation and (ii) the exemption described above is no longer available with respect to such Award, such Award shall not be effective until any stockholder approval required under Section 162(m) of the Code has been obtained. Notwithstanding anything herein to the contrary, the Administrator may, in its sole discretion, grant Awards at any time, including after the expiration of the transition period set forth in Treasury Regulation Section 1.162-27(f), that are not intended to qualify as Performance-Based Compensation.

18. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

19. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

20. Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board, the submission of the Plan to the stockholders of the Company for approval, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

21. Governing Law. This Plan and any agreements or other documents hereunder shall be interpreted and construed in accordance with the laws of Delaware to the extent not preempted by federal law. Any reference in this Plan or in the agreement or other document evidencing any Awards to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

Exhibit 10.6

[EMPLOYEE FORM OF OPTION AGREEMENT]

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK INCENTIVE PLAN

NOTICE OF STOCK OPTION AWARD

Grantee's Name and Address: _____

_____

_____

You (the "Grantee") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "Notice"), the Restoration Hardware Holdings, Inc. 2012 Stock Incentive Plan, as amended from time to time (the "Plan") and the Stock Option Award Agreement (the "Option Agreement") attached hereto, as follows. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice.

Award Number	_____
Date of Award	_____
Exercise Price per Share	$ _____
Total Number of Shares Subject to the Option (the "Shares")	_____
Total Exercise Price	$ _____
Type of Option:	_____ Incentive Stock Option
	_____ Non-Qualified Stock Option
Expiration Date:	_____

Vesting Schedule:

Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Plan and the Option Agreement, the Option may be exercised, in whole or in part, in accordance with the following schedule:

The Option shall be fully vested upon the Date of Award.

Selling Restrictions:

Notwithstanding anything herein to the contrary, neither the Grantee nor a transferee (either referred to herein as the "Holder") may transfer the Shares issued upon exercise of the Option (except by will or by the laws of descent and distribution) until twenty (20) years following the Registration Date (the "Selling Restrictions"). However, subject to the Grantee's Continuous Service, the Selling Restrictions shall lapse with respect to the number of Shares set forth in the table below on the corresponding date:

Number of Shares	**Lapse Date**
[—] Shares	
[—] Shares	

[—] Shares

[—] Shares

Repurchase Right

1. In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause pursuant to clause (iv) or (v) of the definition of Cause, the Company shall have the right, for a period of ninety (90) days commencing on the date of such termination, to elect to purchase from such Grantee any Shares that remain subject to the Selling Restrictions as of the date of such termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price payable by the Company under this Section 1 may be paid in lump sum in cash on the repurchase date or, in the Administrator's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date, a term of up to ten years from the date of repurchase and such other terms and conditions as determined by the Administrator (including restrictions on assignment and transferability). In the event the Company elects to pay such purchase price with a note, the Grantee may elect to forgo such payment and convey the Shares to the Company for no additional cash consideration. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 1, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

2. In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity without Cause [or by the Grantee for Good Reason], or is terminated on account of the Grantee's death or Disability, the Company shall have the right, for a period of ninety (90) days commencing on the date of such termination, to elect to purchase from the Grantee any Shares that remain subject to the Selling Restrictions as of the date of termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price payable by the Company under this Section 2 shall be paid in lump sum in cash on the repurchase date. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 2, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

3. In the event the Grantee's Continuous Service is terminated by the Grantee [without Good Reason] [for any reason], the Company shall have the right, for a period of ninety (90) days commencing on the date of such termination, to elect to purchase from such Grantee any Shares that remain subject to the Selling Restrictions as of the date of such termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price

payable by the Company under this Section 3 may be paid in lump sum in cash on the repurchase date or, in the Administrator's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date. The term of any such promissory note shall be (1) up to ten years from the date of repurchase if such termination occurs prior to the first anniversary of the Registration Date, (2) up to eight years from the date of repurchase if such termination occurs after the first, but prior to the second anniversary of the Registration Date, (3) up to five years from the date of repurchase if such termination occurs after the second, but prior to the third anniversary of Registration Date and (4) up to one year from the date of repurchase if such termination occurs after the third anniversary of the Registration Date. The promissory note shall contain such other terms and conditions as determined by the Administrator (including restrictions on assignment and transferability). In the event the Company elects to pay such purchase price with a note, the Grantee may elect to forgo such payment and convey the Shares to the Company for no additional cash consideration. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 3, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

The Company's repurchase right described in each of Sections 1-3 is referred to herein as the "Repurchase Right".

Definitions

1. For purposes of the terms and conditions related to the Repurchase Right and the lapse of the Selling Restrictions described above and notwithstanding anything in the Plan to the contrary, "Fair Market Value" means, on the date of determination, the fair market value of the Common Stock, as determined in good faith by the Administrator, in its sole and absolute discretion (taking into account all of the terms applicable to the Option, including the Selling Restrictions).

2. "Cause" shall mean a finding by the Administrator, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that the Grantee (i) committed theft, dishonesty or falsification of any documents or records related to the Company or any of its Related Entities; (ii) improperly used or disclosed the Company's or any of its Related Entity's confidential or proprietary information; (iii) took any action which has a material detrimental effect on the reputation or business of the Company or any of its Related Entities; (iv) failed or was unable to perform any reasonable assigned duties, provided, however, that if such failure or inability is reasonably capable of being cured, the Grantee is provided with a reasonable opportunity to cure such failure or inability; (v) materially breached any employment or service agreement between the Grantee and the Company or any of its Related Entities or applicable policy of the Company or any of its Related Entities, which breach is not cured pursuant to the terms of such agreement or policy; or (vi) was convicted (including any plea of guilty or nolo contendere) of any criminal act that, in the determination of the Board, impairs the Grantee's ability to perform his or her duties with the Company or any of its Related Entities.

3. ["Good Reason" shall have the meaning ascribed to such term in the written employment or advisory agreement entered into by and between the Grantee and the Company effective as of [INSERT DATE]; provided, however, that no subsequent amendments to such agreement that

affect the definition of Good Reason will be taken into account for purposes of this Option unless explicitly provided for in the governing documents for such amendment.]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Option is to be governed by the terms and conditions of this Notice, the Plan, and the Option Agreement.

Restoration Hardware Holdings, Inc.,
a Delaware corporation

By: _____

Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE OPTION AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

The Grantee acknowledges receipt of a copy of the Plan and the Option Agreement, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Plan, and the Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice, and fully understands all provisions of this Notice, the Plan and the Option Agreement. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Option Agreement shall be resolved by the Administrator in accordance with Section 15 of the Option Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 16 of the Option Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: _____ Signed: _____
Grantee

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

1. Grant of Option. Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), hereby grants to the Grantee (the "Grantee") named in the Notice of Stock Option Award (the "Notice"), an option (the "Option") to purchase the Total Number of Shares of Common Stock subject to the Option (the "Shares") set forth in the Notice, at the Exercise Price per Share set forth in the Notice (the "Exercise Price") subject to the terms and provisions of the Notice, this Stock Option Award Agreement (the "Option Agreement") and the Company's 2012 Stock Incentive Plan, as amended from time to time (the "Plan"), which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

If designated in the Notice as an Incentive Stock Option, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. However, notwithstanding such designation, the Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to options designated as Incentive Stock Options which become exercisable for the first time by the Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the shares subject to such options shall be determined as of the grant date of the relevant option.

2. Exercise of Option.

(a) Right to Exercise. The Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan and this Option Agreement. The Option shall be subject to the provisions of Section 13 of the Plan relating to the exercisability or termination of the Option in the event of a Corporate Transaction or Change in Control. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A) or by such other procedure as specified from time to time by the Administrator which shall state the election to exercise the Option, the whole number of Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator to the Company accompanied by payment of the Exercise Price and all applicable income and employment taxes required to be withheld. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price and all applicable withholding taxes, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance

procedure to pay the Exercise Price provided in Section 3(d) below to the extent such procedure is available to the Grantee at the time of exercise and such an exercise would not violate any Applicable Law.

(c) Taxes. No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax and employment tax withholding obligations, including, without limitation, such other tax obligations of the Grantee incident to the receipt of Shares. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount sufficient to satisfy such tax withholding obligations. Furthermore, in the event of any determination that the Company has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Option, the Grantee agrees to pay the Company the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company to do so, whether or not the Grantee is an employee of the Company at that time.

(d) Section 16(b). Notwithstanding any provision of this Option Agreement to the contrary, other than termination of the Grantee's Continuous Service for Cause, if a sale within the applicable time periods set forth in Sections 5, 6 or 7 herein of Shares acquired upon the exercise of the Option would subject the Grantee to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such Shares by the Grantee would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Grantee's termination of Continuous Service, or (iii) the date on which the Option expires.

3. Method of Payment. Payment of the Exercise Price shall be made by any of the following, or a combination thereof, at the election of the Grantee; provided, however, that such exercise method does not then violate any Applicable Law and, provided further, that the portion of the Exercise Price equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(a) cash;

(b) check;

(c) surrender of Shares held for the requisite period, if any, necessary to avoid a charge to the Company's earnings for financial reporting purposes, or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised;

(d) if permitted by the Administrator and only with respect to that portion of the Option no longer subject to Selling Restrictions, payment through a "net exercise" such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such

date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or]

(e) if permitted by the Administrator and only with respect to that portion of the Option no longer subject to Selling Restrictions, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (i) shall provide written instructions to a Company-designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (ii) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction.]

4. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. If the exercise of the Option within the applicable time periods set forth in Section 5, 6 and 7 of this Option Agreement is prevented by the provisions of this Section 4, the Option shall remain exercisable until one (1) month after the date the Grantee is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date set forth in the Notice.

5. Termination or Change of Continuous Service.

(a) In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Option shall remain in effect and the Option shall continue to vest in accordance with the Vesting Schedule set forth in the Notice; provided, however, that with respect to any Incentive Stock Option that shall remain in effect after a change in status from Employee to Director or Consultant, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following such change in status.

(b) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause (other than pursuant to clause (iv) or (v) of the definition of Cause), the Grantee's right to exercise the Option shall terminate on the date of the Grantee's termination (the "Termination Date").

(c) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause pursuant to clause (iv) or (v) of the definition of Cause or terminated by the Grantee [without Good Reason] [for any reason], the Grantee may, but only within one hundred twenty (120) days commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date.

(d) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity without Cause [or terminated by the Grantee for Good Reason], the Grantee may, but only within one hundred eighty (180) days commencing on the Termination

Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date.

(e) The post-termination exercise periods described in this Section 5 shall commence on the Termination Date.In no event shall the Option be exercised later than the Expiration Date set forth in the Notice.

(f) If the Grantee does not exercise the Option within the applicable post-termination exercise period, the Option shall terminate.

6. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within one hundred eighty (180) days commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date. If the Grantee does not exercise the Option within the time specified herein, the Option shall terminate.

7. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, the person who acquired the right to exercise the Option pursuant to Section 8 may exercise the portion of the Option that was vested at the date of termination within one hundred eighty (180) days commencing on the date of death (but in no event later than the Expiration Date). If the Option is not exercised within the time specified herein, the Option shall terminate.

8. Transferability of Option. The Option, if an Incentive Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The Option, if a Non-Qualified Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that a Non-Qualified Stock Option may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Incentive Stock Option or Non-Qualified Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 7, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

9. Additional Terms Related to Selling Restrictions.

(a) Transfer upon Death. Notwithstanding the Selling Restrictions set forth in the Notice, the Shares may be transferred by will or by the laws of descent and distribution, provided, that the Selling Restrictions shall continue to apply to and be binding upon the executors, administrators, heirs, successors and transferees of the Holder.

(b) Legends. The Grantee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon

any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THAT CERTAIN OPTION AGREEMENT BETWEEN THE COMPANY AND THE NAMED STOCKHOLDER. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH SUCH AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(c) Stop Transfer Notices. In order to ensure compliance with the Selling Restrictions, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(d) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Option Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(e) Additional Shares or Substituted Securities. In the event of any transaction described in Sections 10 or 11 of the Plan, any new, substituted or additional securities or other property which is by reason of any such transaction distributed with respect to the Shares shall be immediately subject to the Selling Restrictions, but only to the extent the Shares are at the time covered by such Selling Restrictions.

(f) Escrow of Stock. For purposes of facilitating the enforcement of the provisions of the Selling Restrictions, the Grantee agrees, immediately upon receipt of the certificate(s) for the Shares, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached hereto as Exhibit B, executed in blank by the Grantee with respect to each such stock certificate, to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Shares are subject to the Selling Restrictions, with the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Option Agreement in accordance with the terms hereof. The Grantee hereby acknowledges that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to make this Option Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. The Grantee agrees that the Shares may be held electronically in a book entry system maintained by the Company's transfer agent or other third-party and that all the terms and conditions of this Section 9(g) applicable to certificated Shares will apply with the same force and effect to such electronic method for holding the Shares. The Grantee agrees that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Subject to the provisions of any security agreement relating

to Grantee's purchase of the Shares, upon the expiration of the Selling Restrictions, the escrow holder will transmit to the Grantee the certificate evidencing the Shares with respect to which the Selling Restrictions have lapsed.

10. Term of Option. The Option must be exercised no later than the Expiration Date set forth in the Notice or such earlier date as otherwise provided herein. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

11. Additional Terms Related to the Company's Repurchase Right.

(a) Assignment. Whenever the Company shall have the right to purchase Shares under this Repurchase Right, the Company may designate and assign one or more employees, officers, directors or shareholders of the Company or other persons or organizations, to exercise all or a part of the Company's Repurchase Right.

(b) Additional Shares or Substituted Securities. In the event of any transaction described in Sections 10 or 11 of the Plan, any new, substituted or additional securities or other property which is by reason of any such transaction distributed with respect to the Shares shall be immediately subject to the Repurchase Right, but only to the extent the Shares are at the time covered by such right.

12. Tax Consequences. The Grantee may incur tax liability as a result of the Grantee's purchase or disposition of the Shares. THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

13. Entire Agreement: Governing Law. The Notice, the Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan and this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan and this Option Agreement are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice, the Plan or this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

14. Construction. The captions used in the Notice and this Option Agreement are inserted for convenience and shall not be deemed a part of the Option for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

15. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

16. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees pursuant to Section 8 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Option Agreement shall be brought in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of San Francisco) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 16 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

17. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

END OF AGREEMENT

EXHIBIT A

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK INCENTIVE PLAN

EXERCISE NOTICE

Restoration Hardware Holdings, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Attention: Secretary

1. Exercise of Option. Effective as of today, , the undersigned (the "Grantee") hereby elects to exercise the Grantee's option to purchase shares of the Common Stock (the "Shares") of , Inc. (the "Company") under and pursuant to the Company's 2012 Stock Incentive Plan, as amended from time to time (the "Plan") and the [ ] Incentive [ ] Non-Qualified Stock Option Award Agreement (the "Option Agreement") and Notice of Stock Option Award (the "Notice") dated , . Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Exercise Notice.

2. Representations of the Grantee. The Grantee acknowledges that the Grantee has received, read and understood the Notice, the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

3. Rights as Stockholder. Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 11 of the Plan.

4. Delivery of Payment. The Grantee herewith delivers to the Company the full Exercise Price for the Shares, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(e) of the Option Agreement.

5. Tax Consultation. The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

6. Taxes. The Grantee agrees to satisfy all applicable foreign, federal, state and local income and employment tax withholding obligations and herewith delivers to the Company the full amount of such obligations or has made arrangements acceptable to the Company to satisfy such obligations. In the case of an Incentive Stock Option, the Grantee also agrees, as partial consideration for the designation of the Option as an Incentive Stock Option, to notify the

Company in writing within thirty (30) days of any disposition of any shares acquired by exercise of the Option if such disposition occurs within two (2) years from the Date of Award or within one (1) year from the date the Shares were transferred to the Grantee.

7. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this agreement shall inure to the benefit of the successors and assigns of the Company. This Exercise Notice shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

8. Construction. The captions used in this Exercise Notice are inserted for convenience and shall not be deemed a part of this agreement for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. The Grantee hereby agrees that any question or dispute regarding the administration or interpretation of this Exercise Notice shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Governing Law; Severability. This Exercise Notice is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of this Exercise Notice be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this agreement.

13. Entire Agreement. The Notice, the Plan and the Option Agreement are incorporated herein by reference and together with this Exercise Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Option Agreement and this Exercise Notice (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

Submitted by:

GRANTEE:

(Signature)

Address:

Accepted by:

RESTORATION HARDWARE HOLDINGS, INC.

By:

Title:

Address:

15 Koch Road, Suite J
Corte Madera, CA 94925

EXHIBIT B

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), standing in his name on the books of, represented by Certificate No. herewith, and does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the said stock in the books of the Company with full power of substitution.

DATED: _____

Exhibit 10.7

FORM OF TIME-VESTED STOCK OPTION AGREEMENT

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK INCENTIVE PLAN

NOTICE OF STOCK OPTION AWARD

Grantee's Name and Address: _____

_____

_____

You (the "Grantee") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "Notice"), the Restoration Hardware Holdings, Inc. 2012 Stock Incentive Plan, as amended from time to time (the "Plan") and the Stock Option Award Agreement (the "Option Agreement") attached hereto, as follows. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice.

Award Number	_____
Date of Award	_____
Vesting Commencement Date	_____
Exercise Price per Share	$ _____
Total Number of Shares Subject to the Option (the "Shares")	_____
Total Exercise Price	$ _____
Type of Option:	_____ Incentive Stock Option
	_____ Non-Qualified Stock Option
Expiration Date:	_____
Post-Termination Exercise Period:	**[Three (3) Months]**

Vesting Schedule:

Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Plan and the Option Agreement, the Option may be exercised, in whole or in part, in accordance with the following schedule:

[INSERT VESTING SCHEDULE]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Option is to be governed by the terms and conditions of this Notice, the Plan, and the Option Agreement.

Restoration Hardware Holdings, Inc.,
a Delaware corporation

By: _____

Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE OPTION AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

The Grantee acknowledges receipt of a copy of the Plan and the Option Agreement, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Plan, and the Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice, and fully understands all provisions of this Notice, the Plan and the Option Agreement. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Option Agreement shall be resolved by the Administrator in accordance with Section 13 of the Option Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 14 of the Option Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: _____ Signed: _____

Grantee

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

1. Grant of Option. Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), hereby grants to the Grantee (the "Grantee") named in the Notice of Stock Option Award (the "Notice"), an option (the "Option") to purchase the Total Number of Shares of Common Stock subject to the Option (the "Shares") set forth in the Notice, at the Exercise Price per Share set forth in the Notice (the "Exercise Price") subject to the terms and provisions of the Notice, this Stock Option Award Agreement (the "Option Agreement") and the Company's 2012 Stock Incentive Plan, as amended from time to time (the "Plan"), which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

If designated in the Notice as an Incentive Stock Option, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. However, notwithstanding such designation, the Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to options designated as Incentive Stock Options which become exercisable for the first time by the Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the shares subject to such options shall be determined as of the grant date of the relevant option.

2. Exercise of Option.

(a) Right to Exercise. The Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan and this Option Agreement. The Option shall be subject to the provisions of Section 11 of the Plan relating to the exercisability or termination of the Option in the event of a Corporate Transaction or Change in Control. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A) or by such other procedure as specified from time to time by the Administrator which shall state the election to exercise the Option, the whole number of Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator to the Company accompanied by payment of the Exercise Price and all applicable income and employment taxes required to be withheld. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price and all applicable withholding taxes, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance

procedure to pay the Exercise Price provided in Section 3(d) below to the extent such procedure is available to the Grantee at the time of exercise and such an exercise would not violate any Applicable Law.

(c) Taxes. No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax and employment tax withholding obligations, including, without limitation, such other tax obligations of the Grantee incident to the receipt of Shares. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount sufficient to satisfy such tax withholding obligations. Furthermore, in the event of any determination that the Company has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Option, the Grantee agrees to pay the Company the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company to do so, whether or not the Grantee is an employee of the Company at that time.

(d) Section 16(b). Notwithstanding any provision of this Option Agreement to the contrary, other than termination of the Grantee's Continuous Service for Cause, if a sale within the applicable time periods set forth in Sections 5, 6 or 7 herein of Shares acquired upon the exercise of the Option would subject the Grantee to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such Shares by the Grantee would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Grantee's termination of Continuous Service, or (iii) the date on which the Option expires.

3. Method of Payment. Payment of the Exercise Price shall be made by any of the following, or a combination thereof, at the election of the Grantee; provided, however, that such exercise method does not then violate any Applicable Law and, provided further, that the portion of the Exercise Price equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(a) cash;

(b) check;

(c) surrender of Shares held for the requisite period, if any, necessary to avoid a charge to the Company's earnings for financial reporting purposes, or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised;

(d) payment through a "net exercise" such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair

Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or

(e) payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (i) shall provide written instructions to a Company-designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (ii) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction.

4. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. If the exercise of the Option within the applicable time periods set forth in Section 5, 6 and 7 of this Option Agreement is prevented by the provisions of this Section 4, the Option shall remain exercisable until one (1) month after the date the Grantee is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date set forth in the Notice.

5. Termination or Change of Continuous Service. In the event the Grantee's Continuous Service terminates, the Grantee may, but only during the Post-Termination Exercise Period, exercise the portion of the Option that was vested at the date of such termination (the "Termination Date"). The Post-Termination Exercise Period shall commence on the Termination Date. In no event, however, shall the Option be exercised later than the Expiration Date set forth in the Notice. In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Option shall remain in effect and the Option shall continue to vest in accordance with the Vesting Schedule set forth in the Notice; provided, however, that with respect to any Incentive Stock Option that shall remain in effect after a change in status from Employee to Director or Consultant, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following such change in status. Except as provided in Sections 6 and 7 below, to the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the Post-Termination Exercise Period, the Option shall terminate.

6. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within twelve (12) months commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date; provided, however, that if such Disability is not a "disability" as such term is defined in Section 22(e)(3) of the Code and the Option is an Incentive Stock Option, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the Termination Date. To the extent that the Option was unvested on the Termination Date, or if the Grantee does not exercise the vested portion of the Option within the time specified herein, the Option shall terminate. Section 22(e)(3) of the Code provides that an individual is permanently and totally disabled if he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or

mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

7. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, or in the event of the Grantee's death during the Post-Termination Exercise Period or during the twelve (12) month period following the Grantee's termination of Continuous Service as a result of his or her Disability, the person who acquired the right to exercise the Option pursuant to Section 8 may exercise the portion of the Option that was vested at the date of termination within twelve (12) months commencing on the date of death (but in no event later than the Expiration Date). To the extent that the Option was unvested on the date of death, or if the vested portion of the Option is not exercised within the time specified herein, the Option shall terminate.

8. Transferability of Option. The Option, if an Incentive Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The Option, if a Non-Qualified Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that a Non-Qualified Stock Option may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Incentive Stock Option or Non-Qualified Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 7, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

9. Term of Option. The Option must be exercised no later than the Expiration Date set forth in the Notice or such earlier date as otherwise provided herein. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

10. Tax Consequences. The Grantee may incur tax liability as a result of the Grantee's purchase or disposition of the Shares. THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

11. Entire Agreement: Governing Law. The Notice, the Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan and this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan and this Option Agreement are to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that

would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of the Notice, the Plan or this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

12. Construction. The captions used in the Notice and this Option Agreement are inserted for convenience and shall not be deemed a part of the Option for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

13. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

14. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees pursuant to Section 8 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Option Agreement shall be brought in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of San Francisco) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 14 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

END OF AGREEMENT

EXHIBIT A

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK INCENTIVE PLAN

EXERCISE NOTICE

Restoration Hardware Holdings, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Attention: Secretary

1. Exercise of Option. Effective as of today, , the undersigned (the "Grantee") hereby elects to exercise the Grantee's option to purchase shares of the Common Stock (the "Shares") of , Inc. (the "Company") under and pursuant to the Company's 2012 Stock Incentive Plan, as amended from time to time (the "Plan") and the [ ] Incentive [ ] Non-Qualified Stock Option Award Agreement (the "Option Agreement") and Notice of Stock Option Award (the "Notice") dated , . Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Exercise Notice.

2. Representations of the Grantee. The Grantee acknowledges that the Grantee has received, read and understood the Notice, the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

3. Rights as Stockholder. Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 of the Plan.

4. Delivery of Payment. The Grantee herewith delivers to the Company the full Exercise Price for the Shares, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(e) of the Option Agreement.

5. Tax Consultation. The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

6. Taxes. The Grantee agrees to satisfy all applicable foreign, federal, state and local income and employment tax withholding obligations and herewith delivers to the Company the full amount of such obligations or has made arrangements acceptable to the Company to satisfy such obligations. In the case of an Incentive Stock Option, the Grantee also agrees, as partial consideration for the designation of the Option as an Incentive Stock Option, to notify the

Company in writing within thirty (30) days of any disposition of any shares acquired by exercise of the Option if such disposition occurs within two (2) years from the Date of Award or within one (1) year from the date the Shares were transferred to the Grantee.

7. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this agreement shall inure to the benefit of the successors and assigns of the Company. This Exercise Notice shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

8. Construction. The captions used in this Exercise Notice are inserted for convenience and shall not be deemed a part of this agreement for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. The Grantee hereby agrees that any question or dispute regarding the administration or interpretation of this Exercise Notice shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Governing Law; Severability. This Exercise Notice is to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of this Exercise Notice be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this agreement.

13. Entire Agreement. The Notice, the Plan and the Option Agreement are incorporated herein by reference and together with this Exercise Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Option Agreement and this Exercise Notice (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

Submitted by:

GRANTEE:

_____

(Signature)

Address:

_____

_____

Accepted by:

RESTORATION HARDWARE HOLDINGS, INC.

By: _____

Title: _____

Address:

15 Koch Road, Suite J
Corte Madera, CA 94925

Exhibit 10.8

[FORM OF RESTRICTED STOCK AGREEMENT]

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK AWARD

Grantee's Name and Address: _____

_____

_____

You (the "Grantee") have been granted shares of Common Stock of the Company (the "Award"), subject to the terms and conditions of this Notice of Restricted Stock Award (the "Notice"), the Restoration Hardware Holdings, Inc. 2012 Stock Incentive Plan (the "Plan"), as amended from time to time, and the Restricted Stock Award Agreement (the "Agreement") attached hereto, as follows. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice.

Award Number _____

Date of Award _____

Vesting Commencement Date _____

Total Number of Shares of Common Stock Awarded (the "Shares") _____

Vesting Schedule:

Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Plan and the Agreement, the Shares will "vest" in accordance with the following schedule:

[100% of the Shares shall vest on January 31, 2013. However, [all] [%] of the Shares shall be subject to the Selling Restrictions and the Repurchase Right set forth in Sections 2 and 6 of the Agreement, respectively, until the first anniversary of the Date of Award.]

[During any authorized leave of absence, the vesting of the Shares as provided in this schedule shall be suspended [after the leave of absence exceeds a period of [three (3)] months]. Vesting of the Shares shall resume upon the Grantee's termination of the leave of absence and return to service to the Company or a Related Entity. The Vesting Schedule of the Shares shall be extended by the length of the suspension.]

[In the event the Grantee's Continuous Service terminates due to death or Disability, one hundred percent (100%) of the total number of Shares awarded will accelerate and vest immediately prior to such termination of Continuous Service.]

In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Shares shall continue to vest in accordance with the Vesting Schedule set forth above.

For purposes of this Notice and the Agreement, the term "vest" shall mean, with respect to any Shares, that such Shares are no longer subject to forfeiture to the Company; provided, however, that such Shares may still be subject to the Selling Restrictions and the Repurchase Right. Shares that have not vested and/or otherwise remain subject to the Selling Restrictions and the Repurchase Right are deemed "Restricted Shares."

Except as set forth above, vesting shall cease upon the date of termination of the Grantee's Continuous Service for any reason,**[excluding] [including]** death or Disability. In the event the Grantee's Continuous Service is terminated for any reason, **[excluding] [including]** death or Disability, any Restricted Shares held by the Grantee immediately following such termination of Continuous Service shall be deemed reconveyed to the Company and the Company shall thereafter be the legal and beneficial owner of the Restricted Shares and shall have all rights and interest in or related thereto without further action by the Grantee. The foregoing forfeiture provisions set forth in this Notice as to Restricted Shares shall apply to the new capital stock or other property (including cash paid other than as a regular cash dividend) received in exchange for the Shares in consummation of any transaction described in Section 11 of the Plan and such stock or property shall be deemed Additional Securities (as defined in the Agreement) for purposes of the Agreement, but only to the extent the Shares are at the time covered by such forfeiture provisions.

The Award shall be subject to the provisions of Section 11 of the Plan in the event of a Corporate Transaction or Change in Control.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Award is to be governed by the terms and conditions of this Notice, the Plan and the Agreement.

Restoration Hardware Holdings, Inc.,
a Delaware corporation

By: _____

Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS AWARD OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE AGREEMENT NOR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

The Grantee further acknowledges that, from time to time, the Company may be in a "blackout period" and/or subject to applicable federal securities laws that could subject the Grantee to liability for engaging in any transaction involving the sale of the Company's Shares. The Grantee further acknowledges and agrees that, prior to the sale of any Shares acquired under this Award, it is the Grantee's responsibility to determine whether or not such sale of Shares will subject the Grantee to liability under insider trading rules or other applicable federal securities laws.

The Grantee acknowledges receipt of a copy of the Plan and the Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Agreement shall be resolved by the Administrator in accordance with Section 11 of the Agreement. The Grantee further agrees to the venue selection in accordance with Section 12 of the Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: _____ Signed: _____

Award Number: _____

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK INCENTIVE PLAN

RESTRICTED STOCK AWARD AGREEMENT

1. Issuance of Shares. Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), hereby issues to the Grantee (the "Grantee") named in the Notice of Restricted Stock Award (the "Notice"), the Total Number of Shares of Common Stock Awarded set forth in the Notice (the "Shares"), subject to the Notice, this Restricted Stock Award Agreement (the "Agreement") and the terms and provisions of the Company's 2012 Stock Incentive Plan (the "Plan"), as amended from time to time, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Agreement. All Shares issued hereunder will be deemed issued to the Grantee as fully paid and nonassessable shares, and the Grantee will have the right to vote the Shares at meetings of the Company's stockholders. The Company shall pay any applicable stock transfer taxes imposed upon the issuance of the Shares to the Grantee hereunder.

2. Selling Restrictions. Notwithstanding anything herein to the contrary, neither the Grantee nor a transferee (either referred to herein as the "Holder") may transfer the Shares (except by will or by the laws of descent and distribution) until the first anniversary of the Date of Award (the "Selling Restrictions"). Any attempt to transfer Restricted Shares in violation of this Section 2 will be null and void and will be disregarded.

3. Escrow of Stock. For purposes of facilitating the enforcement of the provisions of this Agreement, the Grantee agrees, immediately upon receipt of the certificate(s) for the Restricted Shares, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached hereto as Exhibit A, executed in blank by the Grantee with respect to each such stock certificate, to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Restricted Shares have not vested pursuant to the Vesting Schedule set forth in the Notice and are subject to the Selling Restrictions and the Repurchase Right, with the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Agreement in accordance with the terms hereof. The Grantee hereby acknowledges that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to make this Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. The Grantee agrees that the Restricted Shares may be held electronically in a book entry system maintained by the Company's transfer agent or other third party and that all the terms and conditions of this Section 3 applicable to certificated Restricted Shares will apply with the same force and effect to such electronic method for holding the Restricted Shares. The Grantee agrees that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Upon the vesting of Restricted Shares and/or release of such Shares from the Selling Restrictions, the escrow holder will,

without further order or instruction, transmit to the Grantee the certificate evidencing such Shares; *provided*, *however*, that no transmittal of certificates evidencing the Shares will occur unless and until the Grantee has satisfied all Tax Withholding Obligations (as defined in Section 5(c) below).

4. Additional Securities and Distributions.

(a) Any securities or cash received (other than a regular cash dividend) as the result of ownership of the Restricted Shares (the "Additional Securities"), including, but not by way of limitation, warrants, options and securities received as a stock dividend or stock split, or as a result of a recapitalization or reorganization or other similar change in the Company's capital structure, shall be retained in escrow in the same manner and subject to the same conditions and restrictions as the Restricted Shares with respect to which they were issued, including, without limitation, the Vesting Schedule set forth in the Notice and the Selling Restrictions and Repurchase Right set forth in the Agreement. The Grantee shall be entitled to direct the Company to exercise any warrant or option received as Additional Securities upon supplying the funds necessary to do so, in which event the securities so purchased shall constitute Additional Securities, but the Grantee may not direct the Company to sell any such warrant or option. If Additional Securities consist of a convertible security, the Grantee may exercise any conversion right, and any securities so acquired shall constitute Additional Securities. In the event of any change in certificates evidencing the Shares or the Additional Securities by reason of any recapitalization, reorganization or other transaction that results in the creation of Additional Securities, the escrow holder is authorized to deliver to the issuer the certificates evidencing the Shares or the Additional Securities in exchange for the certificates of the replacement securities.

(b) The Company shall disburse to the Grantee all regular cash dividends with respect to the Shares and Additional Securities (whether vested or not), less any applicable withholding obligations.

5. Taxes.

(a) Tax Liability. The Grantee is ultimately liable and responsible for all taxes owed by the Grantee in connection with the Award, regardless of any action the Company or any Related Entity takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Related Entity makes any representation or undertaking regarding the treatment of any tax withholding in connection with the grant or vesting of the Award or the subsequent sale of Shares subject to the Award. The Company and its Related Entities do not commit and are under no obligation to structure the Award to reduce or eliminate the Grantee's tax liability.

(b) Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting) that the Company determines may result in any tax withholding obligation, whether United States federal, state, local or non-U.S., including any employment tax obligation (the "Tax Withholding Obligation"), the Grantee must arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation in a manner acceptable to the Company.

(i) *By Share Withholding.* The Grantee authorizes the Company to, upon the exercise of its sole discretion, withhold from those Shares issuable to the Grantee the whole number of Shares sufficient to satisfy the minimum applicable Tax Withholding Obligation. The Grantee acknowledges that the withheld Shares may not be sufficient to satisfy the Grantee's minimum Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the withholding of Shares described above.

(ii) *By Sale of Shares.* Unless the Grantee determines to satisfy the Tax Withholding Obligation by some other means in accordance with clause (iii) below, the Grantee's acceptance of this Award constitutes the Grantee's instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to sell on the Grantee's behalf a whole number of Shares from those Shares issuable to the Grantee as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the minimum applicable Tax Withholding Obligation. Such Shares will be sold on the day such Tax Withholding Obligation arises (e.g., a vesting date) or as soon thereafter as practicable. The Grantee will be responsible for all broker's fees and other costs of sale, and the Grantee agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed the Grantee's minimum Tax Withholding Obligation, the Company agrees to pay such excess in cash to the Grantee. The Grantee acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the Grantee's minimum Tax Withholding Obligation. Accordingly, the Grantee agrees to pay to the Company or any Related Entity as soon as practicable, including through additional payroll withholding, any amount of the Tax Withholding Obligation that is not satisfied by the sale of Shares described above.

(iii) *By Check, Wire Transfer or Other Means*. At any time not less than five (5) business days (or such fewer number of business days as determined by the Administrator) before any Tax Withholding Obligation arises (e.g., a vesting date), the Grantee may elect to satisfy the Grantee's Tax Withholding Obligation by delivering to the Company an amount that the Company determines is sufficient to satisfy the Tax Withholding Obligation by (x) wire transfer to such account as the Company may direct, (y) delivery of a certified check payable to the Company, or (z) such other means as specified from time to time by the Administrator.

Notwithstanding the foregoing, the Company also may satisfy any Tax Withholding Obligation by offsetting any amounts (including, but not limited to, salary, bonus and severance payments) due to the Grantee by the Company.

6. Repurchase Right. The Company's repurchase right described in each of subsections (a)-(c) of this Section 6 is referred to herein as the "Repurchase Right".

(a) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity (i) for Cause (other than pursuant to clause (iv) or (v) of the definition of Cause), any Shares that have vested in accordance with the Vesting Schedule but

remain subject to the Selling Restrictions shall be deemed reconveyed to the Company for no cash or other consideration and the Company shall thereafter be the legal and beneficial owner of such Shares and shall have all rights and interest in or related thereto without further action by the Grantee and (ii) for Cause (pursuant to any clause of the definition of Cause), any Shares that remain unvested in accordance with the Vesting Schedule shall be deemed reconveyed to the Company for no cash or other consideration.

(b) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause pursuant to clause (iv) or (v) of the definition of Cause, the Company shall have the right, for a period of ninety (90) days commencing on the latest of (i) the date of such termination or (ii) the date that is six months following the Registration Date to purchase from the Grantee any Shares that have vested in accordance with the Vesting Schedule but remain subject to the Selling Restrictions as of the date of such termination for their Fair Market Value as of the repurchase date. The purchase price payable by the Company under this Section 6(b) may be paid in lump sum in cash on the date of exercise of the repurchase right or, in the Administrator's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date, a term of up to ten years from the date of repurchase and such other terms and conditions as determined by the Administrator (including restrictions on assignment and transferability). In the event the Company elects to pay such purchase price with a note, the Grantee may elect to forgo such payment and convey the Shares to the Company for no additional cash consideration. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 6(b), the Selling Restrictions then applicable to any Shares that have vested in accordance with the Vesting Schedule and with respect to which the repurchase right has lapsed shall continue to lapse in accordance with the terms set forth in Section 2 of the Agreement other than the requirement of Continuous Service.

(c) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity without Cause, or is terminated on account of the Grantee's death or Disability, (i) any Shares that remain unvested in accordance with the Vesting Schedule shall cease to vest and shall be deemed reconveyed to the Company for no cash or other consideration, and (ii) the Company shall have the right, for a period of ninety (90) days commencing on the latest of (A) the date of such termination or (B) the date that is six months following the Registration Date to purchase from the Grantee any Shares that have vested in accordance with the Vesting Schedule but remain subject to the Selling Restrictions as of the date of such termination for their Fair Market Value as of the repurchase date. The purchase price payable by the Company under this Section 6(c) shall be paid in lump sum in cash on the date of exercise of the repurchase right. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 6(c), the Selling Restrictions then applicable to any Shares that have vested in accordance with the Vesting Schedule and with respect to which the repurchase right has lapsed shall continue to lapse in accordance with the terms set forth in Section 2 of the Agreement other than the requirement of Continuous Service.

(d) In the event the Grantee's Continuous Service is terminated by the Grantee for any reason, (i) any Shares that remain unvested in accordance with the Vesting Schedule shall cease to vest and shall be deemed reconveyed to the Company for no cash or other consideration, and (ii) the Company shall have the right, for a period of ninety (90) days

commencing on the latest of (A) the date of such termination or (B) the date that is six months following the Registration Date to purchase from the Grantee any Shares that have vested in accordance with the Vesting Schedule but remain subject to the Selling Restrictions as of the date of such termination for their Fair Market Value as of the repurchase date. The purchase price payable by the Company under this Section 6(d) may be paid in lump sum in cash on the date of exercise of the repurchase right or, in the Administrator's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date. The term of any such promissory note shall be (1) up to ten years from the date of repurchase if such termination occurs prior to the first anniversary of the Registration Date, (2) up to eight years from the date of repurchase if such termination occurs after the first, but prior to the second anniversary of the Registration Date, (3) up to five years from the date of repurchase if such termination occurs after the second, but prior to the third anniversary of the Registration Date and (4) up to one year from the date of repurchase if such termination occurs after the third anniversary of the Registration Date. The promissory note shall contain such other terms and conditions as determined by the Administrator (including restrictions on assignment and transferability). In the event the Company elects to pay such purchase price with a note, the Grantee may elect to forgo such payment and convey the Shares to the Company for no additional cash consideration. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 6(d), the Selling Restrictions then applicable to any Shares that have vested in accordance with the Vesting Schedule and with respect to which the repurchase right has lapsed shall continue to lapse in accordance with the terms set forth in Section 2 of the Agreement other than the requirement of Continuous Service.

(e) For purposes of this Agreement:

(i) "Fair Market Value" means, on the date of determination, the fair market value of the Common Stock, as determined in good faith by the Administrator, in its sole and absolute discretion (taking into account all of the terms applicable to the Award, including the Selling Restrictions).

(ii) "Cause" shall mean a finding by the Administrator, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that the Grantee (i) committed theft, dishonesty or falsification of any documents or records related to the Company or any of its Related Entities; (ii) improperly used or disclosed the Company's or any of its Related Entity's confidential or proprietary information; (iii) took any action which has a material detrimental effect on the reputation or business of the Company or any of its Related Entities; (iv) failed or was unable to perform any reasonable assigned duties, provided, however, that if such failure or inability is reasonably capable of being cured, the Grantee is provided with a reasonable opportunity to cure such failure or inability; (v) materially breached any employment or service agreement between the Grantee and the Company or any of its Related Entities or applicable policy of the Company or any of its Related Entities, which breach is not cured pursuant to the terms of such agreement or policy; or (vi) was convicted (including any plea of guilty or nolo contendere) of any criminal act that, in the determination of the Board, impairs the Grantee's ability to perform his or her duties with the Company or any of its Related Entities.

7. Stop-Transfer Notices. In order to ensure compliance with the restrictions on transfer set forth in this Agreement, the Notice or the Plan, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records. The Company may issue a "stop transfer" instruction if the Grantee fails to satisfy any Tax Withholding Obligations.

8. Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

9. Restrictive Legends. The Grantee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THAT CERTAIN RESTRICTED STOCK AWARD AGREEMENT BETWEEN THE COMPANY AND THE NAMED STOCKHOLDER. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH SUCH AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

10. Entire Agreement: Governing Law. The Notice, the Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. These agreements are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Construction. The captions used in the Notice and this Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

12. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Agreement shall be submitted by

the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

13. Venue and Waiver of Jury Trial. The parties agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Agreement shall be brought in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of San Francisco) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 12 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

14. Data Privacy. The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement by and among, as applicable, the Grantee's employer, the Company, and any Related Entity for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company or any Related Entity may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social security/insurance number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all awards or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The Grantee understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of the Award may be deposited. The Grantee understands that Data will be held pursuant to this Section 13 only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands that refusal or withdrawal of consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

15. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an

internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

16. Language. If the Grantee has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

18. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

END OF AGREEMENT

EXHIBIT A

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), standing in his name on the books of, the Company represented by Certificate No. herewith, and does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the said stock in the books of the Company with full power of substitution.

DATED: _____

_____

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

Exhibit 10.9

RESTORATION HARDWARE HOLDINGS, INC.
2012 EQUITY REPLACEMENT PLAN

SECTION 1. Purposes. The sole purpose of this Restoration Hardware Holdings, Inc. 2012 Equity Replacement Plan is to provide for the grant of Shares to individuals who were originally participants of the former Home Holdings, LLC Amended and Restated 2008 Team Resto Ownership Plan (the "TROP"). The Plan shall only be used in connection with stock grants to former participants in the TROP in exchange for profits interests granted under the TROP. All Replacement Awards granted under the Plan shall be subject to the terms of the Plan except to the extent the Plan is expressly modified by the terms of the applicable Award Agreement.

SECTION 2. Definitions. Whenever the following terms are used in this Plan, they shall have the meaning specified below unless the context clearly indicates to the contrary:

(a) "Affiliate" shall mean a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company.

(b) "Award Agreement" shall mean the written agreement or other instrument evidencing the grant of a Replacement Award, including any amendments thereto. An Award Agreement may be in the form of an agreement to be executed by both the Grantee and the Company (or an authorized representative of the Company) or certificates, notices or similar instruments.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Cause" shall mean, except as set forth in the terms of any Award Agreement or other written employment or advisory agreement between the Company and the applicable Participant, a finding by the Committee, with respect to the termination by the Company or an Affiliate of a Participant's Continuous Service, that the Participant (i) committed theft, dishonesty or falsification of any documents or records related to the Company or any of its Affiliates; (ii) improperly used or disclosed the Company's or any of its Affiliate's confidential or proprietary information; (iii) took any action which has a material detrimental effect on the reputation or business of the Company or any of its Affiliates; (iv) failed or was unable to perform any reasonable assigned duties, provided, however, that if such failure or inability is reasonably capable of being cured, the Participant is provided with a reasonable opportunity to cure such failure or inability; (v) materially breached any employment or service agreement between the Participant and the Company or any of its Affiliates or applicable policy of the Company or any of its Affiliates, which breach is not cured pursuant to the terms of such agreement or policy; or (vi) was convicted (including any plea of guilty or nolo contendere) of any criminal act that, in the determination of the Board, impairs the Participant's ability to perform his or her duties with the Company or any of its Affiliates.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

(f) “Committee” shall mean the Board or a committee comprised of any single director or more than one director designated by the Board to administer the Plan.

(g) “Common Stock” shall mean the common stock of the Company, par value $0.0001 per share.

(h) “Continuous Service” shall mean the Participant’s service with the Company or an Affiliate, whether as an employee, director or consultant, which is not interrupted or terminated. The Participant’s Continuous Service shall not be deemed to have been interrupted or terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an employee, consultant or director or a change in the entity for which the Participant renders such service. For example, a change in status from an employee of the Company to a consultant of an Affiliate or a director will not constitute an interruption or termination of Continuous Service. The Committee, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any approved leave of absence, whether paid or unpaid, including sick leave, military service or any other personal leave.

(i) “Disability” shall mean that a Participant is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company or its Affiliates; provided, however, that if Disability is defined differently in a Participant’s employment agreement (if any), such definition of Disability shall apply to that Participant for purposes of the Plan.

(j) “Fair Market Value” means, except in respect of calculations pursuant to Section 6(c) of this Plan, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on one or more established stock exchanges or national market systems, including without limitation the New York Stock Exchange, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Common Stock is listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(ii) If the Common Stock is regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such stock as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair

Market Value of a share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(iii) In the absence of an established market for the Common Stock of the type described in (i) and (ii) above, the Fair Market Value thereof shall be determined by the Committee in good faith.

Notwithstanding anything herein to the contrary, for all purposes under Section 6(c) of this Plan, "Fair Market Value" shall mean, as of any applicable date, the fair market value of the Common Stock, as determined in good faith by the Committee, in its sole and absolute discretion (taking into account all of the terms applicable to the Replacement Award, including the Selling Restrictions).

(k) "Good Reason" shall have the meaning ascribed to such term in any Award Agreement or other written employment or advisory services agreement between the Company and the applicable Participant.

(l) "Grant Date" shall mean the date on which Replacement Awards are granted to a Participant, which shall be set forth in the applicable Award Agreement.

(m) "Initial Public Offering" shall mean the first underwritten public offering and sale of common equity securities of the Company (or its successor) pursuant to an effective registration statement on Form S-1 (or any successor form) under the Securities Act (or any successor or comparable law).

(n) "Participant" shall mean any individual described in Section 5 who is selected by the Committee to receive a Replacement Award under the Plan.

(o) "Person" shall have the meaning given in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934.

(p) "Plan" shall mean this Restoration Hardware Holdings, Inc. 2012 Equity Replacement Plan, as may be amended from time to time.

(q) "Replacement Award" shall mean a grant of Shares issued to former participants in the TROP in exchange for profits interests granted under the TROP.

(r) "Selling Restrictions" shall mean the restrictions described in Section 6(b) of this Plan.

(s) "Share" shall mean a share of Common Stock.

SECTION 3. Administration.

(a) The Plan shall be administered by the Committee. Subject to the terms of the Plan and applicable law, and in addition to other express powers and authorizations conferred

on the Committee by the Plan, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the Replacement Awards to be granted to any Participant; (iii) determine the terms and conditions of any Replacement Awards; (iv) determine the value of any Replacement Award; (v) to approve forms of Award Agreements for use under the Plan; (vi) interpret, administer, reconcile any inconsistency, correct any default and/or supply any omission in the Plan, any Award Agreement, and any instrument or agreement relating to, or Replacement Award granted under, the Plan; (vii) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (viii) amend or modify outstanding Award Agreements; provided, however, that no such amendment shall affect adversely any right of a Participant with respect to Replacement Awards granted under the Plan without such Participant's consent; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan, whether or not expressly set forth herein.

(b) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Replacement Award shall be within the sole and absolute discretion of the Committee, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Affiliate, any Participant, and any holder or beneficiary of any Replacement Award.

(c) No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Replacement Award hereunder.

(d) In addition to such other rights of indemnification as they may have as members of the Board or as officers or employees of the Company, members of the Board and any officers or employees to whom authority to act for the Board is delegated by the Committee or the Company shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Replacement Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

SECTION 4. Shares Available Under the Plan.

(a) Shares Available. Subject to adjustment as set forth in Section 4(b), the aggregate number of Shares issuable pursuant to all Replacement Awards under this Plan is [—]. The Shares issued pursuant to Replacement Awards granted under this Plan may be Shares that are authorized and unissued or Shares that were reacquired by the Company, including Shares

purchased in the open market. Any Shares covered by a Replacement Award (or portion of a Replacement Award) which is forfeited, canceled or expires for any reason whatsoever shall be deemed to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under this Plan and shall not be available for issuance pursuant to additional awards under the Plan.

(b) Adjustments. Subject to any required action by the stockholders of the Company, the number of Shares covered by each outstanding Replacement Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Replacement Awards have yet been granted, as well as any other terms that the Committee determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, (iii) any other transaction with respect to Common Stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration" or (iv) any distribution of cash or other assets to stockholders other than a normal cash dividend (collectively "adjustments"). In connection with the foregoing adjustments, the Committee may, in its discretion, prohibit the issuance of Shares, cash or other consideration pursuant to Replacement Awards during certain periods of time. Such adjustments shall be made by the Committee and its determination shall be final, binding and conclusive. Except as the Committee determines, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number of Shares subject to a Replacement Award.

SECTION 5. Eligibility. Officers, key employees, directors and consultants of the Company or any of its Affiliates shall be eligible to be designated as Participants by the Committee. Advisors to the Company shall be treated as consultants for all purposes of this Plan with the approval of the Committee.

SECTION 6. Replacement Awards.

(a) Replacement Awards. The Committee shall have sole and complete authority to determine the Participants to whom Replacement Awards shall be granted and such Replacement Awards shall be granted effective as of the effective date of this Plan.

(b) Selling Restrictions. The Shares described as subject to Selling Restrictions in the applicable Award Agreement may not be transferred by any Participant until the earlier of (i) twenty (20) years following the effective date of the Initial Public Offering; or (ii) either (A) for certain Shares so designated in the applicable Award Agreement, the date(s) set forth in the applicable Award Agreement; or (B) for certain other Shares so designated in the applicable Award Agreement, the date on which the Fair Market Value of the Common Stock

reaches and remains for ten (10) consecutive trading days at a level set forth in the applicable Award Agreement (such price, the "Lapse Price").

(c) Termination of Continuous Service.

(i) In the event a Participant's Continuous Service is terminated by the Company or an Affiliate (A) for Cause (other than pursuant to clause (iv) or (v) of the definition of Cause or its equivalent specified in the applicable Award Agreement), any vested Shares granted to such Participant hereunder that remain subject to the Selling Restrictions shall be deemed reconveyed to the Company for no cash or other consideration and the Company shall thereafter be the legal and beneficial owner of such Shares and shall have all rights and interest in or related thereto without further action by any Participant and (B) for Cause (pursuant to any clause of the definition of Cause or its equivalent specified in the applicable Award Agreement), any unvested Shares granted to such Participant hereunder shall be deemed reconveyed to the Company for no cash or other consideration.

(ii) In the event a Participant's Continuous Service is terminated by the Company or an Affiliate for Cause pursuant to clause (iv) or (v) of the definition of Cause (or its equivalent specified in the applicable Award Agreement), the Company shall have the right, for a period of ninety (90) days commencing on the latest of (x) the date of such termination or (y) the date that is six months following the effective date of the Initial Public Offering to purchase from such Participant any Shares issued to such Participant hereunder that remain subject to the Selling Restrictions as of the date of such termination for their Fair Market Value as of the repurchase date. The purchase price payable by the Company under this Section 6(c)(ii) may be paid in lump sum in cash on the date of exercise of the repurchase right or, in the Committee's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date, a term of up to ten years from the date of repurchase and such other terms and conditions as determined by the Committee (including restrictions on assignment and transferability). In the event the Company elects to pay such purchase price with a note, the Participant may elect to forgo such payment and convey the Shares to the Company for no additional cash consideration. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 6(c)(ii), the Selling Restrictions then applicable to any vested Shares held by such Participant and with respect to which the repurchase right has lapsed shall continue to lapse in accordance with the existing terms of the applicable Replacement Award following the expiration of such ninety (90) day period.

(iii) In the event a Participant's Continuous Service is terminated by the Company or an Affiliate without Cause or by the Participant for Good Reason (if the employment or services agreement entered into between the Company and the Participant contains such a provision), or is terminated on account of the Participant's death or Disability, (A) any unvested Shares issued to such Participant hereunder shall cease to vest and shall be deemed reconveyed to the Company for no cash or other consideration, and (B) the Company shall have the right, for a period of ninety (90) days commencing on the latest of (x) the date of such termination or (y) the date that is six months following the effective date of the Initial Public Offering to purchase from such Participant any vested Shares issued to such Participant hereunder that remain subject to the Selling Restrictions as of the date of such termination for

their Fair Market Value as of the repurchase date. The purchase price payable by the Company under this Section 6(c)(iii) shall be paid in lump sum in cash on the date of exercise of the repurchase right. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 6(c)(iii), the Selling Restrictions then applicable to any vested Shares held by such Participant and with respect to which the repurchase right has lapsed shall continue to lapse in accordance with the existing terms of the applicable Replacement Award following the expiration of such ninety (90) day period.

(iv) In the event a Participant's Continuous Service is terminated by the Participant for any reason (or without Good Reason if the employment or services agreement entered into between the Company and the Participant contains such a provision), (A) any unvested Shares issued to such Participant hereunder shall cease to vest and shall be deemed reconveyed to the Company for no cash or other consideration, and (B) the Company shall have the right, for a period of ninety (90) days commencing on the latest of (x) the date of such termination or (y) the date that is six months following the effective date of the Initial Public Offering to purchase from such Participant any vested Shares issued to such Participant hereunder that remain subject to the Selling Restrictions as of the date of such termination for their Fair Market Value as of the repurchase date. The purchase price payable by the Company under this Section 6(c)(iv) may be paid in lump sum in cash on the date of exercise of the repurchase right or, in the Committee's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date. The term of any such promissory note shall be (1) up to ten years from the date of repurchase if such termination occurs prior to the first anniversary of the effective date of the Initial Public Offering, (2) up to eight years from the date of repurchase if such termination occurs after the first, but prior to the second anniversary of the effective date of the Initial Public Offering, (3) up to five years from the date of repurchase if such termination occurs after the second, but prior to the third anniversary of the effective date of the Initial Public Offering and (4) up to one year from the date of repurchase if such termination occurs after the third anniversary of the effective date of the Initial Public Offering. The promissory note shall contain such other terms and conditions as determined by the Committee (including restrictions on assignment and transferability). In the event the Company elects to pay such purchase price with a note, the Participant may elect to forgo such payment and convey the Shares to the Company for no additional cash consideration. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 6(c)(iv), the Selling Restrictions then applicable to any vested Shares held by such Participant and with respect to which the repurchase right has lapsed shall continue to lapse in accordance with the existing terms of the applicable Replacement Award following the expiration of such ninety (90) day period.

SECTION 7. Amendment and Termination. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided, however, that any such amendment, alteration, suspension, discontinuance, or termination that would materially adversely affect the rights of any Participant or other holder of a Replacement Award theretofore granted shall not to that extent be effective without the consent of the affected Participant or holder.

SECTION 8. General Provisions.

(a) Nontransferability of Replacement Awards. No unvested Shares, or vested Shares subject to Selling Restrictions issued hereunder, will be transferable except by will or by the laws of descent and distribution.

(b) No Right to Replacement Awards. No Person shall have any claim to be granted any Replacement Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Replacement Awards. The terms and conditions of Replacement Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

(c) Certificates. All certificates, if any, evidencing Shares shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are then listed, any applicable federal, state or foreign laws, any investor rights agreement or other agreement affecting the Shares, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) Delegation. Subject to the terms of the Plan, the provisions of any Award Agreement and applicable law, the Committee may delegate to one or more officers or employees of the Company, or to a committee of such officers or employees, the authority, subject to such terms and limitations as the Committee shall determine, to grant Replacement Awards to, or to cancel, modify or waive rights with respect to, or to alter, discontinue, suspend, or terminate Replacement Awards held by Participants.

(e) Withholding. A Participant may be required to pay to the Company or any Affiliate and the Company or any Affiliate shall have the right and hereby is authorized to withhold from any payment due or transfer made under the Plan or from any compensation or other amount owing to a Participant the amount (in cash, securities, or other property) of any applicable withholding taxes (calculated at the statutory minimum amount for such withholding) in respect of a Replacement Award, or any payment or transfer under a Replacement Award or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes.

(f) Award Agreements. Each Replacement Award hereunder shall be evidenced by an Award Agreement which shall be delivered to and executed by the Participant (provided, however, that such execution by the Participant shall not be a condition precedent to the grant of a Replacement Award hereunder) and shall specify the terms and conditions of the Replacement Award and any rules applicable thereto.

(g) Limitation of Liability. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the

Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

(h) No Right to Employment or Other Continued Service. The Plan shall not confer upon any Participant any right with respect to the Participant's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or an Affiliate to terminate the Participant's Continuous Service at any time, with or without Cause with or without notice. The ability of the Company or any Affiliate to terminate the employment of a Participant who is employed at will is in no way affected by its determination that the Participant's Continuous Service has been terminated for Cause for the purposes of this Plan.

(i) Governing Law. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware without regard to choice of law principles.

(j) Severability. If any provision of the Plan or any Replacement Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person, or would disqualify the Plan or any Replacement Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws to the extent necessary to give maximum effect to such provision, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Replacement Award, such provision shall be stricken as to such jurisdiction, or Person and the remainder of the Plan shall remain in full force and effect.

(k) Other Laws. The Committee may refuse to issue or transfer any Replacement Award or make any distribution, payment or other transfer of cash, securities or other property under a Replacement Award if, acting in its sole discretion, it determines that the issuance or transfer of such other amount might violate any applicable law or regulation.

(l) Unfunded Obligation. Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Affiliate shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations.

(m) No Liability of Company. The Company and any Affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant or any other person as to any tax consequence expected, but not realized, by any Participant or other person due to the receipt, repurchase, transfer, settlement of, or any other transaction involving, any Replacement Award granted hereunder.

(n) Non-Exclusivity of Plan. The adoption of this Plan shall not be construed as creating any limitations on the power of the Board or the Company to adopt such other incentive arrangements as either may deem desirable, and such arrangements may be either generally applicable or applicable only in specific cases.

(o) Headings. Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(p) Section 83(b) Election. A Participant may elect to make a protective election pursuant to Section 83(b) of the Code with respect to the vested Shares covered by a Replacement Award granted to such Participant that are subject to Selling Restrictions at the time of grant.

SECTION 9. Term of the Plan.

(a) Effective Date. The Plan shall be effective as of [—].

(b) Expiration Date. No Replacement Award shall be granted under the Plan after the tenth anniversary of the effective date of the Plan. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Replacement Award granted hereunder may, and the authority of the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Replacement Award or to waive any conditions or rights under any such Replacement Award shall, continue after such date.

Exhibit 10.10

EMPLOYEE FORM OF AWARD AGREEMENT
FOR REPLACEMENT AWARDS UNDER THE
2012 EQUITY REPLACEMENT PLAN

Restoration Hardware Holdings, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94952

[Date]

[Name]
[Address]

Dear [Name]:

In connection with the initial public offering ("IPO") of Restoration Hardware Holdings, Inc. ("Company"), Home Holdings, LLC ("HH) and the Company will be cancelling all Units issued under the HH Amended and Restated 2008 Team Resto Ownership Plan ("TROP") and replacing such Units with Awards under the Restoration Hardware Holdings, Inc. 2012 Equity Replacement Plan ("Plan"). The Plan and this award agreement, including Appendix A attached hereto ("Award Agreement"), outline the terms of your replacement Award. Capitalized terms, unless otherwise defined herein, have the meaning given to such terms in the Plan.

Grant Date:	[—]
Replacement Award:	On the Grant Date, the Company hereby grants you an Award of [—] Shares in accordance with Section 6(a) of the Plan, of which [—] Shares are subject to Selling Restrictions as set forth below.
Vesting:	The Shares subject to this Award will be fully vested on the Grant Date.
Selling Restrictions:	Subject to Section 6(c) of the Plan, the Selling Restrictions will lapse with respect to the number of Shares set forth in the table below on the corresponding date:

Number of Shares	**Lapse Date**
[—] Shares of Common Stock	
[—] Shares of Common Stock	
[—] Shares of Common Stock	
[—] Shares of Common Stock	

Subject to Section 6(c) of the Plan, the Selling Restrictions will lapse with respect to the number of Vested Shares set forth in the table below on the date on which the Ten Day Average Price has reached and remained for ten (10) consecutive trading days at the corresponding Lapse Price set forth below:

	Number of Shares	**Lapse Date**
	[—] Shares of Common Stock	[$—] per share

For purposes of this Award Agreement, "Ten Day Average Price" shall mean, as of any date, the average Fair Market Value of the Common Stock for the last ten (10) consecutive trading days, as determined after market close on the tenth (10^{th}) such consecutive trading day.

The Lapse Price shall be subject to adjustment for changes in capitalization as provided in Section 4(b) of the Plan. For purposes of clarity, the Selling Restrictions will lapse only once as to a particular installment attributable to attaining (for ten (10) consecutive trading days) a Ten Day Average Price equal to the Lapse Price and there shall be no requirement that the Fair Market Value of the Common Stock remain above the Lapse Price after such date.

Termination of Continuous Service: This Award will be subject to repurchase at the option of the Company pursuant to Section 6(c) of the Plan in the event of your termination of Continuous Service.

The Award granted under this Award Agreement is subject to the terms of the Plan except to the extent the Plan is expressly modified by the terms of this Award Agreement. This Award Agreement is intended to set forth some of the material terms of your Award. Please review the attached Plan document carefully as it contains important additional terms applicable to your Award that are not set forth in this Award Agreement. You hereby acknowledge and agree that as a result of this Award Agreement, you have no equity or other ownership interest in HH, you are not a member of HH and you have no further rights or obligations under any operating agreement of HH.

Warm Regards,

RESTORATION HARDWARE HOLDINGS, INC

By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____

[Acknowledgement follows on next page.]

I acknowledge receipt of this Award Agreement, a copy of the Plan and the terms contained herein. I acknowledge and agree that nothing in this Award Agreement or the Plan shall confer upon me any right with respect to continuation of my service, that this Award Agreement is not an employment contract, and that employment with the Company or an Affiliate thereof is on an "at will" basis and may be terminated by me or the Company or an Affiliate, as applicable, at any time, for any reason, subject to the terms of my employment or service agreement (if any) with Company or an Affiliate thereof. In addition, I acknowledge that neither the Company nor any Affiliate thereof is making any representation or guarantee as to the tax treatment or consequences of the grant, vesting, or sale of the Award granted to me hereunder, and that I have been advised by the Company to, and have, consulted my own individual tax advisor.

Acknowledged:

By: _____

Name: _____

Date: _____

[Appendix A follows on next page.]

APPENDIX A

ADDITIONAL TERMS AND CONDITIONS

1. Legends. You understand and agree that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares subject to this Award together with any other legends that may be required by the Company or by state or federal securities laws:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THAT CERTAIN AWARD AGREEMENT BETWEEN THE COMPANY AND THE NAMED STOCKHOLDER. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH SUCH AGREEMENT AND THE RESTORATION HARDWARE HOLDINGS, INC. 2012 EQUITY REPLACEMENT PLAN, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY.

2. Stop Transfer Notices. In order to ensure compliance with the Selling Restrictions, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

3. Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Escrow of Stock. For purposes of facilitating the enforcement of the Selling Restrictions, you agree, immediately upon receipt of the certificate(s) for the Shares, to deliver the certificate(s) attributable to that portion of the Shares then subject to the Selling Restrictions, together with an Assignment Separate from Certificate in the form attached hereto as Exhibit A, executed in blank by you with respect to each such stock certificate, to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Shares are subject to the Selling Restrictions, with the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Award Agreement in accordance with the terms hereof. You hereby acknowledge that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to enter into this Award Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. You agree that the Shares subject to the Selling Restrictions may be held electronically in a book entry system maintained by the Company's transfer agent or other third-party and that all the terms and conditions of this Section 4 applicable to certificated Shares will apply with the same force and effect to such electronic method for holding the Shares. You agree that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature

purported to be genuine and may resign at any time. Subject to the provisions of any security or lock-up agreement relating to your purchase or receipt of the Shares, upon the expiration of the Selling Restrictions, the escrow holder will transmit to you the certificate evidencing the Shares with respect to which the Selling Restrictions have lapsed.

5. Additional Securities and Distributions.

a. Any securities or cash received (other than a regular cash dividend) as the result of ownership of the Shares (the "Additional Securities"), including, but not by way of limitation, warrants, options and securities received as a stock dividend or stock split, or as a result of a recapitalization or reorganization or other transaction described in Section 4(b) of the Plan, shall be retained in escrow in the same manner and subject to the same conditions and restrictions as the Shares with respect to which they were issued, including, without limitation, the Selling Restrictions set forth in Section 6(e) of the Plan. You shall be entitled to direct the Company to exercise any warrant or option received as Additional Securities upon supplying the funds necessary to do so, in which event the securities so purchased shall constitute Additional Securities, but you may not direct the Company to sell any such warrant or option. If Additional Securities consist of a convertible security, you may exercise any conversion right, and any securities so acquired shall constitute Additional Securities. In the event of any change in certificates evidencing the Shares or the Additional Securities by reason of any recapitalization, reorganization or other transaction that results in the creation of Additional Securities, the escrow holder is authorized to deliver to the issuer the certificates evidencing the Shares or the Additional Securities in exchange for the certificates of the replacement securities.

b. The Company shall disburse to you all regular cash dividends with respect to the Shares and Additional Securities (whether vested or not), less any applicable withholding obligations.

6. Taxes. You are ultimately liable and responsible for all taxes owed by you in connection with the Award, regardless of any action the Company or any Affiliate takes with respect to any tax withholding obligations that arise in connection with the Award. Neither the Company nor any Affiliate makes any representation or undertaking regarding the tax treatment of grant of the Award, the lapse of Selling Restrictions, or the subsequent sale of Shares subject to the Award. The Company and its Affiliates do not commit and are under no obligation to structure the Award to reduce or eliminate your tax liability.

7. Assignment. Whenever the Company shall have the right to repurchase Shares pursuant to Section 6(e) of the Plan, the Company may designate and assign one or more employees, officers, directors or shareholders of the Company or other persons or organizations, to exercise all or a part of such repurchase right.

8. Entire Agreement. The Plan, this Award Agreement and any applicable lock-up agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof, and may not be modified adversely to your interest except by means of a writing signed by the Company and you. Should any provision of the

Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

9. Construction. The captions used in this Award Agreement are inserted for convenience and shall not be deemed a part of the Award for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

10. Section 83(b). You may choose to make a protective election pursuant to Section 83(b) of the Code with respect to the Shares subject to this Award that are subject to Selling Restrictions. Please consult with your own tax advisor regarding this matter.

[Exhibit A follows on next page.]

EXHIBIT A

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), standing in his name on the books of, the Company represented by Certificate No. herewith, and does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the said stock in the books of the Company with full power of substitution.

DATED: _____

_____

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

Exhibit 10.11

FORM OF AGREEMENT FOR CERTAIN EXECUTIVES
FOR REPLACEMENT SHARES UNDER THE
2012 EQUITY REPLACEMENT PLAN

Restoration Hardware Holdings, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94952

[Date]

[Name]
[Address]

Dear [Name]:

In connection with the initial public offering ("IPO") of Restoration Hardware Holdings, Inc. (the "Company"), (i) Home Holdings, LLC ("HH") will contribute to the Company all of the issued and outstanding shares of Restoration Hardware. Inc. (the "Operating Company"), in exchange for which the Company shall issue new shares of its common stock (the "Common Stock") to HH and as a result of which transactions the Company shall become a holding company that owns all of the capital stock of the Operating Company, and (ii) you will contribute to the Company all Units (the "Contributed Units") issued under the HH Amended and Restated 2008 Team Resto Ownership Plan ("TROP") and the Company will issue shares of its Common Stock to you under the Restoration Hardware Holdings, Inc. 2012 Equity Replacement Plan ("Plan") in replacement of such Contributed Units. The Plan and this agreement, including Appendix A attached hereto (the "Agreement"), outline the terms of your replacement Shares. Capitalized terms, unless otherwise defined herein, have the meaning given to such terms in the Plan. [For GF: You are a consultant to the Company for purposes of the Plan.]

Grant Date:	[—]
Replacement Shares:	On the Grant Date, [—] shares of Common Stock (the "Shares") are delivered to you in accordance with Section 6(a) of the Plan.
	Fully Vested and Transferable
	[—] Shares are fully vested and transferable (subject to the terms of any applicable lock-up agreement) and are not otherwise subject to Selling Restrictions.
	Fully Vested and Subject to Time-Lapsing Selling Restrictions
	[—] Shares are fully vested and subject to Selling Restrictions that are scheduled to lapse on certain date(s) as set forth below.

Fully Vested and Subject to Performance-Lapsing Selling Restrictions

[—] Shares are fully vested and subject to Selling Restrictions that are scheduled to lapse based on achievement of a certain Lapse Price as set forth below

The Shares subject to time-lapsing and performance-lapsing Selling Restrictions are referred to herein as the "Vested Shares".

Unvested Shares

The remaining [—] Shares are not subject to Selling Restrictions but are unvested as of the Grant Date and subject to the vesting schedule set forth below (the "Unvested Shares").

Vesting Schedule for Unvested Shares:

Subject to your Continuous Service, the Unvested Shares subject to this Agreement will vest as follows:

3X Unvested Shares

[—] Unvested Shares (the "3X Unvested Shares") will fully vest when the Ten Day Average Price for each of ten (10) consecutive trading days has equaled or exceeded $ (the "3X Target Price"). To the extent that the Ten Day Average Price for each of ten (10) consecutive trading days is less than the 3X Target Price but greater than $ (the "IPO Price", and the difference between the IPO Price and the 3X Target Price, the "3X Target Spread") on any trading day, the number of 3X Unvested Shares that will vest on such trading day will be determined on a proportionate (straight-line) basis by (a) multiplying the 3X Unvested Shares by the percentage of the 3X Target Spread that has been achieved and (b) subtracting the number of 3X Unvested Shares that have previously vested. The percentage of the 3X Target Spread achieved on any trading day will be determined by dividing the difference between the Ten Day Average Price on such trading day and the IPO Price by the 3X Target Spread.

Notwithstanding anything herein to the contrary, in the event of a Corporate Transaction, any 3X Unvested Shares

that have not vested pursuant to the terms hereof prior to the Corporate Transaction shall vest immediately prior to the specified effective date of such Corporate Transaction if the value of the per share consideration payable to holders of Common Stock in the Corporate Transaction with respect to their shares of Common Stock, as determined by the Company in accordance with the terms and conditions of the applicable definitive agreement pursuant to which the Corporate Transaction will be consummated, is equal to or greater than the 3X Target Price.

For purposes of clarity, the 3X Unvested Shares shall only vest once for achieving a particular Ten Day Average Price for each of ten (10) consecutive trading days in excess of the IPO Price. For example, once [ ] 3X Unvested Shares vest due to the Ten Day Average Price equaling $[ ] for each of ten (10) consecutive trading days, [ ] 3X Unvested Shares will not vest again any other trading day on which the Ten Day Average Price equals $[ ] for each of ten (10) consecutive trading days.

5X Unvested Shares

[—] Unvested Shares (the "5X Unvested Shares") will fully vest when the Ten Day Average Price for each of ten (10) consecutive trading days has equaled or exceeded $ (the "5X Target Price"). To the extent that the Ten Day Average Price for each of ten (10) consecutive trading days is less than the 5X Target Price but greater than 3X Target Price (the difference between the 3X Target Price and the 5X Target Price, the "5X Target Spread") on any trading day, the number of 5X Unvested Shares that will vest on such trading day will be determined on a proportionate (straight-line) basis by (a) multiplying the 5X Unvested Shares by the percentage of the 5X Target Spread that has been achieved and (b) subtracting the number of 5X Unvested Shares that have previously vested. The percentage of the 5X Target Spread achieved on any trading day will be determined by dividing the difference between the Ten Day Average Price on such trading day and the 3X Target Price by the 5X Target Spread.

Notwithstanding anything herein to the contrary, in the event of a Corporate Transaction, any 5X Unvested Shares that have not vested pursuant to the terms hereof prior to

the Corporate Transaction shall vest immediately prior to the specified effective date of such Corporate Transaction if the value of the per share consideration payable to holders of Common Stock in the Corporate Transaction with respect to their shares of Common Stock, as determined by the Company in accordance with the terms and conditions of the applicable definitive agreement pursuant to which the Corporate Transaction will be consummated, is equal to or greater than the 5X Target Price.

For purposes of clarity, the 5X Unvested Shares shall only vest once for achieving a particular Ten Day Average Price for each of ten (10) consecutive trading days in excess of the 3X Target Price. For example, once [ ] 5X Unvested Shares vest due to the Ten Day Average Price equaling $[ ] for each of ten (10) consecutive trading days, [ ] 5X Unvested Shares will not vest again any other trading day on which the Ten Day Average Price equals $[ ] for each of ten (10) consecutive trading days.

The IPO Price, 3X Target Price, and 5X Target Price shall be subject to adjustment for changes in capitalization as provided in Section 4(b) of the Plan.

For purposes of this Agreement, "Ten Day Average Price" shall mean, as of any date, the average Fair Market Value of the Common Stock for the last ten (10) consecutive trading days, as determined after market close on the tenth (10th) such consecutive trading day.

Notwithstanding anything herein to the contrary, any 3X Unvested Shares and/or 5X Unvested Shares that have not vested pursuant to the terms hereof by the third anniversary of the Registration Date shall be forfeited and deemed reconveyed to the Company for no cash or other consideration.

Cause: For purposes of Section 6(c)(i)(A) and Section 6(c)(ii) of the Plan, [GF: Section 6(h)(i)(B) and Section 6(h)(i)(E) of the definition of Cause set forth in your Advisory Services Agreement] [CA: Section 5(g)(i)(B) and Section 5(g)(i)(E) of the definition of Cause set forth in your Amended and Restated Employment Agreement] shall apply in lieu of clauses (iv) and (v) of the definition of Cause set forth in the Plan.

Selling Restrictions:

[USE THE FOLLOWING FOR VESTED SHARES ISSUED IN EXCHANGE FOR TIME-BASED UNITS FOR WHICH THE RESTRICTIONS WILL LAPSE BASED ON THE CURRENT TIME-BASED VESTING SCHEDULE]

Vested Shares Subject to Time-Lapsing Selling Restrictions

Subject to Section 6(c) of the Plan, the Selling Restrictions will lapse with respect to the number of Vested Shares set forth in the table below on the corresponding date:

Number of Vested Shares	Lapse Date
[—] Shares of Common Stock	
[—] Shares of Common Stock	
[—] Shares of Common Stock	
[—] Shares of Common Stock	

[USE THE FOLLOWING FOR VESTED SHARES ISSUED IN EXCHANGE FOR UNITS FOR WHICH THE RESTRICTIONS WILL LAPSE BASED ON PRICE]

Vested Shares Subject to Performance-Lapsing Selling Restrictions

Subject to Section 6(c) of the Plan, the Selling Restrictions will lapse with respect to the number of Vested Shares set forth in the table below on the date on which the Ten Day Average Price has reached and remained for ten (10) consecutive trading days at the corresponding Lapse Price set forth below:

Number of Vested Shares	Lapse Price
[—] Shares of Common Stock	[$—] per share

The Lapse Price shall be subject to adjustment for changes in capitalization as provided in Section 4(b) of the Plan. For purposes of clarity, the Selling Restrictions will lapse only once as to a particular installment attributable to attaining (for ten (10) consecutive trading days) a Ten Day Average Price equal to the Lapse Price and there shall be no requirement that the Fair Market Value of the Common Stock remain above the Lapse Price after such date.

Notwithstanding anything herein to the contrary, in the event of a Corporate Transaction, the Selling Restrictions shall lapse immediately prior to the specified effective date of such Corporate Transaction with respect to the total

number of Vested Shares set forth in the tables above to the extent that such Shares remain subject to the Selling Restrictions immediately prior to the Corporate Transaction; provided that with respect to the Vested Shares subject to Performance Lapsing Selling Restrictions the value of the per share consideration payable to holders of Common Stock in the Corporate Transaction with respect to their shares of Common Stock, as determined by the Company in accordance with the terms and conditions of the applicable definitive agreement pursuant to which the Corporate Transaction will be consummated, is equal to or greater than the Lapse Price set forth above.

Termination of Continuous Service:

The Vested Shares will be subject to repurchase at the option of the Company pursuant to Section 6(c) of the Plan in the event of your termination of Continuous Service; provided, however, that:

(1) in the event of termination of your Continuous Service for Cause, Section 6(c)(i) of the Plan shall read as follows:

In the event your Continuous Service is terminated by the Company or an Affiliate (A) for Cause (other than pursuant to [GF: Section 6(h)(i)(B) and Section 6(h)(i)(E) of the definition of Cause set forth in your Advisory Services Agreement] [CA: Section 5(g)(i)(B) and Section 5(g)(i)(E) of the definition of Cause set forth in your Amended and Restated Employment Agreement]), any Vested Shares that remain subject to the Selling Restrictions shall be deemed reconveyed to the Company for no cash or other consideration and the Company shall thereafter be the legal and beneficial owner of such Shares and shall have all rights and interest in or related thereto without further action by you and (B) for Cause (pursuant to any clause of the definition of Cause), any Unvested Shares shall be deemed reconveyed to the Company for no cash or other consideration.

and (2) in the event of termination of your Continuous Service without Cause or for Good Reason, or for death or Disability, Section 6(c)(iii) of the Plan, shall read as follows:

In the event your Continuous Service is terminated by the Company or an Affiliate without Cause or by you for Good Reason, or is terminated on account of your death or Disability, (A) your 3X Unvested Shares and 5X Unvested

Shares, to the extent unvested, shall remain outstanding and vest according to their terms for a period of up to the lesser of two (2) years following the date of termination or the third anniversary of the Registration Date (at which time the 3X Unvested Shares and 5X Unvested Shares that remain unvested shall expire and be cancelled for no consideration), and (B) the Company shall have the right, for a period of ninety (90) days commencing on the date that is two (2) years following the date of such termination to purchase from you any Vested Shares issued to you hereunder that remain subject to the Selling Restrictions as of the date that is two (2) years following the date of termination for their Fair Market Value. The purchase price payable by the Company pursuant to the preceding sentence shall be paid in lump sum in cash on the date of exercise of the repurchase right. In the event the Company fails to exercise its repurchase right within the ninety (90) day period described herein, the Selling Restrictions then applicable to the Vested Shares subject to this Agreement shall immediately lapse upon the expiration of such ninety (90) day period.

Corporate Transaction:

For purposes of this Agreement, "Corporate Transaction" means any of the following transactions, provided, however, that the Committee shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(i) a merger or consolidation of the Company in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the shares of Common Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into

other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger; or

(v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

The issuance of the Shares pursuant to this Agreement is subject to the terms of the Plan except to the extent the Plan is expressly modified by the terms of this Agreement. This Agreement is intended to set forth some of the material terms of your replacement Shares. Please review the attached Plan document carefully as it contains important additional terms applicable to your replacement Shares that are not set forth in this Agreement. You hereby acknowledge and agree that as a result of this Agreement and the Replacement Agreement dated as of the date hereof among you, the Company and HH, you have no equity or other ownership interest in HH, you are not a member of HH and you have no further rights or obligations under any operating agreement of HH.

The Company acknowledges that (i) you consider the contributions by you to the Company as contemplated by this Agreement and the contemporaneous contribution (a) by HH to the Company of all of the issued and outstanding shares of the Operating Company, (b) by the public pursuant to the IPO, and (c) otherwise by you as a holder of units of HH, as integrated transactions and together as transfers described in Section 351 of the Code, and (ii) you intend to report the transactions contemplated by this Agreement as transfers described in Section 351 of the Code in connection with any applicable tax returns or other tax reports required to be filed or made. The Company agrees that it will report the foregoing as a tax free transaction on any applicable tax returns or other tax reports required to be filed.

Warm Regards,

RESTORATION HARDWARE HOLDINGS, INC.

By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____

[Acknowledgement follows on next page.]

I acknowledge receipt of this Agreement, a copy of the Plan and the terms contained herein. I acknowledge and agree that nothing in this Agreement or the Plan shall confer upon me any right with respect to continuation of my service, that this Agreement is not an employment contract, and that employment with the Company or an Affiliate thereof is on an "at will" basis and may be terminated by me or the Company or an Affiliate, as applicable, at any time, for any reason, subject to the terms of my employment or service agreement (if any) with Company or an Affiliate thereof. In addition, I acknowledge that neither the Company nor any Affiliate thereof is making any guarantee as to the tax treatment or consequences of the grant, vesting, or sale of the Shares issued to me hereunder, and that I have been advised by the Company to, and have, consulted my own individual tax advisor.

Acknowledged:

By: _____
Name: _____
Date: _____

[Appendix A follows on next page.]

APPENDIX A

ADDITIONAL TERMS AND CONDITIONS

1. Transfer Restrictions Applicable to Unvested Shares. The Unvested Shares issued to you hereunder may not be sold, transferred by gift, pledged, hypothecated, or otherwise transferred or disposed of by you prior to the date when such Shares become vested pursuant to the Vesting Schedule set forth on this first page of this Agreement. Any attempt to transfer Unvested Shares in violation of this Section 1 will be null and void and will be disregarded.

2. Legends. You understand and agree that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares subject to this Agreement together with any other legends that may be required by the Company or by state or federal securities laws:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THAT CERTAIN AGREEMENT BETWEEN THE COMPANY AND THE NAMED STOCKHOLDER. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH SUCH AGREEMENT AND THE RESTORATION HARDWARE HOLDINGS, INC. 2012 EQUITY REPLACEMENT PLAN, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY.

3. Stop Transfer Notices. In order to ensure compliance with the Selling Restrictions, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

4. Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

5. Escrow of Stock. For purposes of facilitating the enforcement of the provisions of this Agreement and the Selling Restrictions, you agree, immediately upon receipt of the certificate(s) for the Shares, to deliver the certificate(s) attributable to the Unvested Shares and that portion of the Vested Shares then subject to the Selling Restrictions, together with an Assignment Separate from Certificate in the form attached hereto as Exhibit A, executed in blank by you with respect to each such stock certificate, to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Shares are unvested or otherwise subject to the Selling Restrictions, with the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Agreement in accordance with the terms hereof. You hereby acknowledge that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to enter into this Agreement and that such appointment is coupled with an interest and is accordingly irrevocable.

You agree that the Unvested Shares and the Shares subject to the Selling Restrictions may be held electronically in a book entry system maintained by the Company's transfer agent or other third-party and that all the terms and conditions of this Section 5 applicable to certificated Shares will apply with the same force and effect to such electronic method for holding the Shares. You agree that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Subject to the provisions of any security or lock-up agreement relating to your purchase or receipt of the Shares, upon vesting of the Unvested Shares or the expiration of the Selling Restrictions, as applicable, the escrow holder will transmit to you the certificate evidencing the Shares that have vested or with respect to which the Selling Restrictions have lapsed.

6. Additional Securities and Distributions.

a. Any securities or cash received (other than a regular cash dividend) as the result of ownership of the Shares (the "Additional Securities"), including, but not by way of limitation, warrants, options and securities received as a stock dividend or stock split, or as a result of a recapitalization or reorganization or other transaction described in Section 4(b) of the Plan, shall be retained in escrow in the same manner and subject to the same conditions and restrictions as the Shares with respect to which they were issued, including, without limitation, the Selling Restrictions set forth in Section 6(c) of the Plan. You shall be entitled to direct the Company to exercise any warrant or option received as Additional Securities upon supplying the funds necessary to do so, in which event the securities so purchased shall constitute Additional Securities, but you may not direct the Company to sell any such warrant or option. If Additional Securities consist of a convertible security, you may exercise any conversion right, and any securities so acquired shall constitute Additional Securities. In the event of any change in certificates evidencing the Shares or the Additional Securities by reason of any recapitalization, reorganization or other transaction that results in the creation of Additional Securities, the escrow holder is authorized to deliver to the issuer the certificates evidencing the Shares or the Additional Securities in exchange for the certificates of the replacement securities.

b. The Company shall disburse to you all regular cash dividends with respect to the Shares and Additional Securities (whether vested or not), less any applicable withholding obligations.

7. Taxes. You are ultimately liable and responsible for all taxes owed by you in connection with the issuance of the Shares, regardless of any action the Company or any Affiliate takes with respect to any tax withholding obligations that arise in connection with the Shares. Neither the Company nor any Affiliate makes any representation or undertaking regarding the tax treatment of the issuance of the Shares, the lapse of Selling Restrictions, or the subsequent sale of Shares subject to this Agreement. The Company and its Affiliates do not commit and are under no obligation to structure this Agreement to reduce or eliminate your tax liability.

8. Assignment. Whenever the Company shall have the right to repurchase the Vested Shares pursuant to Section 6(c) of the Plan, the Company may designate and assign one or more

employees, officers, directors or shareholders of the Company or other persons or organizations, to exercise all or a part of such repurchase right.

9. Entire Agreement. The Plan, this Agreement and any applicable lock-up agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof, and may not be modified adversely to your interest except by means of a writing signed by the Company and you. Should any provision of the Notice or this Agreement be determined to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

10. Construction. The captions used in this Agreement are inserted for convenience and shall not be deemed a part of the Agreement for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

[Exhibit A follows on next page.]

EXHIBIT A

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), standing in his name on the books of, the Company represented by Certificate No. herewith, and does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the said stock in the books of the Company with full power of substitution.

DATED:

_____

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

Exhibit 10.12

RESTORATION HARDWARE HOLDINGS, INC.

2012 STOCK OPTION PLAN

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.

2. Definitions. The following definitions shall apply as used herein and in the individual Option Agreements except as defined otherwise in an individual Option Agreement. In the event a term is separately defined in an individual Option Agreement, such definition shall supersede the definition contained in this Section 2.

(a) "Administrator" means the Board or any of the Committees appointed to administer the Plan.

(b) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

(c) "Applicable Laws" means the legal requirements relating to the Plan and the Options under applicable provisions of federal securities laws, state corporate and securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to Options granted to residents therein.

(d) "Assumed" means that pursuant to a Corporate Transaction either (i) the Option continues to be maintained by the Company or (ii) the contractual obligations represented by the Option are assumed by the successor entity or its Parent in connection with the Corporate Transaction with equitable and appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Option and the exercise price thereof which preserves the intrinsic value of the Option existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Option.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means a change in ownership or control of the Company after the Registration Date effected through either of the following transactions:

(i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's then outstanding securities pursuant to a tender or exchange offer made directly to the Company's stockholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such stockholders accept, or

(ii) a change in the composition of the Board over a period of twelve (12) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors.

(g) "Code" means the Internal Revenue Code of 1986, as amended.

(h) "Committee" means any committee composed of members of the Board appointed by the Board to administer the Plan.

(i) "Common Stock" means the common stock of the Company, par value $0.0001 per share.

(j) "Company" means Restoration Hardware Holdings, Inc., a Delaware corporation, or any successor entity that adopts the Plan in connection with a Corporate Transaction.

(k) "Consultant" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(l) "Continuing Directors" means members of the Board who either (i) have been Board members continuously for a period of at least twelve (12) months or (ii) have been Board members for less than twelve (12) months and were elected or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board.

(m) "Continuous Service" means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee's Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in an individual Option Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave. For purposes of each Incentive Stock Option granted under the Plan, if such leave exceeds three (3) months, and reemployment upon expiration of such leave is not guaranteed by statute or contract, then the Incentive Stock Option shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the expiration of such three (3) month period.

(n) "Corporate Transaction" means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(i) a merger or consolidation of the Company in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the shares of Common Stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger; or

(v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(o) "Director" means a member of the Board or the board of directors of any Related Entity.

(p) "Disability" means such term (or word of like import) as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, "Disability" means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(q) "Employee" means any person, including an Officer or Director, who is in the employ of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method

of performance. The payment of a director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor thereto.

(s) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on one or more established stock exchanges or national market systems, including without limitation the New York Stock Exchange, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Common Stock is listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such stock as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock of the type described in (i) and (ii) above, the Fair Market Value thereof shall be determined by the Administrator in good faith.

(t) "Grantee" means an Employee, Director or Consultant who receives an Option under the Plan.

(u) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(v) "Non-Qualified Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

(w) "Officer" means a person who is an officer of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(x) "Option" means an option to purchase Shares pursuant to an Option Agreement granted under the Plan.

(y) "Option Agreement" means the written agreement or other instrument evidencing the grant of an Option, including any amendments thereto. An Option Agreement may be in the form of an agreement to be executed by both the Grantee and the Company (or an authorized representative of the Company) or certificates, notices or similar instruments.

(z) "Parent" means a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code.

(aa) "Plan" means this Restoration Hardware Holdings, Inc. 2012 Stock Option Plan.

(bb) "Registration Date" means the first to occur of (i) the closing of the first sale to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, of (A) the Common Stock or (B) the same class of securities of a successor corporation (or its Parent) issued pursuant to a Corporate Transaction in exchange for or in substitution of the Common Stock; and (ii) in the event of a Corporate Transaction, the date of the consummation of the Corporate Transaction if the same class of securities of the successor corporation (or its Parent) issuable in such Corporate Transaction shall have been sold to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or prior to the date of consummation of such Corporate Transaction.

(cc) "Related Entity" means any Parent or Subsidiary of the Company.

(dd) "Replaced" means that pursuant to a Corporate Transaction the Option is replaced with a comparable stock award or a cash incentive award or program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the intrinsic value of such Option existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Option. The determination of Option comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

(ee) "Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act or any successor thereto.

(ff) "Share" means a share of the Common Stock.

(gg) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock and Cash Subject to the Plan.

(a) Subject to the provisions of Section 10, below, the maximum aggregate number of Shares which may be issued pursuant to all Options is [—] Shares. Notwithstanding the foregoing, subject to the provisions of Section 10, below, of the number of Shares specified above, the maximum aggregate number of Shares available for grant of Incentive Stock Options

shall be [—] Shares. The Shares to be issued pursuant to Options may be authorized, but unissued, or reacquired Common Stock.

(b) Shares that actually have been issued under the Plan pursuant to an Option shall not be returned to the Plan and shall not become available for future issuance under the Plan. To the extent an Option (or portion thereof) is forfeited, canceled or expires (whether voluntarily or involuntarily), the Shares subject to the forfeited, canceled or expired portion thereof shall also not be returned to the Plan and shall not become available for future issuance under the Plan. Any Shares covered by an Option which are surrendered (i) in payment of the Option exercise price (including pursuant to the "net exercise" of an option pursuant to Section 7(b)(v)) or (ii) in satisfaction of tax withholding obligations incident to the exercise of an Option shall be deemed to have been issued for purposes of determining the maximum number of Shares which may be issued pursuant to all Options under the Plan.

4. Administration of the Plan.

(a) Plan Administrator.

(i) Administration with Respect to Directors and Officers. With respect to grants of Options to Directors or Officers, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(ii) Administration With Respect to Consultants and Other Employees. With respect to grants of Options to Employees or Consultants who are neither Directors nor Officers, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board or Committee may also authorize one or more Officers to administer the Plan with respect to Options to Employees or Consultants who are neither Directors nor Officers (and to grant such Options) and may limit such authority as the Board or Committee, as applicable, determines from time to time.

(iii) Administration Errors. In the event an Option is granted in a manner inconsistent with the provisions of this subsection (a), such Option shall be presumptively valid as of its grant date to the extent permitted by the Applicable Laws.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board or any Committee, the Administrator shall have the authority, in its discretion to do all things that it determines to be necessary or appropriate in connection with the administration of the Plan, including, without limitation:

(i) to select the Employees, Directors and Consultants to whom Options may be granted from time to time hereunder;

(ii) to determine whether, when and to what extent Options are granted hereunder;

(iii) to determine the number of Shares to be covered by each Option granted hereunder;

(iv) to approve forms of Option Agreements for use under the Plan;

(v) to determine the terms and conditions of any Option granted hereunder;

(vi) to amend the terms of any outstanding Option granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an outstanding Option shall not be made without the Grantee's written consent, provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non-Qualified Stock Option shall not be treated as adversely affecting the rights of the Grantee. The reduction of the exercise price of any Option awarded under the Plan and canceling an Option at a time when its exercise price exceeds the Fair Market Value of the underlying Shares, in exchange for another Option or for cash, in each case, shall not be subject to stockholder approval;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan and to define terms not otherwise defined herein;

(viii) to construe and interpret the terms of the Plan, any rules and regulations under the Plan and Options, including without limitation, any notice of award or Option Agreement, granted pursuant to the Plan;

(ix) to approve corrections in the documentation or administration of any Option;

(x) to grant Options to Employees, Directors and Consultants employed outside the United States or to otherwise adopt or administer such procedures or subplans that the Administrator deems appropriate or necessary on such terms and conditions different from those specified in the Plan as may, in the judgment of the Administrator, be necessary or desirable to further the purpose of the Plan; and

(xi) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator; provided that the Administrator may not exercise any right or power reserved to the Board. Any decision made, or action taken, by the Administrator or in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan. The Administrator shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any Officer or other Employee of the Company and such attorneys, consultants and accountants as it may select.

(c) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees, members of the Board and any Officers or Employees to whom authority to act for the Board is delegated by the Administrator or the Company shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Option granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

5. Eligibility. Non-Qualified Stock Options may be granted to Employees, Directors and Consultants as the Administrator may determine from time to time. Incentive Stock Options may be granted only to Employees of the Company or a Parent or a Subsidiary of the Company as the Administrator may determine from time to time. An Employee, Director or Consultant who has been granted an Option may, if otherwise eligible, be granted additional Options. Options may be granted to such Employees, Directors or Consultants who are residing in non-U.S. jurisdictions as the Administrator may determine from time to time.

6. Terms and Conditions of Options.

(a) Designation of Option. Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, an Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the grant date of the relevant Option. In the event that the Code or the regulations promulgated thereunder are amended after the date the Plan becomes effective to provide for a different limit on the Fair Market Value of Shares permitted to be subject to Incentive Stock Options, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

(b) Conditions of Option. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Option including, but not limited to, the Option vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions,

form of payment (cash, Shares, or other consideration) upon exercise of the Option, payment contingencies, and satisfaction of any performance criteria.

(c) Term of Option. The term of each Option shall be the term stated in the Option Agreement, provided, however, that the term of an Option shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Stock Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

(d) Transferability of Options. Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee. Non-Qualified Stock Options shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator, but only to the extent such transfers are made to family members, to family trusts, to family controlled entities, to charitable organizations, and pursuant to domestic relations orders or agreements, in all cases without payment for such transfers to the Grantee. Unless otherwise agreed to by the Administrator, all vesting, exercisability and forfeiture provisions that are conditioned on the Grantee's continued employment or service shall continue to be determined with reference to the Grantee's employment or service (and not to the status of the transferee) after any transfer of a Non-Qualified Stock Option pursuant to this Section 6(d), and the responsibility to pay any taxes in connection with a Non-Qualified Stock Option shall remain with the Grantee notwithstanding any transfer other than by will or the laws of descent and distribution. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(e) Time of Granting Options. The date of grant of an Option shall for all purposes be the date on which the Administrator makes the determination to grant such Option, or such other later date as is determined by the Administrator.

7. Option Exercise Price, Consideration and Taxes.

(a) Exercise Price. The exercise price for an Option shall be as follows:

(i) In the case of an Incentive Stock Option:

(A) granted to an Employee who, at the time of the grant of such Incentive Stock Option owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary of the Company, the per Share exercise price shall be not less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant; or

(B) granted to any Employee other than an Employee described in the preceding paragraph, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Non-Qualified Stock Option, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise of an Option including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant). In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following, provided that the portion of the consideration equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(i) cash;

(ii) check;

(iii) surrender of Shares or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate exercise price of the Shares as to which said Option shall be exercised;

(iv) if the exercise occurs on or after the Registration Date, payment through a broker-assisted cashless exercise program made available by the Company;

(v) payment through a "net exercise" procedure established by the Company such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares; or

(vi) any combination of the foregoing methods of payment.

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Option Agreement, or by other means, grant Options which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

(c) Taxes. No Shares shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of any non-U.S., federal, state, or local income and employment tax withholding obligations (calculated at the statutory minimum amount for such withholding), including, without limitation, obligations incident to the receipt of Shares. Upon exercise of an Option the Company shall withhold or collect from the Grantee an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of the whole number of Shares covered by the Option, if applicable, sufficient to satisfy the applicable tax withholding obligations incident to the exercise or vesting of an Option (calculated at the statutory minimum amount for such withholding).

8. Exercise of Option.

(a) Procedure for Exercise; Rights as a Stockholder.

(i) Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Option Agreement.

(ii) An Option shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option by the person entitled to exercise the Option and full payment for the Shares with respect to which the Option is exercised has been made, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(v).

(b) Exercise of Option Following Termination of Continuous Service.

(i) An Option may not be exercised after the termination date of such Option set forth in the Option Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided in the Option Agreement.

(ii) Where the Option Agreement permits a Grantee to exercise an Option following the termination of the Grantee's Continuous Service for a specified period, the Option shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Option, whichever occurs first.

(iii) Any Option designated as an Incentive Stock Option to the extent not exercised within the time permitted by law for the exercise of Incentive Stock Options following the termination of a Grantee's Continuous Service shall convert automatically to a Non-Qualified Stock Option and thereafter shall be exercisable as such to the extent exercisable by its terms for the period specified in the Option Agreement.

9. Conditions Upon Issuance of Shares.

(a) If at any time the Administrator determines that the delivery of Shares pursuant to the exercise of an Option is or may be unlawful under Applicable Laws, the vesting or right to exercise an Option or to otherwise receive Shares pursuant to the terms of an Option shall be suspended until the Administrator determines that such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance. The Company shall have no obligation to effect any registration or qualification of the Shares under federal or state laws.

(b) The Administrator may provide that the Shares issued upon exercise of an Option shall be subject to such further agreements, restrictions, conditions or limitations as the Administrator in its discretion may specify prior to the exercise of such Option, including without limitation, conditions on vesting or transferability, forfeiture or repurchase provisions and method of payment for the Shares issued upon exercise of such Option (including the actual or constructive surrender of Shares already owned by the Grantee) or payment of taxes arising in connection with an Option. Without limiting the foregoing, such restrictions may address the

timing and manner of any resales by the Grantee or other subsequent transfers by the Grantee of any Shares issued under an Option, including without limitation (i) restrictions under an insider trading policy or pursuant to applicable law, (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by the Grantee and holders of other Company equity compensation arrangements, (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers, and (iv) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.

10. Adjustments Upon Changes in Capitalization. Subject to any required action by the stockholders of the Company and Section 11 hereof, the number of Shares covered by each outstanding Option, and the number of Shares which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Option, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, (iii) any other transaction with respect to Common Stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration" or (iv) any distribution of cash or other assets to stockholders other than a normal cash dividend (collectively "adjustments"). Any such adjustments to outstanding Options will be effected in a manner that precludes the enlargement of rights and benefits under such Options and shall be designed to comply with Sections 409A and 424 of the Code (to the extent applicable). In connection with the foregoing adjustments, the Administrator may, in its discretion, prohibit the exercise of Options during certain periods of time. Such adjustments shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Option.

11. Corporate Transactions and Changes in Control.

(a) Termination of Option to Extent Not Assumed in Corporate Transaction Effective upon the consummation of a Corporate Transaction, all outstanding Options under the Plan shall terminate. However, all such Options shall not terminate to the extent they are Assumed in connection with the Corporate Transaction.

(b) Acceleration of Option Upon Corporate Transaction or Change in Control

(i) Corporate Transaction. Except as provided otherwise in an individual Option Agreement, in the event of a Corporate Transaction, for the portion of each Option that is neither Assumed nor Replaced, such portion of the Option shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights

(other than repurchase rights exercisable at Fair Market Value) for all of the Shares at the time represented by such portion of the Option, immediately prior to the specified effective date of such Corporate Transaction, provided that the Grantee's Continuous Service has not terminated prior to such date.

(ii) Change in Control. Except as provided otherwise in an individual Option Agreement, in the event of a Change in Control (other than a Change in Control which also is a Corporate Transaction), each Option which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value), immediately prior to the specified effective date of such Change in Control, for all of the Shares at the time represented by such Option, provided that the Grantee's Continuous Service has not terminated prior to such date.

(c) Effect of Acceleration on Incentive Stock Options. Any Incentive Stock Option accelerated under this Section 11 in connection with a Corporate Transaction or Change in Control shall remain exercisable as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded.

12. Effective Date and Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated. Subject to Applicable Laws, Options may be granted under the Plan upon its becoming effective.

13. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by Applicable Laws.

(b) No Option may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 12, above) shall adversely affect any rights under Options already granted to a Grantee.

14. Limitation of Liability. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or a Related Entity to terminate the Grantee's Continuous Service at any time, with or without cause including, but not limited to, Cause, and with or without notice. The ability of the Company or any Related Entity

to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been terminated for Cause for the purposes of this Plan.

16. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Options shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan," "Pension Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

17. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

18. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

19. Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board, the submission of the Plan to the stockholders of the Company for approval, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Options otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

20. Governing Law. This Plan and any agreements or other documents hereunder shall be interpreted and construed in accordance with the laws of Delaware to the extent not preempted by federal law. Any reference in this Plan or in the agreement or other document evidencing any Options to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

Exhibit 10.13

[EMPLOYEE FORM OF OPTION AGREEMENT]

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK OPTION PLAN

NOTICE OF STOCK OPTION AWARD

Grantee's Name and Address: _____

_____

_____

You (the "Grantee") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "Notice"), the Restoration Hardware Holdings, Inc. 2012 Stock Option Plan, as amended from time to time (the "Plan") and the Stock Option Award Agreement (the "Option Agreement") attached hereto, as follows. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice.

Award Number	_____
Date of Award	_____
Exercise Price per Share	$ _____
Total Number of Shares Subject to the Option (the "Shares")	_____
Total Exercise Price	$ _____
Type of Option:	_____ Incentive Stock Option
	Non-Qualified Stock Option
Expiration Date:	_____

Vesting Schedule:

Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Plan and the Option Agreement, the Option may be exercised, in whole or in part, in accordance with the following schedule:

The Option shall be fully vested upon the Date of Award.

Selling Restrictions:

Notwithstanding anything herein to the contrary, neither the Grantee nor a transferee (either referred to herein as the "Holder") may transfer the Shares issued upon exercise of the Option (except by will or by the laws of descent and distribution) until twenty (20) years following the Registration Date (the "Selling Restrictions"). However, subject to the Grantee's Continuous Service, the Selling Restrictions shall lapse with respect to the number of Shares set forth in the table below on the corresponding date:

Number of Shares	**Lapse Date**
[—] Shares	
[—] Shares	

[—] Shares

[—] Shares

Repurchase Right

1. In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause pursuant to clause (iv) or (v) of the definition of Cause, the Company shall have the right, for a period of ninety (90) days commencing on the date of such termination, to elect to purchase from such Grantee any Shares that remain subject to the Selling Restrictions as of the date of such termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price payable by the Company under this Section 1 may be paid in lump sum in cash on the repurchase date or, in the Administrator's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date, a term of up to ten years from the date of repurchase and such other terms and conditions as determined by the Administrator (including restrictions on assignment and transferability). In the event the Company elects to pay such purchase price with a note, the Grantee may elect to forgo such payment and convey the Shares to the Company for no additional cash consideration. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 1, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

2. In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity without Cause [or by the Grantee for Good Reason], or is terminated on account of the Grantee's death or Disability, the Company shall have the right, for a period of ninety (90) days commencing on the date of such termination, to elect to purchase from the Grantee any Shares that remain subject to the Selling Restrictions as of the date of termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price payable by the Company under this Section 2 shall be paid in lump sum in cash on the repurchase date. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 2, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

3. In the event the Grantee's Continuous Service is terminated by the Grantee [without Good Reason] [for any reason], the Company shall have the right, for a period of ninety (90) days commencing on the date of such termination, to elect to purchase from such Grantee any Shares that remain subject to the Selling Restrictions as of the date of such termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price

payable by the Company under this Section 3 may be paid in lump sum in cash on the repurchase date or, in the Administrator's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date. The term of any such promissory note shall be (1) up to ten years from the date of repurchase if such termination occurs prior to the first anniversary of the Registration Date, (2) up to eight years from the date of repurchase if such termination occurs after the first, but prior to the second anniversary of the Registration Date, (3) up to five years from the date of repurchase if such termination occurs after the second, but prior to the third anniversary of Registration Date and (4) up to one year from the date of repurchase if such termination occurs after the third anniversary of the Registration Date. The promissory note shall contain such other terms and conditions as determined by the Administrator (including restrictions on assignment and transferability). In the event the Company elects to pay such purchase price with a note, the Grantee may elect to forgo such payment and convey the Shares to the Company for no additional cash consideration. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 3, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

The Company's repurchase right described in each of Sections 1-3 is referred to herein as the "Repurchase Right".

Definitions

1. For purposes of the terms and conditions related to the Repurchase Right and the lapse of the Selling Restrictions described above and notwithstanding anything in the Plan to the contrary, "Fair Market Value" means, on the date of determination, the fair market value of the Common Stock, as determined in good faith by the Administrator, in its sole and absolute discretion (taking into account all of the terms applicable to the Option, including the Selling Restrictions).

2. "Cause" shall mean a finding by the Administrator, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that the Grantee (i) committed theft, dishonesty or falsification of any documents or records related to the Company or any of its Related Entities; (ii) improperly used or disclosed the Company's or any of its Related Entity's confidential or proprietary information; (iii) took any action which has a material detrimental effect on the reputation or business of the Company or any of its Related Entities; (iv) failed or was unable to perform any reasonable assigned duties, provided, however, that if such failure or inability is reasonably capable of being cured, the Grantee is provided with a reasonable opportunity to cure such failure or inability; (v) materially breached any employment or service agreement between the Grantee and the Company or any of its Related Entities or applicable policy of the Company or any of its Related Entities, which breach is not cured pursuant to the terms of such agreement or policy; or (vi) was convicted (including any plea of guilty or nolo contendere) of any criminal act that, in the determination of the Board, impairs the Grantee's ability to perform his or her duties with the Company or any of its Related Entities.

3. ["Good Reason" shall have the meaning ascribed to such term in the written employment or advisory agreement entered into by and between the Grantee and the Company effective as of [INSERT DATE]; provided, however, that no subsequent amendments to such agreement that

affect the definition of Good Reason will be taken into account for purposes of this Option unless explicitly provided for in the governing documents for such amendment.]

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Option is to be governed by the terms and conditions of this Notice, the Plan, and the Option Agreement.

Restoration Hardware Holdings, Inc.,
a Delaware corporation

By: _____

Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE OPTION AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

The Grantee acknowledges receipt of a copy of the Plan and the Option Agreement, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Plan, and the Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice, and fully understands all provisions of this Notice, the Plan and the Option Agreement. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Option Agreement shall be resolved by the Administrator in accordance with Section 15 of the Option Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 16 of the Option Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: _____ Signed: _____

Grantee

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK OPTION PLAN

STOCK OPTION AWARD AGREEMENT

1. Grant of Option. Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), hereby grants to the Grantee (the "Grantee") named in the Notice of Stock Option Award (the "Notice"), an option (the "Option") to purchase the Total Number of Shares of Common Stock subject to the Option (the "Shares") set forth in the Notice, at the Exercise Price per Share set forth in the Notice (the "Exercise Price") subject to the terms and provisions of the Notice, this Stock Option Award Agreement (the "Option Agreement") and the Company's 2012 Stock Option Plan, as amended from time to time (the "Plan"), which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

If designated in the Notice as an Incentive Stock Option, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. However, notwithstanding such designation, the Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to options designated as Incentive Stock Options which become exercisable for the first time by the Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the shares subject to such options shall be determined as of the grant date of the relevant option.

2. Exercise of Option.

(a) Right to Exercise. The Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan and this Option Agreement. The Option shall be subject to the provisions of Section 13 of the Plan relating to the exercisability or termination of the Option in the event of a Corporate Transaction or Change in Control. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A) or by such other procedure as specified from time to time by the Administrator which shall state the election to exercise the Option, the whole number of Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator to the Company accompanied by payment of the Exercise Price and all applicable income and employment taxes required to be withheld. The Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price and all applicable withholding taxes, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance

procedure to pay the Exercise Price provided in Section 3(d) below to the extent such procedure is available to the Grantee at the time of exercise and such an exercise would not violate any Applicable Law.

(c) Taxes. No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax and employment tax withholding obligations, including, without limitation, such other tax obligations of the Grantee incident to the receipt of Shares. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount sufficient to satisfy such tax withholding obligations. Furthermore, in the event of any determination that the Company has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Option, the Grantee agrees to pay the Company the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company to do so, whether or not the Grantee is an employee of the Company at that time.

(d) Section 16(b). Notwithstanding any provision of this Option Agreement to the contrary, other than termination of the Grantee's Continuous Service for Cause, if a sale within the applicable time periods set forth in Sections 5, 6 or 7 herein of Shares acquired upon the exercise of the Option would subject the Grantee to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such Shares by the Grantee would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Grantee's termination of Continuous Service, or (iii) the date on which the Option expires.

3. Method of Payment. Payment of the Exercise Price shall be made by any of the following, or a combination thereof, at the election of the Grantee; provided, however, that such exercise method does not then violate any Applicable Law and, provided further, that the portion of the Exercise Price equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(a) cash;

(b) check;

(c) surrender of Shares held for the requisite period, if any, necessary to avoid a charge to the Company's earnings for financial reporting purposes, or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised;

(d) if permitted by the Administrator and only with respect to that portion of the Option no longer subject to Selling Restrictions, payment through a "net exercise" such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such

date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or]

(e) if permitted by the Administrator and only with respect to that portion of the Option no longer subject to Selling Restrictions, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (i) shall provide written instructions to a Company-designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (ii) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction.]

4. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. If the exercise of the Option within the applicable time periods set forth in Section 5, 6 and 7 of this Option Agreement is prevented by the provisions of this Section 4, the Option shall remain exercisable until one (1) month after the date the Grantee is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date set forth in the Notice.

5. Termination or Change of Continuous Service.

(a) In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Option shall remain in effect and the Option shall continue to vest in accordance with the Vesting Schedule set forth in the Notice; provided, however, that with respect to any Incentive Stock Option that shall remain in effect after a change in status from Employee to Director or Consultant, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following such change in status.

(b) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause (other than pursuant to clause (iv) or (v) of the definition of Cause), the Grantee's right to exercise the Option shall terminate on the date of the Grantee's termination (the "Termination Date").

(c) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause pursuant to clause (iv) or (v) of the definition of Cause or terminated by the Grantee [without Good Reason] [for any reason], the Grantee may, but only within one hundred twenty (120) days commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date.

(d) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity without Cause [or terminated by the Grantee for Good Reason], the Grantee may, but only within one hundred eighty (180) days commencing on the Termination

Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date.

(e) The post-termination exercise periods described in this Section 5 shall commence on the Termination Date.In no event shall the Option be exercised later than the Expiration Date set forth in the Notice.

(f) If the Grantee does not exercise the Option within the applicable post-termination exercise period, the Option shall terminate.

6. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within one hundred eighty (180) days commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date. If the Grantee does not exercise the Option within the time specified herein, the Option shall terminate.

7. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, the person who acquired the right to exercise the Option pursuant to Section 8 may exercise the portion of the Option that was vested at the date of termination within one hundred eighty (180) days commencing on the date of death (but in no event later than the Expiration Date). If the Option is not exercised within the time specified herein, the Option shall terminate.

8. Transferability of Option. The Option, if an Incentive Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The Option, if a Non-Qualified Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that a Non-Qualified Stock Option may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Incentive Stock Option or Non-Qualified Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 7, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

9. Additional Terms Related to Selling Restrictions.

(a) Transfer upon Death. Notwithstanding the Selling Restrictions set forth in the Notice, the Shares may be transferred by will or by the laws of descent and distribution, provided, that the Selling Restrictions shall continue to apply to and be binding upon the executors, administrators, heirs, successors and transferees of the Holder.

(b) Legends. The Grantee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon

any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THAT CERTAIN OPTION AGREEMENT BETWEEN THE COMPANY AND THE NAMED STOCKHOLDER. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH SUCH AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(c) Stop Transfer Notices. In order to ensure compliance with the Selling Restrictions, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(d) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Option Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(e) Additional Shares or Substituted Securities. In the event of any transaction described in Sections 10 or 11 of the Plan, any new, substituted or additional securities or other property which is by reason of any such transaction distributed with respect to the Shares shall be immediately subject to the Selling Restrictions, but only to the extent the Shares are at the time covered by such Selling Restrictions.

(f) Escrow of Stock. For purposes of facilitating the enforcement of the provisions of the Selling Restrictions, the Grantee agrees, immediately upon receipt of the certificate(s) for the Shares, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached hereto as Exhibit B, executed in blank by the Grantee with respect to each such stock certificate, to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Shares are subject to the Selling Restrictions, with the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Option Agreement in accordance with the terms hereof. The Grantee hereby acknowledges that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to make this Option Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. The Grantee agrees that the Shares may be held electronically in a book entry system maintained by the Company's transfer agent or other third-party and that all the terms and conditions of this Section 9(g) applicable to certificated Shares will apply with the same force and effect to such electronic method for holding the Shares. The Grantee agrees that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Subject to the provisions of any security agreement relating

to Grantee's purchase of the Shares, upon the expiration of the Selling Restrictions, the escrow holder will transmit to the Grantee the certificate evidencing the Shares with respect to which the Selling Restrictions have lapsed.

10. Term of Option. The Option must be exercised no later than the Expiration Date set forth in the Notice or such earlier date as otherwise provided herein. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

11. Additional Terms Related to the Company's Repurchase Right.

(a) Assignment. Whenever the Company shall have the right to purchase Shares under this Repurchase Right, the Company may designate and assign one or more employees, officers, directors or shareholders of the Company or other persons or organizations, to exercise all or a part of the Company's Repurchase Right.

(b) Additional Shares or Substituted Securities. In the event of any transaction described in Sections 10 or 11 of the Plan, any new, substituted or additional securities or other property which is by reason of any such transaction distributed with respect to the Shares shall be immediately subject to the Repurchase Right, but only to the extent the Shares are at the time covered by such right.

12. Tax Consequences. The Grantee may incur tax liability as a result of the Grantee's purchase or disposition of the Shares. THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

13. Entire Agreement: Governing Law. The Notice, the Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan and this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan and this Option Agreement are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice, the Plan or this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

14. Construction. The captions used in the Notice and this Option Agreement are inserted for convenience and shall not be deemed a part of the Option for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

15. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

16. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees pursuant to Section 8 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Option Agreement shall be brought in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of San Francisco) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 16 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

17. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

END OF AGREEMENT

EXHIBIT A

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK OPTION PLAN

EXERCISE NOTICE

Restoration Hardware Holdings, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Attention: Secretary

1. Exercise of Option. Effective as of today, , the undersigned (the "Grantee") hereby elects to exercise the Grantee's option to purchase shares of the Common Stock (the "Shares") of , Inc. (the "Company") under and pursuant to the Company's 2012 Stock Option Plan, as amended from time to time (the "Plan") and the [ ] Incentive [ ] Non-Qualified Stock Option Award Agreement (the "Option Agreement") and Notice of Stock Option Award (the "Notice") dated , . Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Exercise Notice.

2. Representations of the Grantee. The Grantee acknowledges that the Grantee has received, read and understood the Notice, the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

3. Rights as Stockholder. Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 11 of the Plan.

4. Delivery of Payment. The Grantee herewith delivers to the Company the full Exercise Price for the Shares, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(e) of the Option Agreement.

5. Tax Consultation. The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

6. Taxes. The Grantee agrees to satisfy all applicable foreign, federal, state and local income and employment tax withholding obligations and herewith delivers to the Company the full amount of such obligations or has made arrangements acceptable to the Company to satisfy such obligations. In the case of an Incentive Stock Option, the Grantee also agrees, as partial consideration for the designation of the Option as an Incentive Stock Option, to notify the

Company in writing within thirty (30) days of any disposition of any shares acquired by exercise of the Option if such disposition occurs within two (2) years from the Date of Award or within one (1) year from the date the Shares were transferred to the Grantee.

7. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this agreement shall inure to the benefit of the successors and assigns of the Company. This Exercise Notice shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

8. Construction. The captions used in this Exercise Notice are inserted for convenience and shall not be deemed a part of this agreement for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. The Grantee hereby agrees that any question or dispute regarding the administration or interpretation of this Exercise Notice shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Governing Law; Severability. This Exercise Notice is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of this Exercise Notice be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this agreement.

13. Entire Agreement. The Notice, the Plan and the Option Agreement are incorporated herein by reference and together with this Exercise Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Option Agreement and this Exercise Notice (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

Submitted by:

GRANTEE:

_____

(Signature)

Address:

_____

_____

Accepted by:

RESTORATION HARDWARE HOLDINGS, INC.

By: _____

Title: _____

Address:

15 Koch Road, Suite J
Corte Madera, CA 94925

EXHIBIT B

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), standing in his name on the books of, represented by Certificate No. herewith, and does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the said stock in the books of the Company with full power of substitution.

DATED: _____

Exhibit 10.14

[STOCK OPTION AGREEMENT FOR CERTAIN EXECUTIVES]

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK OPTION PLAN

NOTICE OF STOCK OPTION AWARD

Grantee's Name and Address: _____

_____

_____

You (the "Grantee") have been granted an option to purchase shares of Common Stock, subject to the terms and conditions of this Notice of Stock Option Award (the "Notice"), the Restoration Hardware Holdings, Inc. 2012 Stock Option Plan, as amended from time to time (the "Plan") and the Stock Option Award Agreement (the "Option Agreement") attached hereto, as follows. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice.

Award Number	_____
Date of Award	_____
Exercise Price per Share	$ _____
Total Number of Shares Subject to the Option (the "Shares")	_____
Total Exercise Price	$ _____
Type of Option:	_____ Incentive Stock Option
	_____ Non-Qualified Stock Option
Expiration Date:	_____

Vesting Schedule:

Subject to the Grantee's Continuous Service and other limitations set forth in this Notice, the Plan and the Option Agreement, the Option may be exercised, in whole or in part, in accordance with the following schedule:

The Option shall be fully vested upon the Date of Award.

Selling Restrictions:

Notwithstanding anything herein to the contrary, neither the Grantee nor a transferee (either referred to herein as the "Holder") may transfer the Shares issued upon exercise of the Option (except by will or by the laws of descent and distribution) until twenty (20) years following the Registration Date (the "Selling Restrictions"). However, subject to the Grantee's Continuous Service, the Selling Restrictions shall lapse with respect to the number of Shares set forth in the table below on the date on which the Ten Day Average Price has reached and remained for ten (10) consecutive trading days at the corresponding Lapse Price set forth below:

Number of Shares	Lapse Price
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share
[—] Shares	[$—] per share

For purposes of the Notice and Option Agreement, "Ten Day Average Price" shall mean, as of any date, the average Fair Market Value of the Common Stock for the last ten (10) consecutive trading days, as determined after market close on the tenth (10th) such consecutive trading day.

The Lapse Prices shall be subject to adjustment for changes in capitalization as provided in Section 10 of the Plan. Notwithstanding anything herein to the contrary, in the event of a Corporate Transaction, the Selling Restrictions shall lapse immediately prior to the specified effective date of such Corporate Transaction with respect to the total number of Shares set forth in the table above that corresponds to the highest Lapse Price (and each lower Lapse Price) set forth above that (a) has not been achieved in accordance with the terms and conditions hereof prior to the Corporate Transaction and (b) is equal to or less than the value of the per share consideration payable to holders of Common Stock in the Corporate Transaction with respect to their shares of Common Stock, as determined by the Company in accordance with the terms and conditions of the applicable definitive agreement pursuant to which the Corporate Transaction will be consummated.

For purposes of clarity, the Selling Restrictions will lapse only once as to a particular installment attributable to attaining (and remaining for ten (10) consecutive trading days at) a Ten Day Average Price equal to the Lapse Price and there shall be no requirement that the Fair Market Value remain above the Lapse Price after such date. In addition, each Lapse Price includes each lower Lapse Price, if any, so that if the specific Ten Day Average Price attained and maintained for such ten (10) consecutive trading day period exceeds other Lapse Prices for installments that have not yet lapsed, the Selling Restrictions shall lapse with respect to all installments attributable to the highest Lapse Price maintained and all lower Lapse Prices. For example, once the Selling Restrictions lapse with respect to [ ] Shares due to the Ten Day Average Price equaling or exceeding $[ ] for ten (10) consecutive trading days, the Selling Restrictions will not lapse with respect to another [ ] Shares for any other ten (10) consecutive trading day period during which the Ten Day Average Price equals or exceeds $[ ]. However,

if the Ten Day Average Price equals or exceeds $[ ] for ten (10) consecutive trading days and the Selling Restrictions have not previously lapsed with respect to the installment attributable to the lower Lapse Price of $[ ], the Selling Restrictions will lapse as to a total of [ ] Shares (which is the sum of the installments attributable to the Lapse Prices of $[ ] and $[ ]).

Repurchase Right

1. In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause pursuant to clauses (B) or (E) of the definition of Cause, the Company shall have the right, for a period of ninety (90) days commencing on the date of such termination, to elect to purchase from such Grantee any Shares that remain subject to the Selling Restrictions as of the date of such termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price payable by the Company under this Section 1 may be paid in lump sum in cash on the repurchase date or, in the Administrator's sole discretion, on a deferred basis by an unsecured promissory note providing for interest at a rate appropriate for the Company's credit risk as of the repurchase date, a term of up to ten years from the date of repurchase and such other terms and conditions as determined by the Administrator (including restrictions on assignment and transferability). In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 1, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

2. In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity without Cause or by the Grantee for Good Reason, or is terminated on account of the Grantee's death or Disability, the Company shall have the right, for a period of ninety (90) days commencing on the date that is two (2) years following the date of such termination, to elect to purchase from the Grantee any Shares that remain subject to the Selling Restrictions as of the date that is two (2) years following the date of termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price payable by the Company under this Section 2 shall be paid in lump sum in cash on the repurchase date. In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 2, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

3. In the event the Grantee's Continuous Service is terminated by the Grantee without Good Reason, the Company shall have the right, for a period of ninety (90) days commencing on the date of such termination, to elect to purchase from such Grantee any Shares that remain subject to the Selling Restrictions as of the date of such termination. The repurchase date shall be the trading day immediately following the date the Grantee's applicable post-termination exercise period set forth in Section 5, 6 or 7 expires, and the repurchase price shall be the Fair Market Value of the Shares as of the repurchase date. The purchase price payable by the Company under this Section 3 may be paid in lump sum in cash on the repurchase date or, in the Administrator's sole discretion, on a deferred basis by an unsecured promissory note providing

for interest at a rate appropriate for the Company's credit risk as of the repurchase date. The term of any such promissory note shall be (1) up to ten years from the date of repurchase if such termination occurs prior to the first anniversary of the Registration Date, (2) up to eight years from the date of repurchase if such termination occurs after the first, but prior to the second anniversary of the Registration Date, (3) up to five years from the date of repurchase if such termination occurs after the second, but prior to the third anniversary of Registration Date and (4) up to one year from the date of repurchase if such termination occurs after the third anniversary of the Registration Date. The promissory note shall contain such other terms and conditions as determined by the Administrator (including restrictions on assignment and transferability). In the event the Company fails to exercise its repurchase right within the applicable ninety (90) day period set forth in this Section 3, the Selling Restrictions then applicable to any Shares held by the Grantee pursuant to the exercise of the Option shall continue to lapse in accordance with the terms and conditions set forth above other than the requirement of Continuous Service.

The Company's repurchase right described in each of Sections 1-3 is referred to herein as the "Repurchase Right".

Definitions

1. For purposes of the terms and conditions related to the Repurchase Right and the lapse of the Selling Restrictions described above and notwithstanding anything in the Plan to the contrary, "Fair Market Value" means, on the date of determination, the fair market value of the Common Stock, as reasonably determined in good faith by the Administrator, in its sole and absolute discretion (taking into account all of the terms applicable to the Option, including the Selling Restrictions).

2. "Cause" shall have the meaning ascribed to such term in the Grantee's [Employment Agreement] [Advisory Agreement] entered into by and between the Grantee and the Company effective as of [INSERT DATE]; provided, however, that no subsequent amendments to such agreement that affect the definition of Cause will be taken into account for purposes of this Option unless explicitly provided for in the governing documents for such amendment.

3. "Good Reason" shall have the meaning ascribed to such term in the Grantee's [Employment Agreement] [Advisory Agreement] entered into by and between the Grantee and the Company effective as of [INSERT DATE]; provided, however, that no subsequent amendments to such agreement that affect the definition of Good Reason will be taken into account for purposes of this Option unless explicitly provided for in the governing documents for such amendment.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Notice and agree that the Option is to be governed by the terms and conditions of this Notice, the Plan, and the Option Agreement.

Restoration Hardware Holdings, Inc.,
a Delaware corporation

By: _____

Title: _____

THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE SHARES SUBJECT TO THE OPTION SHALL VEST, IF AT ALL, ONLY DURING THE PERIOD OF THE GRANTEE'S CONTINUOUS SERVICE (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS NOTICE, THE OPTION AGREEMENT, OR THE PLAN SHALL CONFER UPON THE GRANTEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF THE GRANTEE'S CONTINUOUS SERVICE, NOR SHALL IT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE RIGHT OF THE COMPANY OR RELATED ENTITY TO WHICH THE GRANTEE PROVIDES SERVICES TO TERMINATE THE GRANTEE'S CONTINUOUS SERVICE, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. THE GRANTEE ACKNOWLEDGES THAT UNLESS THE GRANTEE HAS A WRITTEN EMPLOYMENT AGREEMENT WITH THE COMPANY TO THE CONTRARY, THE GRANTEE'S STATUS IS AT WILL.

The Grantee acknowledges receipt of a copy of the Plan and the Option Agreement, and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Option subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice, the Plan, and the Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice, and fully understands all provisions of this Notice, the Plan and the Option Agreement. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice, the Plan and the Option Agreement shall be resolved by the Administrator in accordance with Section 15 of the Option Agreement. The Grantee further agrees to the venue selection and waiver of a jury trial in accordance with Section 16 of the Option Agreement. The Grantee further agrees to notify the Company upon any change in the residence address indicated in this Notice.

Dated: Signed: _____

Grantee

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK OPTION PLAN

STOCK OPTION AWARD AGREEMENT

1. Grant of Option. Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), hereby grants to the Grantee (the "Grantee") named in the Notice of Stock Option Award (the "Notice"), an option (the "Option") to purchase the Total Number of Shares of Common Stock subject to the Option (the "Shares") set forth in the Notice, at the Exercise Price per Share set forth in the Notice (the "Exercise Price") subject to the terms and provisions of the Notice, this Stock Option Award Agreement (the "Option Agreement") and the Company's 2012 Stock Option Plan, as amended from time to time (the "Plan"), which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Option Agreement.

If designated in the Notice as an Incentive Stock Option, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. However, notwithstanding such designation, the Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to options designated as Incentive Stock Options which become exercisable for the first time by the Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the shares subject to such options shall be determined as of the grant date of the relevant option.

2. Exercise of Option.

(a) Right to Exercise. The Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice and with the applicable provisions of the Plan and this Option Agreement. The Option shall be subject to the provisions of Section 11 of the Plan relating to the exercisability or termination of the Option in the event of a Corporate Transaction or Change in Control. The Grantee shall be subject to reasonable limitations on the number of requested exercises during any monthly or weekly period as determined by the Administrator. In no event shall the Company issue fractional Shares. For purposes of clarity, the Shares received upon exercise of the Option shall be those Shares subject to Selling Restrictions with the lowest Lapse Price (as compared to the then-remaining unexercised portion of the Option) unless otherwise indicated by the Grantee at the time of exercise.

(b) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice (a form of which is attached as Exhibit A) or by such other procedure as specified from time to time by the Administrator which shall state the election to exercise the Option, the whole number of Shares in respect of which the Option is being exercised, and such other provisions as may be required by the Administrator. The exercise notice shall be delivered in person, by certified mail, or by such other method (including electronic transmission) as determined from time to time by the Administrator to the Company accompanied by payment of the Exercise Price and all applicable income and employment taxes required to be withheld. The

Option shall be deemed to be exercised upon receipt by the Company of such notice accompanied by the Exercise Price and all applicable withholding taxes, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(d) below to the extent such procedure is available to the Grantee at the time of exercise and such an exercise would not violate any Applicable Law.

(c) Taxes. No Shares will be delivered to the Grantee or other person pursuant to the exercise of the Option until the Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of applicable income tax and employment tax withholding obligations, including, without limitation, such other tax obligations of the Grantee incident to the receipt of Shares. Upon exercise of the Option, the Company or the Grantee's employer may offset or withhold (from any amount owed by the Company or the Grantee's employer to the Grantee) or collect from the Grantee or other person an amount sufficient to satisfy such tax withholding obligations. Furthermore, in the event of any determination that the Company has failed to withhold a sum sufficient to pay all withholding taxes due in connection with the Option, the Grantee agrees to pay the Company the amount of such deficiency in cash within five (5) days after receiving a written demand from the Company to do so, whether or not the Grantee is an employee of the Company at that time.

(d) Section 16(b). Notwithstanding any provision of this Option Agreement to the contrary, other than termination of the Grantee's Continuous Service for Cause, if a sale within the applicable time periods set forth in Sections 5, 6 or 7 herein of Shares acquired upon the exercise of the Option would subject the Grantee to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the tenth (10th) day following the date on which a sale of such Shares by the Grantee would no longer be subject to such suit, (ii) the one hundred and ninetieth (190th) day after the Grantee's termination of Continuous Service, or (iii) the date on which the Option expires.

3. Method of Payment. Payment of the Exercise Price shall be made by any of the following, or a combination thereof, at the election of the Grantee; provided, however, that such exercise method does not then violate any Applicable Law and, provided further, that the portion of the Exercise Price equal to the par value of the Shares must be paid in cash or other legal consideration permitted by the Delaware General Corporation Law:

(a) cash;

(b) check;

(c) surrender of Shares held for the requisite period, if any, necessary to avoid a charge to the Company's earnings for financial reporting purposes, or delivery of a properly executed form of attestation of ownership of Shares as the Administrator may require which have a Fair Market Value on the date of surrender or attestation equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised;

(d) if permitted by the Administrator and only with respect to that portion of the Option no longer subject to Selling Restrictions, payment through a "net exercise" such that,

without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or

(e) if permitted by the Administrator and only with respect to that portion of the Option no longer subject to Selling Restrictions, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (i) shall provide written instructions to a Company-designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (ii) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction.

4. Restrictions on Exercise. The Option may not be exercised if the issuance of the Shares subject to the Option upon such exercise would constitute a violation of any Applicable Laws. If the exercise of the Option within the applicable time periods set forth in Section 5, 6 and 7 of this Option Agreement is prevented by the provisions of this Section 4, the Option shall remain exercisable until one (1) month after the date the Grantee is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date set forth in the Notice.

5. Termination or Change of Continuous Service.

(a) In the event of the Grantee's change in status from Employee, Director or Consultant to any other status of Employee, Director or Consultant, the Option shall remain in effect and the Option shall continue to vest in accordance with the Vesting Schedule set forth in the Notice; provided, however, that with respect to any Incentive Stock Option that shall remain in effect after a change in status from Employee to Director or Consultant, such Incentive Stock Option shall cease to be treated as an Incentive Stock Option and shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following such change in status.

(b) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause (other than pursuant to clauses (B) and (E) of the definition of Cause), the Grantee's right to exercise the Option shall terminate on the date of the Grantee's termination (the "Termination Date").

(c) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity for Cause pursuant to clause (B) and (E) of the definition of Cause or terminated by the Grantee without Good Reason, the Grantee may, but only within one hundred twenty (120) days commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date.

(d) In the event the Grantee's Continuous Service is terminated by the Company or a Related Entity without Cause or terminated by the Grantee for Good Reason, the Grantee may, but only within the two (2) years and ninety (90) days commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date.

(e) The post-termination exercise periods described in this Section 5 shall commence on the Termination Date.In no event shall the Option be exercised later than the Expiration Date set forth in the Notice.

(f) If the Grantee does not exercise the Option within the applicable post-termination exercise period, the Option shall terminate.

6. Disability of Grantee. In the event the Grantee's Continuous Service terminates as a result of his or her Disability, the Grantee may, but only within the two (2) years and ninety (90) days commencing on the Termination Date (but in no event later than the Expiration Date), exercise the portion of the Option that was vested on the Termination Date. If the Grantee does not exercise the Option within the time specified herein, the Option shall terminate.

7. Death of Grantee. In the event of the termination of the Grantee's Continuous Service as a result of his or her death, the person who acquired the right to exercise the Option pursuant to Section 8 may exercise the portion of the Option that was vested at the date of termination within the two (2) years and ninety (90) days commencing on the date of death (but in no event later than the Expiration Date). If the Option is not exercised within the time specified herein, the Option shall terminate.

8. Transferability of Option. The Option, if an Incentive Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of the Grantee only by the Grantee. The Option, if a Non-Qualified Stock Option, may not be transferred in any manner other than by will or by the laws of descent and distribution, provided, however, that a Non-Qualified Stock Option may be transferred during the lifetime of the Grantee to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Incentive Stock Option or Non-Qualified Stock Option in the event of the Grantee's death on a beneficiary designation form provided by the Administrator. Following the death of the Grantee, the Option, to the extent provided in Section 7, may be exercised (a) by the person or persons designated under the deceased Grantee's beneficiary designation or (b) in the absence of an effectively designated beneficiary, by the Grantee's legal representative or by any person empowered to do so under the deceased Grantee's will or under the then applicable laws of descent and distribution. The terms of the Option shall be binding upon the executors, administrators, heirs, successors and transferees of the Grantee.

9. Additional Terms Related to Selling Restrictions.

(a) Transfer upon Death. Notwithstanding the Selling Restrictions set forth in the Notice, the Shares may be transferred by will or by the laws of descent and distribution,

provided, that the Selling Restrictions shall continue to apply to and be binding upon the executors, administrators, heirs, successors and transferees of the Holder.

(b) Legends. The Grantee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THAT CERTAIN OPTION AGREEMENT BETWEEN THE COMPANY AND THE NAMED STOCKHOLDER. THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH SUCH AGREEMENT, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(c) Stop Transfer Notices. In order to ensure compliance with the Selling Restrictions, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(d) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Option Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(e) Additional Shares or Substituted Securities. In the event of any transaction described in Sections 10 or 11 of the Plan, any new, substituted or additional securities or other property which is by reason of any such transaction distributed with respect to the Shares shall be immediately subject to the Selling Restrictions, but only to the extent the Shares are at the time covered by such Selling Restrictions.

(f) Escrow of Stock. For purposes of facilitating the enforcement of the provisions of the Selling Restrictions, the Grantee agrees, immediately upon receipt of the certificate(s) for the Shares, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached hereto as Exhibit B, executed in blank by the Grantee with respect to each such stock certificate, to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Shares are subject to the Selling Restrictions, with the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Option Agreement in accordance with the terms hereof. The Grantee hereby acknowledges that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to make this Option Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. The Grantee agrees that the Shares may be held electronically in a book entry system maintained by the Company's transfer agent or other third-party and that all the terms and conditions of this Section 9(g) applicable to certificated Shares will apply with the

same force and effect to such electronic method for holding the Shares. The Grantee agrees that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Subject to the provisions of any security agreement relating to Grantee's purchase of the Shares, upon the expiration of the Selling Restrictions, the escrow holder will transmit to the Grantee the certificate evidencing the Shares with respect to which the Selling Restrictions have lapsed.

10. Term of Option. The Option must be exercised no later than the Expiration Date set forth in the Notice or such earlier date as otherwise provided herein. After the Expiration Date or such earlier date, the Option shall be of no further force or effect and may not be exercised.

11. Additional Terms Related to the Company's Repurchase Right.

(a) Assignment. Whenever the Company shall have the right to purchase Shares under this Repurchase Right, the Company may designate and assign one or more employees, officers, directors or shareholders of the Company or other persons or organizations, to exercise all or a part of the Company's Repurchase Right.

(b) Additional Shares or Substituted Securities. In the event of any transaction described in Sections 10 or 11 of the Plan, any new, substituted or additional securities or other property which is by reason of any such transaction distributed with respect to the Shares shall be immediately subject to the Repurchase Right, but only to the extent the Shares are at the time covered by such right.

12. Tax Consequences. The Grantee may incur tax liability as a result of the Grantee's purchase or disposition of the Shares. THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THE OPTION OR DISPOSING OF THE SHARES.

13. Entire Agreement: Governing Law. The Notice, the Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan and this Option Agreement (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties. The Notice, the Plan and this Option Agreement are to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of the Notice, the Plan or this Option Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

14. Construction. The captions used in the Notice and this Option Agreement are inserted for convenience and shall not be deemed a part of the Option for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

15. Administration and Interpretation. Any question or dispute regarding the administration or interpretation of the Notice, the Plan or this Option Agreement shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

16. Venue and Waiver of Jury Trial. The Company, the Grantee, and the Grantee's assignees pursuant to Section 8 (the "parties") agree that any suit, action, or proceeding arising out of or relating to the Notice, the Plan or this Option Agreement shall be brought in the United States District Court for the Northern District of California (or should such court lack jurisdiction to hear such action, suit or proceeding, in a California state court in the County of San Francisco) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING. If any one or more provisions of this Section 16 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

17. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown in these instruments, or to such other address as such party may designate in writing from time to time to the other party.

END OF AGREEMENT

EXHIBIT A

RESTORATION HARDWARE HOLDINGS, INC. 2012 STOCK OPTION PLAN

EXERCISE NOTICE

Restoration Hardware Holdings, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Attention: Secretary

1. Exercise of Option. Effective as of today, , the undersigned (the "Grantee") hereby elects to exercise the Grantee's option to purchase shares of the Common Stock (the "Shares") of , Inc. (the "Company") under and pursuant to the Company's 2012 Stock Option Plan, as amended from time to time (the "Plan") and the [ ] Incentive [ ] Non-Qualified Stock Option Award Agreement (the "Option Agreement") and Notice of Stock Option Award (the "Notice") dated , . Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Exercise Notice.

2. Representations of the Grantee. The Grantee acknowledges that the Grantee has received, read and understood the Notice, the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

3. Rights as Stockholder. Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 of the Plan.

4. Delivery of Payment. The Grantee herewith delivers to the Company the full Exercise Price for the Shares, which, to the extent selected, shall be deemed to be satisfied by use of the broker-dealer sale and remittance procedure to pay the Exercise Price provided in Section 3(e) of the Option Agreement.

5. Tax Consultation. The Grantee understands that the Grantee may suffer adverse tax consequences as a result of the Grantee's purchase or disposition of the Shares. The Grantee represents that the Grantee has consulted with any tax consultants the Grantee deems advisable in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company for any tax advice.

6. Taxes. The Grantee agrees to satisfy all applicable foreign, federal, state and local income and employment tax withholding obligations and herewith delivers to the Company the full amount of such obligations or has made arrangements acceptable to the Company to satisfy such obligations. In the case of an Incentive Stock Option, the Grantee also agrees, as partial consideration for the designation of the Option as an Incentive Stock Option, to notify the

Company in writing within thirty (30) days of any disposition of any shares acquired by exercise of the Option if such disposition occurs within two (2) years from the Date of Award or within one (1) year from the date the Shares were transferred to the Grantee.

7. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this agreement shall inure to the benefit of the successors and assigns of the Company. This Exercise Notice shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

8. Construction. The captions used in this Exercise Notice are inserted for convenience and shall not be deemed a part of this agreement for construction or interpretation. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

9. Administration and Interpretation. The Grantee hereby agrees that any question or dispute regarding the administration or interpretation of this Exercise Notice shall be submitted by the Grantee or by the Company to the Administrator. The resolution of such question or dispute by the Administrator shall be final and binding on all persons.

10. Governing Law; Severability. This Exercise Notice is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the parties. Should any provision of this Exercise Notice be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

11. Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, upon deposit for delivery by an internationally recognized express mail courier service or upon deposit in the United States mail by certified mail (if the parties are within the United States), with postage and fees prepaid, addressed to the other party at its address as shown below beneath its signature, or to such other address as such party may designate in writing from time to time to the other party.

12. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this agreement.

13. Entire Agreement. The Notice, the Plan and the Option Agreement are incorporated herein by reference and together with this Exercise Notice constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and the Grantee. Nothing in the Notice, the Plan, the Option Agreement and this Exercise Notice (except as expressly provided therein) is intended to confer any rights or remedies on any persons other than the parties.

Submitted by:

GRANTEE:

(Signature)

Address:

Accepted by:

RESTORATION HARDWARE HOLDINGS, INC.

By:

Title:

Address:

15 Koch Road, Suite J
Corte Madera, CA 94925

EXHIBIT B

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), standing in his name on the books of, represented by Certificate No. herewith, and does hereby irrevocably constitute and appoint the Secretary of the Company attorney to transfer the said stock in the books of the Company with full power of substitution.

DATED:

Exhibit 10.16

FORM OF

STOCKHOLDERS AGREEMENT

by and among

RESTORATION HARDWARE HOLDINGS, INC.,

and

HOME HOLDINGS, LLC

Dated as of , 2012

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STOCKHOLDERS AGREEMENT

THIS STOCKHOLDERS AGREEMENT (this "Agreement"), dated as of , 2012 (the "Effective Date"), is by and among Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company") and Home Holdings, LLC, a Delaware limited liability company ("HH" or the "Sponsor").

ARTICLE I.

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. Definitions. The following terms, as used herein, have the following meanings:

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing. No Person shall be deemed to be an Affiliate of another Person solely by virtue of the fact that both Persons own shares of the Capital Stock of the Company.

"**Agreement**" has the meaning set forth in the preamble.

"**Board**" means the Board of Directors of the Company.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, and any rights, warrants or options exercisable or exchangeable for or convertible into such capital stock.

"**Change of Control**" means (a) the consummation of any transaction as a result of which any Person other than the Sponsor, or any Related Person of the Sponsor, acquires directly or indirectly more than 50% of the Capital Stock of the Company, including, without limitation, through a merger or consolidation or purchase of the Capital Stock of the Company or (b) the sale, lease, conveyance, disposition, in one or a series of related transactions other than a merger or consolidation, of all or substantially all of the assets of the Company taken as a whole to any Person or group of Related Persons.

"**Common Stock**" means the Common Stock, par value $0.0001 per share, of the Company.

"**Company**" has the meaning set forth in the preamble.

"**Director**" means a member of the Board.

"**Director Veto Lapse Date**" means the date on which the Sponsor no longer owns a majority of the Voting Power of all of the outstanding shares of Common Stock.

"**Existing Debt**" means indebtedness under that certain Ninth Amended And Restated Credit Agreement, dated as of August 3, 2011 (as amended, restated, supplemented or otherwise modified from time to time), among Restoration Hardware, as a borrower, Restoration Hardware Canada, Inc., as a borrower, the other borrowers and guarantors from time to time party thereto, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and collateral agent (the "Existing Facility") and debt incurred to refinance the Existing Facility, provided that (x) the maximum amount that can be borrowed under such refinanced debt is not higher than the maximum amount that can be borrowed under the Existing Facility (including through the exercise of any commitment increase provisions) and (y) the terms of such refinanced debt is not materially less favorable to the Company and its subsidiaries, taken as a whole, than the Existing Facility.

"**Effective Date**" has the meaning set forth in the preamble.

"**Material Subsidiary**" means each "Significant Subsidiary" of the Company, as defined in Rule 1–02 of Regulation S–X promulgated under the 1933 Act.

"**Person**" means an individual, a corporation, a general or limited partnership, a limited liability company, a joint stock company, an association, a trust or any other entity or organization, including a government, a political subdivision or an agency or instrumentality thereof.

"**Related Person**" means, with respect to any Person, (a) an Affiliate of such Person, (b) any investment manager, investment advisor or general partner of such Person, (c) any investment fund, investment account or investment entity whose investment manager, investment advisor or general partner is such Person or a Related Person of such Person, and (d) any equity investor, partner, member or manager of such Person; provided, that no Person shall be deemed an Affiliate of another Person solely by virtue of the fact that both Persons own shares of the Capital Stock of the Company.

"**Restoration Hardware**" means Restoration Hardware, Inc., a wholly owned subsidiary of the Company.

"**Required Designees**" has the meaning set forth in Section 3.01(c).

"**Securities Act**" means the Securities Act of 1933.

"**Significant Action**" has the meaning set forth in Section 4.01.

"**Sponsor**" has the meaning set forth in the preamble.

"**Sponsor Designees**" has the meaning set forth in Section 3.01(a).

"**Transfer**" means the direct or indirect offer, sale, lease, license, donation, assignment (as collateral or otherwise), mortgage, pledge, grant, hypothecation, encumbrance,

gift, bequest or transfer or disposition of any interest (legal or beneficial) in any security (including transfer by reorganization, merger, sale of substantially all of the assets or by operation of law).

"**Veto Lapse Date**" means the date on which the Sponsor no longer owns at least 30% of the Voting Power of all of the outstanding shares of Common Stock.

"**Voting Power**" means the total number of votes associated with all shares of Common Stock of the Company calculated in the same manner as the number of shares of common stock set forth on the cover page of the most recently filed periodic report filed with the Securities and Exchange Commission, that are entitled to vote generally in the election of Directors; provided, however, that with respect to any share of Common Stock, not more than one vote per share shall be counted.

SECTION 1.02. Rules of Construction. Any provision of this Agreement that refers to the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation." References to "dollars" or "$" shall mean dollars in lawful currency of the United States of America. References to numbered or letter articles, sections and subsections refer to articles, sections and subsections, respectively, of this Agreement unless expressly stated otherwise. References to a Section or paragraph shall be to a Section or paragraph of this Agreement unless otherwise indicated. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" when used in this Agreement is not exclusive. Any agreement, instrument, law or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. In the event that any claim is made by any Person relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular Person or its counsel.

ARTICLE II.

REPRESENTATIONS AND WARRANTIES

Each of the parties hereby severally represents and warrants, severally and not jointly, to each of the other parties as follows:

SECTION 2.01. Authority; Enforceability. Such party (a) has the legal capacity or organizational power and authority to execute, deliver and perform its obligations under this Agreement and (b) is duly organized and validly existing and in good standing under the laws of its jurisdiction of organization. This Agreement has been duly executed and delivered by such party and constitutes a legal, valid and binding obligation of such party, enforceable against it in accordance with the terms of this Agreement, subject to applicable bankruptcy, insolvency,

reorganization, moratorium and other laws affecting the rights of creditors generally and to the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity).

SECTION 2.02. Consent. No consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by such party, other than those that have been made or obtained on or prior to the date hereof, in connection with (a) the execution or delivery of this Agreement or (b) the consummation of any of the transactions contemplated hereby.

ARTICLE III.

BOARD OF DIRECTORS

SECTION 3.01. Sponsor Designees.

(a) From the Effective Date until the Director Veto Lapse Date, the Sponsor shall have the right, but not the obligation, to nominate to the Board a majority of the members of the Board of Directors (such nominees, the "**Sponsor Designees**"). As of the date of this Agreement, Sponsor intends to nominate two Sponsor Nominees, which shall be the Required Designees. From the Director Veto Lapse Date until the Veto Lapse Date, the Sponsor shall have the right, but not the obligation, to nominate to the Board two Sponsor Designees. Additionally, from the Effective Date until the Veto Lapse Date, the Sponsor may appoint two observers (the "**Observers**") to the Board.

(b) At any time at which the Sponsor has nominated less than the total number of Sponsor Designees the Sponsor is entitled to nominate pursuant to this Section 3.01, the Sponsor shall have the right, at any time, to nominate such additional number of Sponsor Designees to which it is entitled, in which case the Company shall take all necessary action to (i) increase the size of the Board as required to enable such Sponsor to so nominate such additional Sponsor Designees and (ii) designate such additional Sponsor Designees nominated by the Sponsor to fill such newly–created vacancy or vacancies, as applicable.

(c) The Sponsor shall designate one Sponsor Designee as the CP Designee and one Sponsor Designee as the T3 Designee (together, the "**Required Designees**"). The initial CP Designee shall be J. Michael Chu and the initial T3 Designee shall be William Forrest.

(d) The Observers shall be entitled to attend all meetings of the Board of Directors or any committee thereof, and also shall be entitled to receive concurrently with the Directors notice of Board and Committee meetings and all minutes, consents and other materials provided to any Director in his or her capacity as a Director. Notwithstanding the foregoing, the Company will have the right, in its sole discretion, to exclude the Observers from access to any Board of Directors meeting or material, or portion thereof, if the Board of Directors determines in good faith, based on the advice of Company counsel, that the exclusion is necessary in order to preserve the attorney-client privilege. In the event that any Observer is excluded from access to any portion of a meeting, the Company will supply the Observer with a summary of the content of that portion of the meeting in detail sufficient to provide the Observer with a general

understanding of the purposes of the discussion, provided that such a summary does not waive the attorney-client privilege. In addition, the Company will have the right, in its sole discretion, to exclude the Observers from access to any meeting of the Audit Committee of the Board for any reason whatsoever, in the sole discretion of the Audit Committee, and Observers shall not have a right to a summary of the content of such meetings.

SECTION 3.02. Sponsor Designee Approval Required for Board Action.

(a) From the Effective Date until the Director Veto Lapse Date, no action or vote taken or approved by the Board or any committee thereof, or the board of directors of any subsidiary of the Company or any committee thereof, shall be valid unless approved by both Required Designees; *provided*, *however*, that the foregoing shall not apply to actions or votes taken or approved by the Audit Committee of the Company or any other Committee created with the consent of the Sponsor as being exempt from this requirement.

(b) From the Effective Date until the Director Veto Lapse Date, without the prior consent of both Required Designees, the Board of Directors of the Company may not delegate any authority to the Audit Committee beyond the authority granted to the Audit Committee in its charter in the form attached hereto as Exhibit A, or as may be required by applicable law, regulation or New York Stock Exchange rule.

(c) The Company and the Holders shall take all necessary and desirable actions to cause the certificate of incorporation of the Company and each of the Company's subsidiaries to reflect the provisions of Sections 3.02(a) and (b) until the Director Veto Lapse Date occurs.

SECTION 3.03. Other Corporate Governance Matters.

(a) The Company shall pay all reasonable out-of-pocket expenses incurred by the Directors and the Observers in connection with their participation in meetings of the Board and committees thereof and the board of directors and committees of subsidiaries of the Company.

(b) The board of directors of each subsidiary of the Company shall, at any given time, be comprised in a manner reasonably acceptable to the Sponsor, unless the Sponsor shall require the board of directors of any such subsidiary to be comprised in the same manner as the Board.

(c) The Company shall to the maximum extent permitted under applicable law, indemnify and provide for the advancement of expenses to each Director and Observer, from and against any and all losses which may be imposed on, incurred by, or asserted against such Director or Observer in any way relating to or arising out of, or alleged to relate to or arise out of, the Director's and Observer's service in that capacity. Further, the Directors and Observers shall be covered by the directors' and officers' liability insurance and fiduciary liability insurance carried by the Company in an amount reasonably acceptable to the Sponsor.

(d) Each of the parties hereto acknowledges that the Sponsor, its Affiliates and any of its Affiliates' related investment funds and portfolio companies may review the

business plans and related proprietary information of any enterprise, including any enterprise which may have products or services which compete directly or indirectly with those of the Company, and may trade in the securities of such enterprise. Nothing in this Agreement shall preclude or in any way restrict the Sponsor, its Affiliates and any of its Affiliates' related investment funds and portfolio companies from investing or participating in any particular enterprise, or trading in the securities thereof whether or not such enterprise has products or services that compete with those of the Company. Notwithstanding anything to the contrary herein, the Company and the Holders expressly acknowledge and agree that: (a) the Sponsor, members of the Board designated by the Sponsor, and managers, officers, directors, members, partners, Affiliates and any related investment funds or portfolio companies of Affiliates of the Sponsor (other than the Company and its subsidiaries) (each, a "Sponsor Party") have the right to, and shall have no duty (contractual or otherwise) not to, directly or indirectly, engage in the same or similar business activities or lines of business as the Company or any of its Affiliates or subsidiaries; and (b) in the event that any Sponsor Party acquires knowledge of a potential transaction or matter that may be a corporate opportunity for any of the Company, its Affiliates or any of its subsidiaries, such Sponsor Party shall have no duty (contractual or otherwise) to communicate or present such corporate opportunity to the Company, its Affiliates or any of its subsidiaries, as the case may be, and, notwithstanding any provision of this Agreement to the contrary, shall not be liable to the Company, any of its Affiliates, any of its subsidiaries or any other stockholders for breach of any duty (contractual or otherwise) by reason of the fact that any Sponsor Party, directly or indirectly, pursues or acquires such opportunity for itself, directs such opportunity to another Person, or does not present such opportunity to the Company, its Affiliates or any of its subsidiaries.

ARTICLE IV.

SPONSOR VETO RIGHTS

SECTION 4.01. Sponsor Veto Rights. From the Effective Date until the Veto Lapse Date, neither the Company nor any of its subsidiaries shall take, or be permitted to take, any of the following actions, whether as a single transaction or a series of related transactions (each, a "Significant Action") without the written approval of the Sponsor:

(a) a Change of Control or the merger or consolidation of the Company or any of its subsidiaries, or any entry into any agreement to effect or publicly endorsing a Change of Control or the merger or consolidation of the Company or any of its subsidiaries;

(b) (i) entering into any joint venture, investment, recapitalization, reorganization or contract with any other Person, (ii) the acquisition of any securities or assets of another Person (other than inventory acquired in the ordinary course of business), or (iii) the exercise of any ownership rights in respect of any of the foregoing in this Section 4.01(b);

(c) any Transfer of a material amount of assets of the Company or any of its subsidiaries in any transaction or series of related transactions, other than inventory sold in the ordinary course of business;

(d) the issuance of any Capital Stock of the Company or of any subsidiary of the Company, other than issuances upon: (i) the exercise of any warrants, options, rights or securities convertible into, exchangeable for or exercisable for, shares of Capital Stock of the Company previously approved by the Sponsor or previously approved pursuant to clause 4.01(d)(ii) hereof; and (ii) the grant of any equity award issued to an officer, director, employee or consultant of the Company pursuant to a management incentive plan, employment agreement or other arrangement approved by the Board or a duly authorized committee thereof prior to the Effective Date;

(e) the filing of any registration statement by the Company or its subsidiaries, or the commencement of any public offering by the Company or its subsidiaries, other than the filing of registration statements on Form S-8 in respect of equity awards issued to an officer, director, employee or consultant of the Company pursuant to a management incentive plan, employment agreement or other arrangement approved by the Board or a duly authorized committee thereof prior to the Effective Date;

(f) the guarantee, assumption, incurrence or refinancing of indebtedness for borrowed money by the Company or any of its subsidiaries (including indebtedness of any other Person existing at the time such other Person merged with or into or became a subsidiary of, or substantially all of its business and assets were acquired by, the Company or such subsidiary, and indebtedness secured by a lien encumbering any asset acquired by the Company or any such subsidiary and including debt securities) or the pledge of, or granting of a security interest in, any of the assets of the Company or any of its subsidiaries other than the Existing Debt (other than trade indebtedness incurred in the ordinary course of business by the Company and its subsidiaries);

(g) entering into or amending any direct or indirect transactions after the date of this Agreement between the Company or any subsidiary of the Company, on the one hand, and (i) any of the stockholders of the Company or Affiliates or Related Persons of any of the stockholders of the Company, (ii) any Affiliate of the Company or any subsidiary of the Company (including, for purposes hereof, Hierarchy, LLC) or (iii) any officer, director, employee or consultant of the Company or any subsidiary of the Company (other than compensation arrangements approved by the Board or Compensation Committee or otherwise in the ordinary course of business as part of travel advances, relocation advances, reasonable out-of-pocket expenses or other amounts in accordance with Company policies approved by the Board incurred by officers, directors, employees or consultants of the Company, on the other hand (including the purchase, sale, lease or exchange of any property, or rendering of any service or modification or amendment of any existing agreement or arrangement);

(h) the adoption of a “poison pill” or other material defensive mechanisms not in place as of the Effective Date;

(i) any payment or declaration of or setting aside of any sums or other property for the payment of dividends on any Capital Stock of the Company or making of any other distributions in respect of (including by merger or otherwise) any shares of Capital Stock of the Company or any warrants, options, rights or securities convertible into, exchangeable for or exercisable for, shares of Capital Stock of the Company;

(j) any redemption, repurchase or other acquisition (including by merger or otherwise) any shares of Capital Stock or any warrants, options, rights or securities convertible into, exchangeable for or exercisable for, shares of Capital Stock of the Company, or redemption or purchase or other acquisition or payment with respect to any share appreciation rights or phantom share plans (other than repurchases of shares of Capital Stock from employees upon termination of employment pursuant to terms of equity grants) or any re-pricing of equity awards;

(k) any amendment of the certificate of incorporation or bylaws of the Company, or the terms of the Common Stock;

(l) creation any new class or series of shares of Capital Stock having rights, preferences or privileges senior to or on a parity with the Common Stock;

(m) the creation of any committees of the Board or the board of any subsidiaries, or delegation of authority to a committee, except as set forth in committee charters adopted as of the Effective Date;

(n) the commencement of any liquidation, dissolution or voluntary bankruptcy, administration, recapitalization or reorganization of the Company or any of its subsidiaries in any form of transaction, making arrangements with creditors, or consenting to the entry of an order for relief in any involuntary case, or taking the conversion of an involuntary case to a voluntary case, or consenting to the appointment or taking possession by a receiver, trustee or other custodian for all or substantially all of its property, or otherwise seeking the protection of any applicable bankruptcy or insolvency law, other than any such actions with respect to a non–Material Subsidiary where, in the good faith judgment of the Board, the maintenance or preservation of such subsidiary is no longer desirable in the conduct of the business of the Company or any of its Material Subsidiaries; and

(o) the entering into of any agreement to do any of the foregoing.

ARTICLE V.

MISCELLANEOUS

SECTION 5.01. Notices. Except as otherwise specified herein, all notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, return receipt requested, postage prepaid or otherwise delivered by hand, messenger, facsimile transmission or electronic mail and shall be given to such party at its address or facsimile number set forth on the signature pages hereof or such other address or facsimile number as such party may hereafter specify in writing in accordance with this Section 5.01; provided, that:

(a) unless otherwise specified by HH in a notice delivered by HH in accordance with thisSection 5.01, any notice required to be delivered to HH shall be properly delivered if delivered to:

Home Holdings, LLC
c/o Catterton Management Company, LLC
599 West Putnam Avenue
Greenwich, CT 06830
Fax: (203) 629-4903
Attention: Marc Magliacano

And c/o Tower Three Partners LLC
2 Sound View Drive
Greenwich, CT 06830
Fax: 203-485-5885
Attention: William Forrest

with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
555 Mission Street
San Francisco, CA 94109
Fax: (415) 393-8461
Attention: Stewart McDowell

and

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Fax: (212) 310-8007
Attention: Douglas Warner

(b) unless otherwise specified by the Company in a notice delivered by the Company in accordance with thisSection 5.01, any notice required to be delivered to the Company shall be properly delivered if delivered to:

Restoration Hardware Holdings, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Fax: (415) 927-7264
Attention: Chief Financial Officer

with a copy (which shall not constitute notice) to:

Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105
Fax: (415) 276-7113
Attention: Gavin Grover

SECTION 5.02. Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any Person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

SECTION 5.03. Share Ownership. For purposes of this Agreement, the Sponsor shall be deemed to own all shares of Common Stock owned by Persons that were members of the Sponsor as of immediately after the Effective Date.

SECTION 5.04. Amendment. This Agreement may not be amended, restated, modified or supplemented in any respect and the observance of any term of this Agreement may not be waived except by a written instrument executed by the Company and the Sponsor.

SECTION 5.05. Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by any party hereto except as otherwise expressly stated hereunder.

SECTION 5.06. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws. The parties hereto irrevocably submit, in any legal action or proceeding relating to this Agreement, to the jurisdiction of the courts of the United States located in the State of Delaware or in any Delaware state court located in New York county and consent that any such action or proceeding may be brought in such courts and waive any objection that they may now or hereafter have to the venue of such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient forum.

SECTION 5.07. Enforcement. The parties agree that irreparable damage (for which monetary damages, even if available, would not be an adequate remedy) would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms on a timely basis or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court identified in Section 5.06 above without the need to post bond, this being in addition to any other remedy to which they are entitled at law or in equity.

SECTION 5.08. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 5.09. Additional Securities Subject to Agreement. All shares of Common Stock of the Company that any Holder hereafter acquires by means of a stock split, stock dividend, distribution, exercise of options or warrants or otherwise, whether by merger, consolidation or otherwise (including shares of a surviving corporation into which the shares of

Common Stock are exchanged in such transaction) will be subject to the provisions of this Agreement to the same extent as if held on the date of the this Agreement.

SECTION 5.10. Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 5.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which may be executed by less than all of the parties hereto, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

SECTION 5.12. Waiver of Jury Trial. Each party to this Agreement, for itself and its Related Persons, hereby irrevocably and unconditionally waives to the fullest extent permitted by applicable law all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to the actions of the parties hereto or their respective Related Persons pursuant to this Agreement or in the negotiation, administration, performance or enforcement of this Agreement.

SECTION 5.13. Entire Agreement. This Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter (including this Agreement) and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter.

SECTION 5.14. Termination of Agreement. Upon the Veto Lapse Date, this Agreement shall terminate and be of no further force and effect.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Company and each Sponsor have executed this Agreement as of the day and year first above written.

RESTORATION HARDWARE HOLDINGS, INC.

By: _____
Name:
Title:

HOME HOLDINGS, LLC

By: _____
Name:
Title:

EXHIBIT A

THE AUDIT COMMITTEE
OF
THE BOARD OF DIRECTORS
OF
RESTORATION HARDWARE HOLDINGS, INC.

CHARTER

I. PURPOSE

The Audit Committee (the "Committee") is established by and amongst the Board of Directors (the "Board") of Restoration Hardware Holdings, Inc. (the "Company") for the primary purpose of assisting the Board in overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company and for the purposes set forth in the listing requirements of the New York Stock Exchange ("NYSE"). The Committee shall also review the policies and procedures adopted by the Company to fulfill its responsibilities regarding the fair and accurate presentation of financial statements in accordance with generally accepted accounting principles ("GAAP"), the NYSE, and the applicable rules and regulations of the Securities and Exchange Commission (the "SEC").

Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee should also provide an open avenue of communication among the independent registered public accounting firm, financial and senior management, the internal auditing function and the Board.

The Committee has the authority to obtain advice and assistance from outside legal, accounting, or other advisors as deemed appropriate to perform its duties and responsibilities.

The Company shall provide appropriate funding, as determined by the Committee, for compensation to the independent registered public accounting firm and to any advisers that the Committee chooses to engage as well as for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this Charter.

II. COMPOSITION AND MEETINGS

The Committee shall be comprised of that number of members required by the listing standards of the NYSE, and, in any event, shall consist of at least three members. Each member of the Committee shall meet applicable independence requirements for membership of an Audit Committee in accordance with listing standards of the NYSE. If a member of the Committee

simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

To the extent that the Company elects a "controlled company" exception under the listing requirements of the NYSE, then any listing requirement of the NYSE or provision of this Charter from which the Company is exempt under such controlled company or other provision shall be deemed inapplicable to the Company if and for so long as the Company relies upon the controlled company or other similar exception without further amendment of this Charter. The pertinent provisions of the listing requirements of the NYSE and this Charter shall again be deemed applicable without further amendment of this Charter at such time as the Company elects to no longer rely upon, or is otherwise no longer eligible to rely upon, the controlled company or other similar exception.

Each member of the Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment, and at least one member of the Committee shall meet the definition of "audit committee financial expert" as set forth in Rule 407(d)(5) of Regulation S-K. The existence of such member(s) shall be disclosed in periodic filings as required by the SEC. Members of the Committee may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

Committee members shall be appointed by the Board, based on the recommendation of the Nominating Committee, and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal. Committee members may be removed at any time by vote of the Board.

Unless a Chair is elected by the full Board, members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. To the extent practical and appropriate, each regularly scheduled meeting should conclude with an executive session of the Committee absent members of management and on such terms and conditions as the Committee may elect. As part of its job to foster open communication, the Committee should, to the extent practical and appropriate, meet periodically with management, the director of the internal auditing function and the independent registered public accounting firm in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports/Accounting Information Review

1. Review this Charter periodically, and no less frequently than annually, and recommend to the Board any necessary amendments as conditions dictate.

2. Review and discuss with management and the independent registered accounting firm the Company's annual financial statements, including the Management's Discussion and Analysis proposed to be included in the Company's Annual Report on Form 10-K, quarterly financial statements, and all internal controls reports (or summaries thereof), if any, and recommend to the Board, if appropriate, that the audited financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC. To the extent practical and appropriate, review other relevant reports or financial information submitted by the Company to any governmental body, or the public, including management certifications as required by the Sarbanes-Oxley Act of 2002 (Sections 302 and 906), and any relevant reports rendered by the independent registered public accounting firm (or summaries thereof). Review and discuss with management and the independent registered public accounting firm all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

3. Review with financial management and the independent registered public accounting firm each Quarterly Report on Form 10-Q prior to its filing.

4. Discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

5. Have one or more members of the Committee, in particular if reasonably available the Chair of the Committee, review, before release, the unaudited operating results in the Company's quarterly earnings release and/or discuss the contents of the Company's quarterly earnings release with management.

6. Have one or more members of the Committee, in particular if reasonably available the Chair of the Committee, review, before release, any non-GAAP or "pro forma" financial information, guidance or revised guidance to be included in a press release of the Company.

7. To the extent practical and appropriate, review the regular internal reports (or summaries thereof) to management prepared by the internal auditing department and management's response.

8. Discuss policies with respect to risk assessment and risk management.

Independent Registered Public Accounting Firm

9. Be responsible for the appointment of, and review and approval, on a continuing basis, of the retention, termination and performance of the Company's independent registered public accounting firm and as part of this responsibility the Audit Committee shall:

- Have sole authority to appoint, retain, compensate and terminate the independent registered public accounting firm.
- Oversee the work performed by the independent registered public accounting firm for the purpose of preparing or issuing an audit report or related work.
- Review the performance of the independent registered public accounting firm and remove the independent registered public accounting firm if circumstances warrant.
- The independent registered public accounting firm shall report directly to the Committee and the Committee shall oversee the resolution of disagreements between management and the independent registered public accounting firm in the event that they arise.
- Consider and evaluate whether the registered public accounting firm's performance of permissible nonaudit services is compatible with the registered public accounting firm's independence.
- Establish a clear understanding with management and the independent registered public accounting firm that the independent registered public accounting firm is accountable to the Audit Committee and the Board as representatives of the Company's stockholders.

10. Review with the independent registered public accounting firm when appropriate any problems or difficulties and management's response; review the independent registered public accounting firm's attestation and report on management's internal control report; obtain from the independent registered public accounting firm assurance that it has complied with Section 10A of the Securities Exchange Act of 1934; and hold discussions with the independent registered public accounting firm, at least prior to the filing of the independent registered public accounting firm's audit report with the SEC pursuant to federal securities laws, regarding the following:

- all critical accounting policies and practices to be used;
- all alternative treatments within GAAP for policies and practices related to material items that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm;
- other material written communications between the independent registered public accounting firm and management including, but not limited to, the management letter and schedule of unadjusted differences*;*
- an analysis of the registered public accounting firm's judgment as to the quality of the Company's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements, and the matters required to be discussed by Public Company Accounting Oversight Board AU Section 380 - *Communication with Audit Committees*, as may be modified or supplemented from time to time;
- any significant changes required in the independent registered public accounting firm's audit plan;
- other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards; and
- any other relevant reports, including regular internal financial reports prepared by management of the Company and any internal auditing department, or other financial information.

11. Review the independence of the independent registered public accounting firm, including a review of management consulting services, and related fees, provided by the independent registered public accounting firm. The Committee shall require that the independent registered public accounting firm at least annually provide a formal written statement (a) describing (i) the independent registered public accounting firm's internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent registered public accounting firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five (5) years, respecting one or more audits carried out by the independent registered public accounting firm, and any steps taken to deal with any such issues; and (b) delineating all relationships between the independent registered public accounting firm and the Company consistent with the rules of the NYSE and request information from the independent registered public accounting firm and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the independent registered public accounting firm in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the independent registered public accounting firm. The Committee shall establish clear policies regarding the hiring of employees and former employees of the Company's independent registered public accounting firm.

12. Review and preapprove all audit, review or attest engagements of, and nonaudit services to be provided by, the independent registered public accounting firm (other than with respect to the *de minimis* exception permitted by the Sarbanes-Oxley Act of 2002 and the SEC rules promulgated thereunder). Establish and maintain preapproval policies and procedures relating to the engagement of the independent registered public accounting firm to render services, provided the policies and procedures are detailed as to the particular service and the Committee is informed of each service and such policies and procedures do not include delegation of the Committee's responsibilities under the Securities Exchange Act of 1934 to management. The preapproval duty may be delegated to one or more designated members of the Committee with any such preapproval reported to the Committee at its next regularly scheduled meeting.

Financial Reporting Processes and Accounting Policies

13. In consultation with the independent registered public accounting firm and the internal auditors, review the integrity of the organization's financial reporting processes (both internal and external), and the internal control structure (including disclosure controls).

14. Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

15. Review all related party transactions as defined in the NYSE requirements (consistent with the Company's Related Party Transaction Policies and Procedures as approved by the Board of Directors).

16. Establish and maintain procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting, or auditing matters

17. Establish and maintain procedures for the confidential, anonymous submission by Company employees regarding questionable accounting or auditing matters

Internal Audit

18. Review and concur with management on (i) the timing for establishment of any internal auditing department as well as the scope and responsibilities of any such internal auditing department and (ii) the appointment, replacement, reassignment or dismissal of the person assigned to oversee and run such internal auditing department. Notwithstanding the foregoing, the Company shall have an internal auditing department to the extent required by the listing standards of the NYSE.

Other Responsibilities

19. Review with the independent registered public accounting firm, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.)

20. Prepare the report that the SEC requires be included in the Company's annual proxy statement.

21. To the extent appropriate or necessary, review the rationale for employing audit firms other than the principal independent registered public accounting firm and, where an additional audit firm has been employed, review the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of audit resources.

22. Establish, review and update periodically a code of ethics and ensure that management has established a system to enforce this code. It shall be the policy of the Committee that the code is in compliance with all applicable rules and regulations. Review management's monitoring of the Company's compliance with the organization's code of ethics.

23. Annually review and assess the Committee's performance.

24. Report regularly to the Board.

25. Perform any other activities consistent with this Charter, the Company's Bylaws, as may be amended from time to time, and governing law, as the Committee or the Board deems necessary or appropriate.

Exhibit 10.17

FORM OF

REGISTRATION RIGHTS AGREEMENT

by and among

RESTORATION HARDWARE HOLDINGS, INC.,

HOME HOLDINGS, LLC,

CP HOME HOLDINGS, LLC,

TOWER THREE HOME LLC,

AND

THE OTHER STOCKHOLDERS PARTY HERETO

Dated as of , 2012

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REGISTRATION RIGHTS AGREEMENT

THIS **REGISTRATION RIGHTS AGREEMENT** (this "Agreement"), dated as of , 2012, by and among Restoration Hardware Holdings, Inc., a Delaware corporation (the "Company"), Home Holdings, LLC, a Delaware limited liability company ("HH"), CP Home Holdings, LLC ("Catterton"), Tower Three Home LLC ("Tower Three"), Glenhill Capital Overseas Master Fund LP, Glenhill Capital LP, the Glenn J. Krevlin Revocable Trust, and the Krevlin 2005 Gift Trust (collectively "Glenhill") and each registered or beneficial owner of shares of common stock of the Company listed on Schedule A hereto that has signed a Consent of Holder of Registrable Securities (such parties and each Person listed on Schedule A hereto, individually, a "Holder" and, collectively, the "Holders").

WHEREAS, on the date hereof the Company has consummated an initial public offering, in connection with which, the parties desire to enter into this Agreement.

NOW, THEREFORE, effective as of the Effective Date, the parties mutually agree as follows:

ARTICLE I.

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. Definitions. The following terms, as used herein, have the following meanings:

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing. No Person shall be deemed to be an Affiliate of another Person solely by virtue of the fact that both Persons own shares of the Company's Capital Stock.

"**Board**" means the Board of Directors of the Company.

"**Business Day**" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in the City of New York are authorized or obligated by law or executive order to close.

"**Capital Stock**" means, with respect to any Person any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock, and any rights, warrants or options exercisable or exchangeable for or convertible into such capital stock.

"**Catterton**" has the meaning set forth in the preamble.

"**Commission**" means the Securities and Exchange Commission.

"**Common Stock**" means the Common Stock, par value $0.0001 per share, of the Company.

"**Company**" has the meaning set forth in the preamble.

"**Consent of Holders of Registrable Securities**" means a consent, the form of which is attached hereto as Exhibit A.

"**Demand Holder**" has the meaning set forth in Section 3.02(a).

"**Demand Registration**" has the meaning set forth in Section 3.02(a).

"**Demand Registration Notice**" has the meaning set forth in Section 3.02(a).

"**Effective Date**" means the date of consummation of the initial public offering of the Company's Common Stock.

"**Effectiveness Period**" has the meaning set forth in Section 3.02(a).

"**Exchange Act**" means the Securities Exchange Act of 1934.

"**HH**" has the meaning set forth in the preamble.

"**Holder**" and "**Holders**" have the meanings set forth in the preamble.

"**Included Securities**" has the meaning set forth in Section 3.01(a).

"**Locked-up Person**" has the meaning set forth in Section 3.05(c).

"**Lock-up Period**" has the meaning set forth in Section 3.05(a).

"**Lock-up Securities**" has the meaning set forth in Section 3.05(c).

"**Major Holder**" means any Person that, together with its Affiliates, owns five (5) percent or more of the outstanding shares of Common Stock of the Company.

"**Person**" means an individual, a corporation, a general or limited partnership, a limited liability company, a joint stock company, an association, a trust or any other entity or organization, including a government, a political subdivision or an agency or instrumentality thereof.

"**Piggyback Registration**" has the meaning set forth in Section 3.01(b).

"**Pro Rata Amount**" has the meaning set forth in Section 3.05(c).

"**Public Offering**" means an underwritten public offering and sale of equity securities of the Company pursuant to an effective registration statement under the Securities Act; provided, that a Public Offering shall not include (x) the initial public offering of the Company's Common Stock or (y) an offering made in connection with (a) a business acquisition or combination pursuant to a registration statement on Form S-4 or any similar form or (b) an employee benefit plan pursuant to a registration statement on Form S-8 or any similar form.

"**Registrable Securities**" shall mean any of (i) the shares of Common Stock owned by any Holder at the time of determination and (ii) any other Capital Stock issued or issuable with respect to such shares of Common Stock by way of a stock split, stock dividend, reclassification, subdivision or reorganization, recapitalization or similar event. As to any particular Registrable Securities of a Holder, such securities shall cease to be Registrable Securities when (a) a registration statement with respect to the offering of such securities by the Holder shall have been declared effective under the Securities Act and such securities shall have been disposed of by such Holder pursuant to such registration statement, (b) such securities have been sold to the public pursuant to Rule 144 (or any similar provision then in force) promulgated under the Securities Act, (c) all of such Holder's shares of Common Stock may be sold to the public pursuant to Rule 144 (or any similar provision then in force) without any volume, manner of sale or similar restrictions (*provided*, *however*, that shares of Common Stock held by Major Holders that would be Registrable Securities but for this clause (c) shall continue to be Registrable Securities for purposes of Piggyback Registrations until such shares of Common Stock cease to be Registrable Securities by some other clause of this definition), (d) such securities shall have been otherwise transferred and new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company or its transfer agent and any subsequent disposition of such securities shall not require registration or qualification under the Securities Act or any similar state law then in force or (e) such securities shall have ceased to be outstanding.

"**Registration**" means a Piggyback Registration or Demand Registration.

"**Sale Opportunity**" has the meaning set forth in Section 3.05(c).

"**Sale Notice**" has the meaning set forth in Section 3.05(c).

"**Securities Act**" means the Securities Act of 1933.

"**Tower Three**" has the meaning set forth in the preamble.

SECTION 1.02. Rules of Construction. Any provision of this Agreement that refers to the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation." References to "dollars" or "$" shall mean dollars in lawful currency of the United States of America. References to numbered or letter articles, sections and subsections refer to articles, sections and subsections, respectively, of this Agreement unless expressly stated otherwise. All references to this Agreement include, whether or not expressly referenced, the exhibits and schedules attached hereto. References to a Section, paragraph, Exhibit or Schedule shall be to a Section or paragraph of, or Exhibit or Schedule to, this Agreement unless otherwise indicated. The words "hereof," "herein" and "hereunder" and words of similar import when used

in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "or" when used in this Agreement is not exclusive. Any agreement, instrument, law or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. In the event that any claim is made by any Person relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular Person or its counsel.

ARTICLE II.

REPRESENTATIONS AND WARRANTIES

Each of the parties hereby represents and warrants, severally and not jointly, to each of the other parties as follows, as of the Effective Date:

SECTION 2.01. Authority; Enforceability. Such party (a) has the legal capacity or organizational power and authority to execute, deliver and perform its obligations under this Agreement and (b) (in the case of parties that are not natural Persons) is duly organized and validly existing and in good standing under the laws of its jurisdiction of organization. This Agreement has been duly executed and delivered by such party and constitutes a legal, valid and binding obligation of such party, enforceable against it in accordance with the terms of this Agreement, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally and to the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity).

SECTION 2.02. Consent. No consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by such party, other than those that have been made or obtained on or prior to the Effective Date, in connection with (a) the execution or delivery of this Agreement or (b) the consummation of any of the transactions contemplated hereby.

ARTICLE III.

REGISTRATION RIGHTS

SECTION 3.01. Company Registration.

(a) Demand Registrations

(i) At any time from and after the Effective Date, upon the written demand of HH, Catterton or Tower Three (each, a "Demand Holder"), the Company shall use its commercially reasonable efforts to effect as expeditiously as possible, the registration (a "Demand Registration") under the Securities Act of (i) all Registrable Securities held by such Demand Holder that are requested to be registered in the initial written demand and (ii) any

additional Registrable Securities requested to be registered by any Holders who elect to include Registrable Securities in such Demand Registration in a written notice or notices given within ten (10) days after the date the Demand Registration Notice (as defined below) is given by the Company (together with the Registrable Securities described in clause (i), the "Included Securities"). Promptly (but in no event later than five Business Days) after the receipt by the Company of any written demand pursuant to clause (i) of the immediately preceding sentence, the Company will give written notice of such demand to all Holders of Registrable Securities (the "Demand Registration Notice"). The Company shall effect the registration under the Securities Act of the Included Securities as expeditiously as possible and use its commercially reasonable efforts to have such registration become and remain effective. The Company shall have the right to select the underwriters for a Demand Registration that is to be an underwritten offering, subject to the reasonable approval of Catterton and Tower Three.

(ii) Notwithstanding Section 3.01(a)(i), the Company shall not be required to effect more than three Demand Registrations from each of Catterton and Tower Three (including through a demand by HH) (or more than six Demand Registrations from the Demand Holders in the aggregate); *provided*, that the Demand Holders shall be entitled to unlimited additional Demand Registrations if such additional Demand Registrations would be eligible for registration on Form S-3; *provided*, *further*, that the Company shall not be required to effect more than two such Demand Registrations on Form S-3 in any twelve month period.

(iii) Any registration initiated pursuant to Section 3.01(a)(i) shall not count as a Demand Registration (i) unless and until a registration statement with respect to all Registrable Securities to be sold in connection therewith shall have become effective and remained effective for a period of 120 days or, if a shorter time, until all of the Included Securities shall have been sold, (ii) if after it has become effective such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental authority for any reason not attributable to the Holders of Included Securities, such that no sales are possible thereunder for a period of ten consecutive days or more, (iii) if the conditions to closing specified in the underwriting agreement, if any, entered into in connection with such registration are not satisfied or waived, other than by reason of a failure on the part of the Holders of Included Securities or (iv) if, due to the provisions of Section 3.01(a)(iv), the Demand Holder demanding such Demand Registration is prohibited from registering 30% or more of its Registrable Securities requested to be registered in the initial written demand.

(iv) If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their good faith judgment the number of securities to be included in a Demand Registration exceeds the number that can be sold in the offering in light of marketing factors or because the sale of a greater number would adversely affect the price of the Registrable Securities to be sold in such Demand Registration, then the total number of securities the underwriters advise can be included in such Demand Registration shall be allocated (i) first, to the Holders of the Included Securities, pro rata; (ii) second, to the Company for any securities that the Company proposes to issue and sell for its own account; and (iii) third, to other persons that the Company is obligated to register pursuant to other contractual arrangements, pro rata.

(b) Piggyback Registration Rights.

(i) Whenever the Company proposes to complete a Public Offering (other than in connection with a Demand Registration) and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company shall give prompt written notice to all Holders of Registrable Securities of its intention to effect such a registration and, subject to the terms of subsections (ii) below, shall include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten (10) days after the receipt of the Company's notice.

(ii) If a Piggyback Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company, the Company shall include in such registration (i) first, the securities the Company proposes to sell, (ii) second, the Registrable Securities requested to be included in such registration, pro rata among the Holders of such Registrable Securities on the basis of the number of shares owned by each such Holder, and (iii) third, other securities requested to be included in such registration pursuant to contractual arrangements with the Company.

(c) Other Sales Restrictions. Notwithstanding anything to the contrary herein, including any provisions regarding pro rata inclusion of Registrable Securities in any Registration, if any Holder has agreed to lock-ups or other restrictions on sale of any such Holder's Registrable Securities with the Company, another Holder or any other Person, including pursuant to Section 3.05(c) hereof, such other agreements or restrictions shall govern the sale of such Holders Registrable Securities.

SECTION 3.02. Registration Procedures. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Article III that the Holders requesting inclusion in any Registration shall furnish to the Company such information regarding them, the Registrable Securities held by them, the intended method of disposition of such Registrable Securities, and such agreements regarding indemnification, disposition of such securities and other matters referred to in and consistent with this Article III, as the Company shall reasonably request and as shall be required in connection with the action to be taken by the Company. With respect to any Registration which includes Registrable Securities held by a Holder, the Company will:

(a) As promptly as possible (in the case of a Demand Registration, no more than 45 days after the Company's receipt of a Demand Registration Notice that is for a Registration on a form other than Form S-3 (or any successor form) and no more than 30 days after the Company's receipt of a Demand Registration Notice that is for a registration on Form S-3 (or any successor form)), prepare and file with the Commission a registration statement on the appropriate form prescribed by the Commission for such intended method of disposition and use its commercially reasonable efforts to cause such registration statement to be or become effective as soon as practicable thereafter; provided, that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to counsel representing any Demand Holder selling Registrable Securities in connection with such Registration copies of all documents proposed to be filed, which documents shall be subject to the review and reasonable comments of such counsel and which shall not be filed without the

consent of such Demand Holder; provided, further, that the Company shall not be obligated to maintain such Registration effective for a period longer than the earlier of (x) 120 days after such Registration becomes effective and (y) the disposition of all Registrable Securities included in such Registration (the "Effectiveness Period");

(b) Prepare and file with the Commission such amendments and post-effective amendments to such registration statement and any documents required to be incorporated by reference therein as may be necessary to keep the registration statement effective for a period of not less than the Effectiveness Period (but not prior to the expiration of the time period referred to in Section 4(3) of the Securities Act and Rule 174 thereunder, if applicable); cause the prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act and comply with the Securities Act in a timely manner; and comply with the provisions of the Securities Act applicable to it with respect to the disposition of all Registrable Securities covered by such registration statement during the applicable period in accordance with the intended method or methods of disposition by the sellers thereof set forth in such registration statement or supplement to the prospectus;

(c) Promptly incorporate in a prospectus supplement or post-effective amendment such information as the underwriter(s) or the Demand Holders selling shares in such Registration reasonably request to be included therein relating to the plan of distribution with respect to such Registrable Securities; and make all required filings of such prospectus supplements or post-effective amendments as soon as practical after being notified of the matters to be incorporated in such supplement or amendment;

(d) Furnish to such Holder, without charge, such number of conformed copies of the registration statement and any post-effective amendment thereto, as such Holder may reasonably request, and such number of copies of the prospectus (including each preliminary prospectus) and any amendments or supplements thereto, and any documents incorporated by reference therein, as the Holder or underwriter or underwriters, if any, may request in order to facilitate the disposition of the securities being sold by the Holder (it being understood that the Company consents to the use of the prospectus and any amendment or supplement thereto by the Holder covered by the registration statement and the underwriter or underwriters, if any, in connection with the offering and sale of the securities covered by the prospectus or any amendments or supplements thereto);

(e) Notify such Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act, when the Company becomes aware of the happening of any event as a result of which the prospectus included in such registration statement (as then in effect) contains any untrue statement of material fact or omits to state a material fact necessary to make the statements therein (in the case of the prospectus or any preliminary prospectus, in the light of the circumstances under which they were made) not misleading and, as promptly as practicable thereafter, prepare and file with the Commission and furnish a supplement or amendment to such prospectus so that, as thereafter delivered to the investors of such securities, such prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) Provide a CUSIP number for all Registrable Securities no later than the effective date of the Registration and provide the applicable transfer agent and registrar for all such Registrable Securities with printed certificates representing the Registrable Securities that are in a form eligible for deposit with The Depository Trust Company not later than the effective date of the registration statement;

(g) Use its commercially reasonable efforts to cause all securities included in such registration statement to be listed, by the date of the first sale of securities pursuant to such registration statement, on any national securities exchange, quotation system or other market on which the Common Stock is then listed;

(h) Make generally available to its security holders an earnings statement, which need not be audited, satisfying the provisions of Section 11(a) of the Securities Act as soon as reasonably practicable after the end of the 12-month period beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the registration statement, which statement shall cover said 12-month period;

(i) After the filing of a registration statement, (i) notify each Holder holding Registrable Securities covered by such registration statement of any stop order issued or, to the Company's knowledge, threatened by the Commission and of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction, (ii) take all reasonable actions to obtain the withdrawal of any order suspending the effectiveness of the registration statement or the qualification of any Registrable Securities at the earliest possible moment, and (iii) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant, or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate and business documents and properties of the Company as shall be necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors, employees, agents, representatives, and independent accountants to supply all such information reasonably requested by any such seller, underwriter, attorney, accountant, or agent in connection with such registration statement;

(j) In connection with the preparation and filing of each Registration, give each Demand Holder selling Registrable Securities in such Registration, the underwriter(s) and their respective counsel, accountants and other representatives and agents the opportunity to participate in the preparation of each registration statement, each prospectus included therein or filed with the Commission, and each amendment thereof or supplement thereto and comparable statements under the securities or blue sky laws of any jurisdiction and give each of the foregoing Persons access to the books and records, pertinent corporate and business documents and properties of the Company and its subsidiaries and such opportunities to discuss the business and affairs of the Company and its subsidiaries with the respective directors, officers, employees, agents, representatives and the independent public accountants who have certified the Company's consolidated financial statements, and supply all other information requested by and respond to all other inquiries from such Demand Holders, underwriter(s), counsel, accountants and other representatives and agents as shall be necessary or appropriate, in the opinion of such holders or underwriter(s), to conduct a reasonable investigation within the meaning of the

Securities Act, and the Company shall not file any registration statement or amendment thereto or any prospectus or supplement thereto to which such Demand Holders or such underwriter(s) shall object;

(k) Cause its employees to participate in customary "road shows" and other presentations as reasonably requested by the underwriters in connection with such Registration;

(l) Deliver promptly to counsel representing any Demand Holder selling Registrable Securities under such Registration and each underwriter, if any, participating in the offering of the Registrable Securities, copies of all correspondence between the Commission and the Company, its counsel or auditors, and all memoranda relating to discussions with the Commission or its staff with respect to such Registration; and

(m) On or prior to the date on which the registration statement is declared or otherwise becomes effective, use commercially reasonable efforts to (i) register or qualify, and cooperate with such underwriter or underwriters, if any, and their counsel in connection with the registration or qualification of, the securities covered by the registration statement for offer and sale under the securities or blue sky laws of each state and other jurisdiction of the United States as the managing underwriter or underwriters, if any, requests in writing, to use commercially reasonable efforts to keep each such registration or qualification effective, including through new filings, or amendments or renewals, during the Effectiveness Period and do any and all other acts or things necessary or advisable to enable the disposition in all such jurisdictions of the Registrable Securities covered by the applicable registration statement; provided, that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject, (ii) obtain a cold comfort letter from the Company's independent public accountants in customary form and covering matters of the type customarily covered by cold comfort letters, which letter shall be addressed to the underwriters, and the Company shall use commercially reasonable efforts to cause such cold comfort letter to also be addressed to any Demand Holder selling Registrable Securities in such Registration, (iii) obtain an opinion from the Company's outside counsel in customary form and covering matters of the type customarily covered by such opinions, which opinion shall be addressed to the underwriters and any Demand Holder selling Registrable Securities in such Registration, and (iv) enter into and perform its obligations under such customary agreements (including underwriting agreements in customary form) and take all such other actions as the Demand Holders reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including effecting a stock split, combination of shares, recapitalization, or reorganization).

The Holders, upon receipt of any notice from the Company of the happening of any event of the kind described in subsection (e) of this Section 3.02, will forthwith discontinue disposition of the Registrable Securities until the Holders' receipt of the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 3.02 or until it is advised in writing by the Company that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in the prospectus, and, if so directed by the Company, each Holder will, or will request the managing underwriter or underwriters, if any, to, deliver, to the Company (at the Company's sole

expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such securities current at the time of receipt of such notice.

No Holder of Registrable Securities included in a Registration shall be required to make any representations or warranties to or agreements with the Company, other than representations and warranties regarding such Holder, such Holder's ownership of and title to the Registrable Securities to be sold in such offering, and its intended method of distribution and any liability of any such Holder under such underwriting agreement shall be limited to liability arising from breach of such Holder's representations and warranties therein and shall be limited to an amount equal to the net amount received by such Holder from the sale of Registrable Securities pursuant to such registration statement.

SECTION 3.03. Registration Expenses.

(a) In the case of any Registration, the Company shall bear all expenses incident to the Company's performance of or compliance withSection 3.01 of this Agreement, including all Commission and stock exchange or Financial Industry Regulatory Authority registration and filing fees and expenses, fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), rating agency fees, printing expenses, messenger, telephone and delivery expenses, fees and disbursements of counsel for the Company and all independent certified public accountants and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities (but not including any underwriting discounts or commissions, or transfer taxes, if any, attributable to the sale of Registrable Securities by a selling Holder or fees and expenses of more than three counsel representing the Holders selling Registrable Securities under such Registration as set forth in Section 3.03(b) below).

(b) In connection with each Registration initiated hereunder (whether a Demand Registration or a Piggyback Registration), the Company shall reimburse the Holders covered by such Registration for the reasonable fees and disbursements of one counsel chosen by Catterton, one counsel chosen by Tower Three and one counsel chosen by the holders of a majority of the Registrable Securities held by Holders other than HH, Catterton and Tower Three.

SECTION 3.04. Indemnification.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless each Holder participating in an offering of Registrable Securities, the underwriters selling such Holder's Registrable Securities and their respective officers, directors, Affiliates and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) any of them, including any general partner or manager of any thereof, and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) against all losses, claims, damages, liabilities and expenses (including reasonable out-of-pocket fees and disbursements of counsel) arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any registration statement, prospectus or preliminary prospectus, free writing prospectus, or any amendment thereof or supplement thereto or in any document incorporated by reference therein or any omission or alleged omission to state therein a material

fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus or any preliminary prospectus, in the light of the circumstances under which they were made) not misleading, except insofar as the same are made in reliance on and in conformity with any information with respect to such Holder or Person furnished in writing to the Company by such Holder or Person expressly for use therein. The Company further agrees to indemnify and hold harmless each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) against all losses, claims, damages, liabilities and expenses (including reasonable out-of-pocket counsel fees and disbursements) arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any document, report or information filed with the Commission under the Exchange Act or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are made in reliance on and in conformity with any information with respect to such Person furnished in writing to the Company by such Person expressly for use therein. Notwithstanding any other provision of this Agreement, the Company shall advance all expenses incurred by or on behalf of an indemnified party pursuant to this Section 3.04(a) within thirty (30) days after the receipt by the Company of a statement or statements from the indemnified party requesting such advance or advances from time to time, whether prior to or after final disposition of such proceeding. Such statement or statements shall reasonably evidence the expenses incurred by the indemnified party.

(b) Indemnification by the Holders. To the extent permitted by law, each Holder selling shares in a Registration agrees to indemnify and hold harmless the Company, its directors, officers and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) the Company, against any losses, claims, damages, liabilities and expenses arising out of or based upon any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements in the registration statement, prospectus or preliminary prospectus (in the case of the prospectus or preliminary prospectus, in light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue statement or omission is made in reliance on and in conformity with the information or affidavit with respect to such Holder so furnished in writing by such Holder expressly for use in the registration statement or prospectus; provided, that the obligation to indemnify shall be several, not joint and several, among such Holders and the liability of each such Holder shall be in proportion to and limited to the net proceeds received by such Holder from the sale of Registrable Securities pursuant to such registration statement in accordance with the terms of this Agreement. The indemnity agreement contained in this Section 3.04(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, action or proceeding if such settlement is effected without the consent of such Holder. The Company and the Holders of the Registrable Securities hereby acknowledge and agree that, unless otherwise expressly agreed to in writing by such Holders, the only information furnished or to be furnished to the Company for use in any registration statement or prospectus relating to the Registrable Securities or in any amendment, supplement or preliminary materials associated therewith are statements specifically relating to (i) the beneficial ownership of shares of Common Stock by such Holder and its Affiliates, (ii) the name and address of such Holder and (iii) any additional information about such Holder or the plan of distribution (other than for an underwritten offering) required by law or regulation to be disclosed in any such document.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party's reasonable judgment a conflict of interest may exist between such indemnified and indemnifying parties with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. The failure to so notify the indemnifying party shall not relieve the indemnifying party from any liability hereunder with respect to the action, except to the extent that such indemnifying party is materially prejudiced by the failure to give such notice; provided, that any such failure shall not relieve the indemnifying party from any other liability which it may have to any other party or to such indemnified party other than pursuant to this Section 3.04. No indemnifying party in the defense of any such claim or litigation, shall, except with the consent of such indemnified party, which consent shall not be unreasonably withheld, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party there may be one or more legal or equitable defenses available to such indemnified party which are in addition to or may conflict with those available to any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels.

(d) Contribution. If for any reason the indemnification provided for in the preceding paragraphs (a) and (b) of this Section 3.04 is unavailable to an indemnified party as contemplated by the preceding paragraphs (a) and (b) of this Section 3.04 or is insufficient to hold such indemnified party harmless, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnified party and the indemnifying party or (ii) if the allocation provided by the preceding clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in the preceding clause (i) but also the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the sellers of Registrable Securities and any other sellers participating in the registration statement on the other hand shall be determined by reference to, among other things, whether the alleged untrue statement of material fact or alleged omission to state a material fact relates to information supplied by the Company or by the sellers of Registrable Securities or other sellers participating in the registration statement and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. In no event shall the liability of any such Holder be greater in amount than the amount of net proceeds received by such Holder upon such sale or the amount for which such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided in paragraph (b) of this Section 3.04 had been available.

SECTION 3.05. Lock-Up Agreements.

(a) Whenever the Company proposes to register any of its equity securities under the Securities Act in a Public Offering or is required to use its commercially reasonable to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 3.01, each Holder of Registrable Securities agrees by acquisition of such Registrable Securities not to effect any sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, or to request registration under Section 3.01 of any Registrable Securities for the time period reasonably requested by the managing underwriter for the underwritten offering; provided, that in no event shall such period exceed 180 days in the case of the Company's initial public offering or 90 days in the case of any subsequent Public Offering, plus, in each case, any customary "booster shot" reasonably requested by the managing underwriter (the "Lock-up Period") after the effective date of the registration statement relating to such Registration, except (i) as part of such Registration or (ii) in the case of a private sale or distribution, unless the transferee agrees in writing to be subject to this Section 3.05. If requested by such managing underwriter, each Holder of Registrable Securities agrees to execute a lock-up agreement, in customary form, consistent with the terms of this Section 3.05(a); provided, that the form of the lock-up shall be substantially identical as to each similarly situated Holder; provided, further, that if any Holder of Registrable Securities is released from such lock-up agreement, all other Holders of Registrable Securities shall be similarly released on a pro rata basis. Notwithstanding the foregoing, no Holder shall be subject to a Lock-up Period in excess of 180 days (plus any customary "booster shot") in any calendar year due to the registration of any Registrable Securities pursuant to Section 3.01.

(b) The Company agrees not to effect any sale or distribution of any of its equity securities or securities convertible into or exchangeable or exercisable for any such equity securities within the Lock-up Period (except as part of such underwritten Registration or pursuant to registrations on Form S-8, S-4 or any successor forms thereto), except that such restriction shall not prohibit any such sale or distribution after the effective date of the registration statement (i) pursuant to any stock option, warrant, stock purchase plan or agreement or other benefit plans approved by the Board to officers, directors or employees of the Company or its subsidiaries; (ii) pursuant to Section 4(2) of the Securities Act; or (iii) as consideration to any third party seller in connection with the bona fide acquisition by the Company or any subsidiary of the Company of the assets or securities of any Person in any transaction approved by the Board, provided that in each such case the transferee agrees in writing with the Company to be subject to restrictions comparable to those set forth in Section 3.05(a). In addition, upon the request of the managing underwriter, the Company shall use commercially reasonable efforts to cause each holder of its equity securities or any securities convertible into or exchangeable or exercisable for any of such securities whether outstanding on the date of this Agreement or issued at any time after the date of this Agreement (other than any such securities acquired in a public offering), to agree not to effect any such public sale or distribution of such securities during such period, except as part of any such registration if permitted, and to cause each such holder to enter into a similar agreement to such effect with the such managing underwriter.

(c) Subject to (i) any sales in the Company's initial public offering of equity securities, as set forth in the Company's prospectus filed with the Commission and dated October 22, 2012 and (ii) any sales contemplated by Section 3.05(e), each of Gary Friedman,

Carlos Alberini, the Carlos E. Alberini Family 2012 Trust, Ken Dunaj, Eri Chaya, Danielle Hansmeyer, DeMonty Price, Karen Boone, Matt Salmonson, Bonnie Orofino, Frances Hamman and Mike MacKay (each a "Locked-Up Person") agrees, severally and not jointly, with the Company that, until the earlier of (x) the date on which Catterton and Tower Three collectively own less than one half of the shares of Common Stock collectively beneficially owned by Catterton and Tower Three, including through HH, immediately following the Company's initial public offering of equity securities (as adjusted to give effect to any recapitalization, stock split, reverse stock split, stock dividend or other similar adjustment to the outstanding shares of Capital Stock) and (y) the date that is two years after the Company's initial public offering of equity securities, the Locked Up Person will not, without the prior written consent of the Company, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or lend or otherwise dispose of or transfer any shares of the Company's Common Stock or any securities convertible into or exchangeable or exercisable for or repayable with Common Stock, whether now owned or hereafter acquired by the Locked Up Person or with respect to which the Locked Up Person has or hereafter acquires the power of disposition (collectively, the "Lock-Up Securities"), or exercise any right with respect to the registration of any of the Lock-Up Securities, or file or request or demand or cause to be filed any registration statement in connection therewith, under the Securities Act of 1933, as amended, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise, except as set forth in the following sentence. Each Locked-Up Person may sell a number of shares of Common Stock equal to the number of shares of Common Stock that are vested and not subject to Selling Restrictions (as defined in the Company's 2012 Equity Replacement Plan, 2012 Stock Option Plan or 2012 Equity Incentive Plan) held by such Locked-Up Person multiplied by a fraction, the numerator of which is the number of shares of Common Stock sold by HH, Catterton and Tower Three and the denominator of which is the total number of shares of Common Stock owned by HH, Catterton and Tower Three immediately prior to such sale (the "Pro Rata Amount"). Any sales of the Pro Rata Amount of a Locked-Up Person must be made at the same time and in the same manner as the sale by HH, Catterton and/or Tower Three. No Locked-Up Person has any obligation to sell his or her Pro Rata Amount at any time. The Lock-Up Securities shall not include shares of Common Stock sold in the Company's initial public offering. Any waivers of or consents to sell outside of the parameters of this Section 3.05(c) must be approved by the Board of Directors of the Company. In the event that HH, Catterton or Tower Three propose to sell any shares of Common Stock (a "Sale Opportunity"), such party shall provide notice to the Company of such potential Sale Opportunity. Promptly, but in no event more than five Business Days after receipt by the Company of a notice referred to in the prior sentence, the Company will give written notice to each of the Locked-Up Persons (the "Sale Notice"), including the proposed amount and manner of sale. A Demand Registration Notice shall constitute a Sale Notice for purposes hereof. To the extent that the proposed Sale Opportunity by HH, Catterton or Tower Three is completed, then any Locked-Up Person that has elected to include Lock-Up Securities in such sale in a written notice or notices given to the Company within ten (10) days after the date of the Sale Notice may sell up to his or her Pro Rata Amount based on the actual amount sold by HH, Catterton and Tower Three in such Sale Opportunity. No amendment to this Section 3.05(c) that is adverse to the interests of the persons

subject thereto shall be made without the written consent of the Locked-Up Persons holding a majority in interest of all Registrable Securities held by all Locked-Up Persons.

(d) Notwithstanding Section 3.05(c), and subject to the conditions below, each Locked-Up Person may transfer the Lock-Up Securities without the prior written consent of the Company, provided that (1) the Company receives a signed lock-up agreement for the balance of the lock-up period from each beneficiary, donee, trustee, distributee, or transferee, as the case may be and (2) any such transfer shall not involve a disposition for value:

(i) as a bona fide gift or gifts;

(ii) by will or intestacy or to any trust for the direct or indirect benefit of the Locked Up Person or the immediate family of the Locked-Up Person (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin); or

(iii) as a distribution by a trust to its beneficiaries.

(e) Notwithstanding Section 3.05(c), Gary Friedman shall have a first priority right over the Holders to sell up to the following amount of vested shares of Common Stock that are not subject to selling restrictions (the "Priority Sale Amount"): ten percent (10%) of the aggregate number of shares sold in the first Public Offering by the Company after the Company's initial public offering (the "First Follow On Offering"), but in no event more than $15 million worth of shares of Common Stock in such offering, based on the public offering price of shares of Common Stock in such Public Offering. If the Pro Rata Amount of Mr. Friedman in the First Follow On Offering would be more than the Priority Sale Amount, then he will have priority over HH and the other stockholders of the Company for the sale of the Priority Sale Amount, and any remaining portion of his Pro Rata Amount may be sold if there is availability in the offering, subject to pro rata cutback with the other parties hereto. If there is not enough capacity in the Company's First Follow On Offering for the Priority Sale Amount due to sales by the Company or otherwise, then Mr. Friedman may sell the unsold portion of his Priority Sale Amount in the Company's next Public Offering on the same basis as set forth above. If there is capacity in the First Follow On Offering but Mr. Friedman elects not to sell all or a portion of the Priority Sale Amount, the Priority Sale Amount shall not be applicable in any future Public Offering by the Company. In the event that the First Follow On Offering occurs prior to the date on which the lockup between Mr. Friedman and the underwriters in connection with the Company's initial public offering (the "IPO Lockup") expires, HH agrees not to sell any shares in such First Follow On Offering unless Mr. Friedman is also released from such IPO Lockup to an extent that would permit him to sell shares in such First Follow On Offering as specified in this Agreement (provided that in no event shall HH be prevented from selling shares in such First Follow On Offering if Mr. Friedman does not sell shares in such First Follow On Offering for any reason other than a failure to be released from the IPO Lockup or breach of this Agreement). No amendment to this Section 3.05(e) shall be made without Mr. Friedman's written consent.

SECTION 3.06. Participation in Registrations. No Holder may participate in any Registration hereunder which is underwritten unless such Holder (a) agrees to sell its securities

on the basis provided in any underwriting arrangements approved by the Company and the Demand Holders selling Registrable Securities in such Registration (provided, that such underwriting arrangements shall not limit any Holder's rights under this Agreement), and (b) completes and executes all questionnaires, powers of attorney, underwriting agreements and other documents customarily and reasonably required under the terms of such underwriting arrangements.

SECTION 3.07. Rule 144. The Company shall file any reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder, and it will take such further action as any Holder may reasonably request to enable such Holder to sell Registrable Securities without registration under the Securities Act as permitted by (i) Rule 144 under the Securities Act, or (ii) any similar rules or regulations hereafter adopted by the Commission. Upon the request of a Holder of Registrable Securities, the Company, at its own expense, will deliver to such Holder: (x) a written statement as to whether it has complied with the requirements that would make the exemption provided by such rule available to such Holder; (y) a copy of the most recent annual or quarterly report of the Company; and (z) such other reports and documents as such Holder may reasonably request in order to avail itself of any rule or regulation of the Commission allowing it to sell Registrable Securities without registration.

ARTICLE IV.

MISCELLANEOUS

SECTION 4.01. Notices. Except as otherwise specified herein, all notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, return receipt requested, postage prepaid or otherwise delivered by hand, messenger, facsimile transmission or electronic mail and shall be given to such party at its address or facsimile number set forth on the signature pages hereof or such other address or facsimile number as such party may hereafter specify in writing in accordance with this Section 4.01; provided, that:

(a) unless otherwise specified by HH in a notice delivered by HH in accordance with thisSection 4.01, any notice required to be delivered to HH shall be properly delivered if delivered to:

Home Holdings, LLC
c/o Catterton Management Company, LLC
599 West Putnam Avenue
Greenwich, CT 06830
Fax: (203) 629-4903
Attention: Marc Magliacano

And c/o Tower Three Partners LLC
2 Sound View Drive
Greenwich, CT 06830
Fax: (203) 485-5885
Attention: William B. Forrest

with a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
555 Mission Street
San Francisco, CA 94109
Fax: (415) 393-8306
Attention: Stewart McDowell

and

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Fax: (212) 310-8007
Attention: Douglas Warner

(b) unless otherwise specified by the Company in a notice delivered by the Company in accordance with this Section 4.01, any notice required to be delivered to the Company shall be properly delivered if delivered to:

Restoration Hardware Holdings, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Fax: (415) 927-7264
Attention: Chief Financial Officer

with a copy (which shall not constitute notice) to:

Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105
Fax: (415) 276-7113
Attention: Gavin Grover

(c) Unless otherwise specified by such Holder in a notice delivered by the Company in accordance with this Section 4.01, any notice required to be delivered to a Holder shall be properly delivered if delivered to the address of such Holder as set forth on the signature page of this Agreement or the applicable Consent of Holders of Registrable Securities, as applicable.

SECTION 4.02. Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement (including for the avoidance of doubt, the

Persons listed on Schedule A hereto) and their respective successors and permitted assigns. Except as set forth in Section 3.04, nothing in this Agreement, express or implied, is intended or shall be construed to give any Person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

SECTION 4.03. Amendment. This Agreement may not be amended, restated, modified or supplemented in any respect and the observance of any term of this Agreement may not be waived except by a written instrument executed by the Company, HH, Catterton and Tower Three; provided further, that no amendment, modification or waiver that adversely affects those Holders listed on Schedule A hereto in comparison to other Holders of Registrable Securities shall be affected without the prior written consent of the Holders listed on Schedule A holding a majority in interest of all Registrable Securities held by such Holders listed on Schedule A.

SECTION 4.04. Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Company or any Holder except as otherwise expressly stated hereunder; provided that a Holder may assign all of its rights, remedies, obligations and liabilities arising under this Agreement in connection with a direct or indirect transfer or sale of such Holder's Common Stock other than in a Public Offering, so long as the assignee agrees to be bound by, and the assignor is not then in breach of, the terms of this Agreement or any other agreement between such person and the Company.

SECTION 4.05. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws. The parties hereto irrevocably submit, in any legal action or proceeding relating to this Agreement, to the jurisdiction of the courts of the United States located in the State of Delaware or in any Delaware state court located in New York county and consent that any such action or proceeding may be brought in such courts and waive any objection that they may now or hereafter have to the venue of such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient forum.

SECTION 4.06. Enforcement. The Holders agree that irreparable damage (for which monetary damages, even if available, would not be an adequate remedy) would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms on a timely basis or were otherwise breached. It is accordingly agreed that the Holders shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court identified in Section 4.05 above without the need to post bond, this being in addition to any other remedy to which they are entitled at law or in equity.

SECTION 4.07. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 4.08. Additional Securities Subject to Agreement. All shares of Capital Stock of the Company that any Holder hereafter acquires by means of a stock split, stock dividend, distribution, exercise of options or warrants or otherwise (other than pursuant to a public offering) whether by merger, consolidation or otherwise (including shares of a surviving corporation into which the shares of Capital Stock of the Company are exchanged in such transaction) will be subject to the provisions of this Agreement to the same extent as if held on the date of the this Agreement.

SECTION 4.09. Section and Other Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 4.10. Counterparts. This Agreement may be executed in any number of counterparts, each of which may be executed by less than all of the parties hereto, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

SECTION 4.11. Waiver of Jury Trial. Each party to this Agreement hereby irrevocably and unconditionally waives to the fullest extent permitted by applicable law all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to the actions of the parties hereto pursuant to this Agreement or in the negotiation, administration, performance or enforcement of this Agreement.

SECTION 4.12. Entire Agreement. This Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter (including this Agreement) and constitutes (along with the exhibits and other documents delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Company and each Holder have executed this Agreement as of the day and year first above written.

RESTORATION HARDWARE HOLDINGS, INC.

By: _____
Name:
Title:

HOME HOLDINGS, LLC

By: _____
Name:
Title:

CP HOME HOLDINGS

By: _____
Name:
Title:

Address:

CP Home Holdings
c/o Catterton Management Company, LLC
599 West Putnam Avenue
Greenwich, CT 06830
Fax: (203) 629-4903
Attention: Marc Magliacano

With a copy (which shall not constitute notice) to:

Gibson, Dunn & Crutcher LLP
555 Mission Street
San Francisco, CA 94109
Fax: (415) 393-8306
Attention: Stewart McDowell

TOWER THREE HOME LLC

By: _____
Name:
Title:

Address:

Tower Three Home LLC
2 Sound View Drive
Greenwich, CT 06830
Fax: (203) 485-5885
Attention: William Forrest

With a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Fax: (212) 310-8007
Attention: Douglas Warner

GLENHILL CAPITAL OVERSEAS MASTER FUND, LP

By: GLENHILL CAPITAL OVERSEAS GP, LTD., its General Partner

By: GLENHILL CAPITAL MANAGEMENT, LLC, its Sole Shareholder

By: GLENHILL ADVISORS, LLC, its Managing Member

By: _____
Name:
Title:

GLENHILL CAPITAL LP

By: GLENHILL CAPITAL MANAGEMENT, LLC, its General Partner

By: GLENHILL ADVISORS, LLC, its Managing Member

By: _____
Name:
Title:

GLENN J. KREVLIN, TRUSTEE OF THE GLENN J. KREVLIN REVOCABLE TRUST

By: _____
Name:
Title:

KREVLIN 2005 GIFT TRUST

By: _____
Name:
Title:

Address:

c/o Glenn Krevlin
600 Fifth Avenue, 11th Floor
New York, NY 10020

With a copy (which shall not constitute notice) to:

Ellenoff Grossman & Schole LLP
150 East 42nd Street
New York, New York 10017
Fax: (212) 370-7889
Attention: Joshua Englard

SCHEDULE A

Gary Friedman
Carlos Alberini
Carlos E. Alberini Family 2012 Trust
Ken Dunaj
Eri Chaya
Danielle Hansmeyer
DeMonty Price
Karen Boone
Matt Salmonson
Bonnie Orofino
Frances Hamman
Mike MacKay

EXHIBIT A

CONSENT OF HOLDERS OF REGISTRABLE SECURITIES

I, have read and hereby agree to be party to and bound by the terms and provisions of the Registration Rights Agreement, dated as of , 2012 (the "Registration Rights Agreement"), among Restoration Hardware Holdings, Inc. and the stockholders party thereto in respect of shares of common stock of Restoration Hardware Holdings, Inc. that I beneficially own.

I acknowledge that if I have agreed with the Company, another Holder or any other Person, to lock-ups or other restrictions on sale of my Registrable Securities, then such other agreements or restrictions shall govern the sale of my Registrable Securities, and may reduce my rights to participate in a particular Registration under the Registration Rights Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Consent of Holders of Registrable Securities this day of , 20 .

Name:

Address:

Exhibit 10.18

ADVISORY SERVICES AGREEMENT

This Advisory Services Agreement (the "Agreement") is entered into as of October 20, 2012 (such date, the "Effective Date"), by and between Restoration Hardware, Inc., a Delaware corporation with a business address of 15 Koch Road, Suite J, Corte Madera, CA 94925 (together with its subsidiaries and parent corporation (as the context permits), referred to herein as the "Company"), and Gary Friedman, an individual with a residence address of [ ] (the "Advisor").

RECITALS

WHEREAS, the Advisor was employed by the Company as Chairman and Co-Chief Executive Officer of the Company;

WHEREAS, the Advisor has tendered his resignation from and terminated his employment with the Company to be effective as of the Effective Date, and the parties wish to provide for the Advisor's continued service as an advisor to the Company as of and following the Effective Date;

WHEREAS, the parties specifically acknowledge and agree that the level of services to be provided by the Advisor in accordance with this Agreement is intended to equal a level of services such that the Advisor will not, as of the Effective Date, incur a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all regulations, guidance, and other interpretative authority issued thereunder (collectively, "Section 409A");

WHEREAS, effective as of the Effective Date, the Amended and Restated Compensation and Severance Agreement entered into effective as of February 1, 2010, by and between the Advisor and the Company (the "Employment Agreement") shall be terminated and replaced in its entirety by this Agreement, and the Advisor shall have no further rights or remedies under the Employment Agreement; and

WHEREAS, the parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions and demands that the Advisor and the Company may have against the other, including, but not limited to, any and all claims arising or in any way related to the Advisor's employment with and separation from the Company.

1. Services.

(a) Services; Title. The Advisor shall provide the services as assigned to the Advisor (the "Company Services") by the Chief Executive Officer of the Company (the "CEO"). Such Company Services shall be in the area of design, products, store development and merchandising and display, but such Company Services may be modified by the written agreement (including by email) of the Advisor and the CEO, as authorized by the Board. The Advisor shall report to the CEO. The Advisor's title shall be "Creator and Curator." The Advisor also shall, at the Board's discretion, serve as an advisor to the Company's Board of Directors and the Board of Directors of Restoration Hardware Holdings, Inc. (the "Boards"; such services, the "Board Services" and, together with the Company Services, the "Services") and

shall have the title of "Chairman Emeritus" in connection therewith. The Advisor agrees to perform the Services diligently, competently and in a good faith manner.

(b) Extent of Advisory Services. The Advisor will devote approximately eighty percent (80%) of his business time to providing Services pursuant to this Agreement and will devote the remainder of his business time to providing services for the Hierarchy Business (as defined below).

(c) Place of Work. The Company shall provide the Advisor with an office selected by the CEO located at the Company's principal offices for performing the Services. The Advisor shall maintain an email address established by Hierarchy, Inc.

(d) Other Roles. The Advisor has resigned, as of the Effective Date, from all employment positions and board of director positions held with Restoration Hardware Holdings, Inc. ("Midco"), the Company and any subsidiary of the Company. For purposes of this Agreement, "RHH Group" means Midco, the Company and their subsidiaries.

2. Payments.

(a) Fee for Services. Commencing on the Effective Date, the Company shall pay the Advisor a fee for services at the rate of One Million One Hundred Thousand Dollars ($1,100,000) per year of Services performed by the Advisor which fee shall be paid monthly or every two weeks such that the aggregate payments over the course of 365 days equal $1,100,000.

(b) Additional Incentive Compensation. The Advisor will be eligible to earn annual cash incentive compensation (the "Incentive Compensation") for each fiscal year based on the achievement of annual performance goals established by the CEO and approved by the Compensation Committee of the Board in good faith following consultation with the Advisor and the Advisor's continued compliance with the policies and procedures of the RHH Group applicable to the employees of the RHH Group (all such policies and procedures being deemed applicable to the Advisor). The minimum amount of Incentive Compensation for any fiscal year, assuming achievement by the Advisor of such performance goals for such fiscal year and the Advisor's continuous compliance with the policies and procedures of the RHH Group applicable to the employees of the RHH Group (all such policies and procedures being deemed applicable to the Advisor), shall be Five Hundred Thousand Dollars ($500,000). Payment of the Incentive Compensation for any fiscal year generally shall be made within thirty (30) days following the date on which the audited financial results for such fiscal year and the amount of the Incentive Compensation for such fiscal year are determined by the CEO and approved by the Compensation Committee of the Board. Notwithstanding the foregoing, the Company and the Advisor acknowledge and agree that the maximum amount of Incentive Compensation for fiscal 2012, assuming achievement by the Advisor of performance goals for fiscal 2012, shall be $400,000.

(c) Equity Incentive Compensation. The Advisor has previously been granted equity interests in Home Holdings that are vested or subject to continued vesting in accordance with the vesting schedule set forth in the Grant Agreement dated May 12, 2012 under the Team Resto Ownership Plan (the "Award Agreement") (the "Time-Based Units") and equity interests

in Home Holdings that vest on the satisfaction of performance-based criteria (the "Performance-Based Units") as set forth in the Award Agreement (the Time-Based Units and Performance-based Units are together referred to herein as the "Home Holdings Equity Interests"). On or before the date of the initial public offering (the 'IPO") of shares of Midco, the Home Holdings Equity Interests will be converted into shares of Midco that are subject to repurchase rights and transfer restrictions substantially as set forth in the form of Replacement Award Agreement (the "Replacement Award Agreement") attached as Schedule A (the "Selling Restricted Shares") and shares of Midco that vest on the satisfaction of performance-based criteria (the "Performance-Based Shares" and, together with Selling Restricted Shares, the "Resto Equity Interests") pursuant to the terms and conditions of the Restoration Hardware 2012 Equity Replacement Plan and the Replacement Award Agreement, in substantially the form set forth on Schedule A attached hereto. In connection with any such conversion, the Advisor agrees to make a timely election pursuant to Section 83(b) of the Code with respect to the Resto Equity Interests.

(d) Stock Option Grants. On or before the date of the IPO, provided that this Agreement has not been terminated, and contingent upon the subsequent consummation of the IPO, Midco shall grant to the Advisor options to purchase shares of stock pursuant to the terms and conditions of the Restoration Hardware 2012 Stock Option Plan and the form of award agreement thereunder, substantially on the basis attached hereto as Schedule B (the options subject to performance-based transfer restrictions and repurchase rights, the "IPO Performance-Based Options" and, together with the Home Holdings Equity Interests or the Resto Equity Interests, as the case may be, the "Equity Interests").

(e) Exchange Agreement. On or before the date of the IPO, and contingent upon the subsequent consummation of the IPO, Advisor's Class A Prime, Class A-1 Prime and Class A-2 Units will be exchanged for shares of Midco pursuant to an Exchange Agreement (the "Exchange Agreement").

(f) Taxes. The Advisor acknowledges and agrees that it shall be the Advisor's obligation to report as income all compensation received by the Advisor pursuant to this Agreement and to pay all taxes, including interest and penalties thereon, in connection with any payments made to the Advisor by the Company pursuant to this Agreement.

3. Other Benefits.

(a) Welfare Benefits. The Advisor (and his spouse and dependents) shall be covered by health and other welfare benefits (including but not limited to health, medical, dental, supplemental health, travel accident, life, long-term disability, and directors and officers insurance) to the extent agreed between the Advisor and the CEO and as may be permitted under applicable law and the terms of the Company's health and welfare benefit plans. The Advisor shall be bound by all of the written policies and procedures related to such benefits established by the Company from time to time. Notwithstanding the foregoing, in the event that the Company determines, in its sole discretion, that the Company may be subject to a tax or penalty pursuant to Section 4980D of the Code as a result of providing some or all of the benefits described in this Section 3(a), the Company may reduce or eliminate its obligations under this Section 3(a) to the extent it deems necessary, with no offset or other consideration required.

(b) Reimbursement of Expenses. The Company's finance department and/or CEO will establish written business expense reimbursement procedures that will apply to this Agreement, including with respect to the monitoring and record-keeping of such expenses. The Advisor will be required to comply with such written procedures, as such written procedures may be modified from time to time by the Company in its discretion, in order to be reimbursed for expenses incurred in connection with the performance of the Services under this Agreement, the Company shall promptly reimburse the Advisor in accordance with such written procedures to the extent the Advisor complies with such written procedures. All expenses incurred by the Advisor in connection with this Agreement shall be strictly subject to the approval of the CEO.

4. Hierarchy, LLC.

Effective as of the Effective Date, the Company and the Advisor have entered into certain agreements (the "Hierarchy Agreements") relating to a new business formed under the name Hierarchy, LLC. (the "Hierarchy Business"). The Company acknowledges that Advisor's dedication of time to Hierarchy in accordance with Section 1(b) and the terms of the Hierarchy Agreements and activities pursuant to and permitted by the Hierarchy Agreements will not be considered a violation of this Agreement or of any of the Advisor's fiduciary or other duties that might be otherwise owed to the Company.

5. Board Observer.

For the duration of this Agreement, the Company covenants and agrees that the Advisor may be present, solely in a non-voting observer capacity, at all meetings of the Boards or any committee thereof, including any telephonic meetings, and that the Company will give the Advisor notice of such meetings, by e-mail or by such other means and at the same time as such notices are delivered to the members of the Boards; provided, however, that in the event that the Board intends to discuss or vote upon any matter (a) in which the Advisor has a material business or financial interest (other than by reason of his interests as an equity owner of the Company or Midco); (b) that is subject to threatened or actual litigation as to which the Advisor is, or is threatened or reasonably anticipated to be a named party; (c) subject to attorney-client privilege between the RHH Group and its counsel that would be lost if the Advisor were to participate; (d) which exclusion is necessary to protect trade secret, confidential or privileged information; or (e) any other matter with respect to which the Board reasonably believes it could be detrimental to the best interests of the RHH Group to include the Advisor (collectively (a) through (e) are referred to as, "Confidential Matters"), the Advisor may be excluded from that portion of the meeting by a vote of a majority of the directors present. Board materials or Board committee materials that are sent to the directors in their capacity as such, whether or not in connection with a meeting of the Boards or any committee thereof, including copies of all minutes, consents, correspondence and other material, shall be sent to the Advisor simultaneously by the Company by means reasonably designed to insure timely receipt by the Advisor; provided, however, that the Company may exclude from the materials sent to the Advisor any materials relating directly and substantially to any Confidential Matter.

6. Term and Termination.

(a) Term. This Agreement shall commence on the Effective Date and shall have a five (5) year term, renewable, unless otherwise terminated hereunder, for an additional five (5)-year period. For the avoidance of doubt, the non-renewal of this Agreement by the Company at the end of the initial five (5)-year term shall be deemed a termination of the Advisor without Cause under this Agreement (unless such non-renewal is caused by or results from a termination for Cause).

(b) Termination. Notwithstanding Section 6(a) above, either party may terminate this Agreement at any time, with or without Cause (as defined below), in the case of termination by the Company, or with or without Good Reason (as defined below), in the case of termination by the Advisor; provided that, in the case of termination by the Company without Cause, ninety (90) days prior written notice of such termination shall be required. The provision of notice under this Section 6(a) shall not affect the amount of post-termination payments owed under this Agreement.

(c) Termination by the Company with Cause. In the event that this Agreement and the Advisor are terminated for Cause, (A) the Advisor shall receive from the Company payments for (i) any and all earned, unpaid and invoiced fees pursuant to Section 2(a) of this Agreement through the Date of Termination (submitted on or before the date that is ninety (90) days following the Date of Termination); (ii) any and all unreimbursed business expenses incurred prior to the Date of Termination (in accordance with the Company's reimbursement policy); and (iii) any other benefits the Advisor is entitled to receive as of the Date of Termination (items (i) through (iii) are hereafter referred to as "Accrued Benefits"), and (B) except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including termination pay or other compensation of any kind, on account of the termination of this Agreement and the Advisor or to make any payment in lieu of notice to the Advisor. With respect to the Advisor's Equity Interests, (i) in the event of termination for Cause prior to an IPO, the Home Holdings Equity Interests shall terminate in accordance with their terms as set forth in first paragraph under the heading "Termination of Continuous Service" in the Award Agreement and (ii) in the event of termination for Cause after an IPO, the Resto Equity Interests and the IPO Performance-Based Options (whether or not vested) on the Date of Termination shall terminate, expire and be forfeited for no value or subject to repurchase in accordance with the terms thereof. Except as required by law, all benefits provided by the Company to the Advisor under this Agreement or otherwise shall cease as of the Date of Termination.

(d) Termination by the Company without Cause. Upon prior written notice in accordance with Section 6(b), the Company may terminate this Agreement and the Advisor without Cause. In the event that this Agreement and the Advisor are terminated by the Company without Cause, the Advisor shall receive the Accrued Benefits. In addition, the Advisor shall be entitled to receive from the Company the following: (i) termination pay in the amount of Four Million Dollars ($4,000,000) to be paid in twenty-four (24) equal monthly cash installments commencing with the first business day of the first month following the Date of Termination, unless the Release Period (defined below) straddles two calendar years, in which case, the installments shall commence with the first business day in January of the calendar year following

the Date of Termination; (ii) payment of any unpaid Incentive Compensation earned for the year prior to the year of termination (payable at the time the Incentive Compensation is otherwise paid) and (iii) (A) if termination occurs prior to the IPO, vesting of the Advisor's Time-Based Units shall accelerate as to the number of Time-Based Units that would have vested over an additional twenty four-month (24-month) period following the Date of Termination (in the manner specified in the award agreement), and the Advisor's Performance-Based Units shall remain outstanding, and vest subject to satisfaction of their terms, for a period of twenty four (24) months following the Date of Termination (after which time such Performance-Based Units, to the extent unvested, shall expire and be cancelled for no consideration) or (B) if termination occurs at the time of or after the IPO, the Advisor's Performance-Based Shares shall remain outstanding, and vest subject to satisfaction of their terms, for a period of twenty-four (24) months following the Date of Termination (after which time such Performance-Based Shares, to the extent unvested, shall expire and be cancelled for no consideration) and the Selling Restricted Shares and the IPO Performance-Based Options (whether or not vested) shall be subject to forfeiture and/or repurchase in accordance with the terms thereof, provided, however, that the Company's repurchase rights with respect to the Selling Restricted Shares and the IPO Performance-Based Options shall not be exercisable until the second anniversary of the Termination Date. Notwithstanding the foregoing, the Advisor's entitlement to the termination payments in this Section 6(d) is conditioned on (y) the Advisor's executing and delivering to the Company a release of claims against the Company, in a form attached hereto as Exhibit A, and on such release becoming effective within thirty (30) days following the Date of Termination (the "Release Period"), and (z) the Advisor's compliance with the restrictive covenants set forth in Sections 7, 9(a), (b), (d) and (e), 11(a) and the Proprietary Information Agreements (as defined below), provided, however, that the Advisor shall be given notice of any alleged breach and, if curable, an opportunity to cure within thirty (30) days of the Advisor's receipt of such notice. The Advisor agrees that the Company shall have a right of offset against all termination payments for amounts owed to the Company by the Advisor (unless the amounts owed are subject to a good faith dispute) to the fullest extent not prohibited by law and permitted by Section 409A. Except as specifically provided in this Section 6(d), or except as required by law, all benefits provided by the Company to the Advisor under this Agreement or otherwise shall cease as of the Date of Termination.

(e) Termination by the Advisor for Good Reason. The Advisor may terminate this Agreement and his service relationship with the Company and receive Accrued Benefits and the termination payments and other benefits detailed in Section 6(d) (subject to the same conditions set forth in Section 6(d)) following the occurrence of an event constituting Good Reason (as defined below) that has not been cured by the Company within the timeframe specified in the definition of Good Reason.

(f) Voluntary Termination. If the Advisor terminates this Agreement and his service relationship with the Company without Good Reason, the Advisor agrees to provide the Company with thirty (30) days' prior written notice. In the event that this Agreement and the Advisor's service relationship with the Company are terminated under this Section 6(f), the Advisor shall receive from the Company payment for all Accrued Benefits described in Section 6(c) at the times specified in Section 6(c). With respect to the Advisor's Home Holdings Equity Interests, (i) in the event of termination by the Advisor without Good Reason prior to an IPO, the Home Holdings Equity Interests shall terminate in accordance with their terms as set

forth in first paragraph under the heading "Termination of Continuous Service" in the Award Agreement; and (ii) in the event of termination by the Advisor without Good Reason after an IPO, the Resto Equity Interests and the IPO Performance-Based Options (whether or not vested) on the Date of Termination shall be subject to forfeiture and/or repurchase in accordance with the terms thereof. Except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including termination pay or other compensation, of any kind, or provide any other benefits (including for any further vesting for any equity interests), to the Advisor on account of the termination of this Agreement and/or his service relationship with the Company.

(g) Termination upon Death or Disability. If this Agreement and the Advisor are terminated as a result of the death or Disability of the Advisor, the Advisor (or the Advisor's estate, or other designated beneficiary(s) as shown in the records of the Company in the case of death) shall be entitled to receive from the Company payment for (i) the Accrued Benefits described in Section 6(c) at the times specified in Section 6(c), (ii) payment of any unpaid Incentive Compensation earned for the year prior to the year of termination (payable at the time the Incentive Compensation is otherwise paid) and (iii) a pro-rata amount of the Incentive Compensation that the Advisor would have been eligible to receive had he performed the Services for the remainder of the year in which the termination of this Agreement occurs (determined by multiplying the amount the Advisor would have received based upon the actual level of achievement of the applicable performance goals for the entire performance year by a fraction, the numerator of which is the number of days during the performance year of termination of this Agreement and the denominator of which is 365), such pro-rata amount to be paid at the same time and in the same form as the Incentive Compensation otherwise would be paid (but in no event later than seventy-five (75) days after the end of the Company's fiscal year to which such Incentive Compensation relates). Except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including termination pay or other compensation, of any kind, or provide any other benefits (including for any further vesting for any Home Holdings Equity Interests or Resto Equity Interests, as applicable), to the Advisor (or the Advisor's estate, or other designated beneficiary(s), as applicable) upon the termination of this Agreement as a result of the death or Disability of the Advisor. Vested Home Holdings Equity Interests and Resto Equity Interests, as applicable, of the Advisor shall be subject to a right of repurchase by the Company upon the termination of this Agreement as a result of the death or Disability of the Advisor as set forth in third paragraph under the heading "Termination of Continuous Service" in the Award Agreement or, after an IPO, in accordance with the applicable terms thereof.

(h) Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below.

(i) "Cause" shall mean

(A) the Advisor has been convicted of (or has entered a plea of *nolo contendere* to) a felony involving fraud, dishonesty, or physical harm to any person or any crime involving moral turpitude;

(B) the Advisor intentionally failed to substantially perform the Advisor's material duties (other than a failure resulting from the Advisor's incapacity due to physical or mental illness or from the Advisor's assignment of duties that would constitute Good Reason), which failure lasted for a period of at least fifteen (15) days after a written notice of demand for substantial performance has been delivered to the Advisor specifying the manner in which the Advisor has failed substantially to perform; provided that such period shall be increased to sixty (60) days in the case of any failure to devote adequate working time to the Company in accordance with Section 1(b);

(C) the Advisor intentionally engaged in conduct which is demonstrably and materially injurious to the RHH Group;

(D) the Advisor's fraud, embezzlement or other act of material dishonesty with respect to the RHH Group as determined by a court of competent jurisdiction or by arbitration pursuant to the Arbitration Agreement attached as Exhibit D hereto;

(E) the Advisor's material breach of Sections 7(a), 9(a) or 9(b) or any other material term of this Agreement; provided that the Advisor shall be given written notice of any such alleged breach and an opportunity to cure such breach within sixty (60) days after the Advisor's receipt of such notice;

(F) the Advisor's material breach of any policy of the RHH Group applicable to its employees; or

(G) a material breach by Hierarchy, LLC. of any restrictive covenant between Hierarchy, LLC and the RHH Group under the Hierarchy Agreements to the extent that the Advisor owns a majority of the Percentage Interests (as defined in the Hierarchy Agreements) in Hierarchy, LLC.

For purposes of this Section 6(h)(i), no act, nor failure to act, on the Advisor's part shall be considered "intentional" unless the Advisor has acted, or failed to act, with a lack of reasonable belief that the Advisor's action or failure to act was in the best interest of RHH Group. For the avoidance of doubt, no matters of which any current non-management member of the Board (including any member of the special committee of the Board created in June 2012) has actual knowledge as of the Effective Date (solely to the extent of such knowledge) will be grounds for the termination of this Agreement with Cause. The mutual release entered into by the parties as of the Effective Date shall govern procedures for determinations of actual knowledge for purposes of the preceding sentence. Notwithstanding the foregoing, any such knowledge may be taken into account in determining grounds for termination of this Agreement with Cause to the extent acts or omissions of the Advisor occurring after the Effective Date are rendered more significant by matters so known.

(ii) "Date of Termination" shall mean (i) if this Agreement is terminated by the Company for Disability, thirty (30) days after written notice of termination is given to the Advisor (provided that the Advisor shall not have returned to the performance of his duties on a full-time basis during such 30-day period); (ii) if this Agreement is terminated by the

Company for Cause, the date on which a written notice of termination is given; (iii) if this Agreement is terminated by the Company without Cause, the date on which the notice period set forth in Section 6(b) expires; (iv) if this Agreement is terminated by the Advisor for Good Reason, the date on which a written notice of termination is given; provided that the notice and cure provisions in the definition of Good Reason have been complied with; (v) if this Agreement is terminated by the Advisor for other than a Good Reason, the date specified in the Advisor's notice in compliance with Section 6(f); or (vi) in the event of the Advisor's death, the date of death.

(iii) "Disability" shall (i) have the meaning defined under the Company's then-current long-term disability insurance plan, policy, program or contract as entitles the Advisor to payment of disability benefits thereunder, or (ii) if there shall be no such plan, policy, program or contract, mean permanent and total disability as defined in Section 22(e)(3) of the Code.

(iv) "Good Reason" shall mean the occurrence of any of the events or conditions described in subsections (A) through (F) hereof that occur without the Advisor's consent, and within 90 days following the end of the Notice Period (as defined below) the Advisor terminates this Agreement and his service relationship with the Company:

(A) the relocation by the Company of the Advisor's primary workplace to a location outside of the San Francisco Bay Area;

(B) the CEO (as directed by the Board) ceasing to be the sole person to whom the Advisor is required to report;

(C) Carlos Alberini ceasing to be the CEO during the first six (6) months following the Effective Date as a result of his termination of employment by the Company without Cause or as a result of a resignation for Good Reason (each as defined in his employment agreement);

(D) a reduction in the Advisor's fees and Incentive Compensation opportunity, except if the base salary or annual bonus opportunities of the CEO are proportionately reduced (and not replaced with another form of compensation the purpose or effect of which is to compensate the CEO for the reduction of base salary or annual bonus opportunity), whether or not such reduction is voluntary on the part of the CEO;

(E) a material and adverse diminution in the Advisor's duties from his primary functions which shall be in the area of design, product and store development, merchandising and display and advising the Boards on general strategy, except where the Advisor and the CEO agree in writing to such change in duties; provided that (for avoidance of doubt) a change in the Advisor's duties in connection with the termination of this Agreement for Disability, Cause, as a result of the Advisor's death, or by the Advisor other than for Good Reason shall not constitute Good Reason;

(F) any material breach by the Company or any of its successors and assigns of this Agreement; and

(G) the failure of the Company's successors and assigns to assume the obligations of the Company under this Agreement, either by written agreement or by operation of law.

The Advisor's right to terminate this Agreement in connection with an event of Good Reason shall not be affected by the Advisor's incapacity due to physical or mental illness. The Advisor must provide notice to the Company of the existence of a condition described in clauses (A) through (F) above within ninety (90) days of his knowledge of the initial existence of the condition, upon the notice of which the Company shall have a period (the "Notice Period") of thirty (30) days during which it may remedy the condition so that it shall not constitute a "Good Reason." If more than one change or event shall occur which alone or in the aggregate constitutes Good Reason, then for purposes hereof, Good Reason shall be deemed to have occurred on the last such change or event to occur.

(i) Notice of Termination. Any termination of this Agreement by the Company or by the Advisor under this Section 6 (other than in the case of death) shall be communicated by a written notice (the "Notice of Termination") to the other party hereto, indicating the specific termination provision in this Agreement relied upon, and specifying a Date of Termination which notice shall be delivered within the time periods set forth in the various subsections of this Section 6, as applicable (the "Notice Period"); provided, however, that the Company may pay to the Advisor all fees, benefits and other rights due to the Advisor during the Notice Period instead of retaining the Advisor during such Notice Period and such fees, benefits and other rights will be paid in accordance with Section 26. For purposes of this Agreement, no such purported termination shall be effective without such Notice of Termination.

7. Non-Competition; General Provisions Applicable to Restrictive Covenants.

(a) Covenant not to Compete. For the duration of this Agreement and, for so long as the Advisor is entitled to and is receiving continued payment pursuant to Section 6(d) or Section 6(e), throughout the two (2) year period thereafter (the "Post-Termination Period"), the Advisor shall not, directly or indirectly, engage or invest in, own, manage, operate, finance, control or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, lend any credit to, or render services or advice to, any business, firm, corporation, partnership, association, joint venture or other entity that engages or conducts any competing business the same as or substantially similar to the business engaged in or proposed to be engaged in or conducted by the RHH Group or described in a written strategic plan of the RHH Group at any time that the Advisor was providing the Services to the RHH Group, anywhere within the United States of America; provided that this Section 7(a) shall not apply to the Hierarchy Business conducted in accordance with Section 4; provided, further, that the Advisor may own up to 2% of the outstanding shares of any class of securities of any enterprise (but without otherwise participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, and up to 5% of the voting stock or other securities of any privately-held company. At any time after the termination of this Agreement, the Adviser will not use trade secrets owned by the RHH Group to engage in competition with the RHH Group.

(b) Specific Performance. The Advisor recognizes and agrees that a violation by him of his obligations under this Section 7, or under Sections 9 or 11, or under the Proprietary Information Agreements may cause irreparable harm to the RHH Group that would be difficult to quantify and that money damages may be inadequate. As such, the Advisor agrees that the Company shall have the right to seek injunctive relief (in addition to, and not in lieu of any other right or remedy that may be available to it) to prevent or restrain any such alleged violation without the necessity of posting a bond or other security and without the necessity of proving actual damages. However, the foregoing shall not prevent the Advisor from contesting the Company's request for the issuance of any such injunction on the grounds that no violation or threatened violation of the aforementioned Sections has occurred. If an arbitrator or court of competent jurisdiction determines that the Advisor has violated the obligations of any covenant for a particular duration, then the Advisor agrees that such covenant will be extended by that duration.

(c) Scope and Duration of Restrictions. The Advisor expressly agrees that the character, duration and geographical scope of the restrictions imposed under this Section 7, and under Section 9 and under the Proprietary Information Agreements are reasonable in light of the circumstances as they exist at the date upon which this Agreement has been executed. However, should a determination nonetheless be made by an arbitrator or a court of competent jurisdiction at a later date that the character, duration or geographical scope of any of the covenants contained herein is unreasonable in light of the circumstances as they then exist, then it is the intention of both the Advisor and the Company that such covenant shall be construed by an arbitrator or the court in such a manner as to impose only those restrictions on the conduct of the Advisor which are reasonable in light of the circumstances as they then exist and necessary to assure the Company of the intended benefit of such covenant. Except insofar as claims involving the prohibited disclosure, misuse or misappropriation of the RHH Group's trade secrets, return of the RHH Group's property or assignment of inventions are involved, to the extent the Advisor engages in any action(s) after termination of this Agreement in violation of the restrictions imposed under Section 7(a), the Company's only right of action and remedy hereunder shall be to immediately terminate any and all payments that still may be due and owing hereunder as well as any further vesting or lapsing of restrictions for any Equity Interests or other equity awards that may have been granted after the date hereof; the parties otherwise acknowledge that the Advisor is not limited hereby from engaging in such action(s) after the termination of this Agreement except insofar as the prohibited disclosure, misuse or misappropriation of trade secrets or breach of any other statutory or common law duties (including any fiduciary duties) may be involved.

8. Proprietary and Confidential Information.

The Advisor has signed and agrees to be bound by the terms of the Proprietary Information and Inventions Agreement, a copy of which is attached hereto as Exhibit B, and the Confirmation of Confidential Information, a copy of which is attached hereto as Exhibit C (collectively, the "Proprietary Information Agreements").

9. Other Covenants.

(a) Solicitation of Employees. During the term of this Agreement and for the duration of any Post-Termination Period thereafter, the Advisor shall not, directly or indirectly, individually, or together with or through any other person, firm, corporation or entity, (i) solicit for hire any member of senior management of the RHH Group (defined as an officer with a title of vice president or higher) who is then in the employ of the RHH Group, (ii) solicit for hire any employee of the RHH Group, provided, however, that general solicitations not targeted to RHH Group employees shall not be deemed to violate this clause (ii), or (iii) cause any of the foregoing persons to terminate their employment relationship with the RHH Group.

(b) Solicitation of Customers and Suppliers. During the term of this Agreement and for the duration of any Post-Termination Period thereafter, the Advisor shall not, directly or indirectly, individually, or together through any other person, firm, corporation or entity (i) use the Company's Proprietary Information (as defined in the Proprietary Information and Inventions Agreement attached hereto as Exhibit B) to solicit the business of any material customers of or suppliers to the RHH Group, (ii) encourage any person or entity which is a supplier of the RHH Group to cease, reduce or limit its existing business or contractual relationship with the RHH Group or (iii) through overt evaluations of, comparisons with or differentiation specifically directed at RHH Group products or services, encourage any person or entity which is a customer of the RHH Group to cease, reduce or limit its existing business or contractual relationship with the RHH Group.

(c) Compliance with RHH Group Policies. The Advisor agrees that, during the term of this Agreement, he shall comply with the employee manual and other policies and procedures applicable to the employees of the RHH Group established by the RHH Group from time to time (all such policies and procedures being deemed applicable to the Advisor), including but not limited to policies addressing matters such as management, supervision, recruiting and diversity.

(d) Cooperation. The Advisor shall, upon the Company's reasonable request and in good faith and with the Advisor's commercially reasonable efforts and subject to the Advisor's reasonable availability, (i) during the six (6) months following termination of this Agreement, cooperate and assist the RHH Group by providing information and answering due diligence and other questions (a) in connection with any sale or public offering of the RHH Group or proposed sale or public offering of the RHH Group, and (b) in transitioning the Advisor's responsibilities to any replacement; and (ii) for a period of two (2) years following termination of this Agreement, cooperate and assist the RHH Group in any dispute, controversy, or litigation in which the RHH Group may be involved and with respect to which the Advisor obtained knowledge either during the term of this Agreement or while previously employed by the RHH Group or any of its affiliates, successors, or assigns, including, but not limited to, participation in any court or arbitration proceedings, giving of testimony, signing of affidavits, or such other personal cooperation as counsel for the Company shall request, with the Company paying, in each case, (a) the Advisor's reasonable travel and incidental out-of-pocket expenses incurred in connection with any such cooperation, (b) the reasonable attorney's fees and costs incurred in connection with a joint representation and (c) the reasonable fees and costs of an attorney the Advisor engages to advise him in connection with the foregoing, but only if there is

a conflict of interest that would prevent the Company's own outside or inside legal counsel from adequately representing the Advisor's interests as well as the RHH Group's interests).

(e) Return of Business Records and Equipment. Upon termination of this Agreement, or at any time Company so requests, the Advisor shall promptly return to the Company: (i) all documents, records, procedures, books, notebooks, and any other documentation in any form whatsoever, including but not limited to written, audio, video or electronic, containing any information pertaining to the RHH Group that is Proprietary Information (as defined in the Proprietary Information Agreement), including any and all copies of such documentation then in the Advisor's possession or control regardless of whether such documentation was prepared or compiled by the Advisor, the RHH Group, other employees of the RHH Group, representatives, agents, or independent contractors, and (ii) all equipment or tangible personal property owned by the RHH Group and entrusted to the Advisor by the RHH Group. The Advisor acknowledges that all such documentation, copies of such documentation, equipment, and tangible personal property are and shall at all times remain the sole and exclusive property of the RHH Group.

(f) Promotion, Endorsement and Right to Publicity. The parties shall execute as of the Effective Date a Promotion, Endorsement and Right to Publicity Agreement in substantially the form attached hereto as Exhibit F

10. Mutual Release. The parties hereto shall execute as of the Effective Date a Mutual Release.

11. Nondisparagement.

(a) The Advisor and the Company mutually agree that, for the duration of this Agreement and at any time thereafter, in any communication with the press or other media or any customer or client of or supplier to the Company or any of its affiliates, or any customer or client of or supplier to the Advisor or of any business with which the Advisor then is affiliated, the Advisor shall not, and the Company shall not, and shall use commercially reasonable efforts to cause each of its officers and directors not to, criticize, ridicule, disparage, defame, slander or make any statement which reasonably could be concluded to be disparaging or derogatory towards the other, including, in the case of the Company or any of its affiliates including Home Holdings, any of their officers, directors, managers, agents or equityholders, and including, in the Advisor's case, any business with which he then is affiliated and any affiliate, officer or director of such business or its affiliates. Notwithstanding the foregoing, nothing in this Section 11(a) shall prevent (and none of the following shall be deemed a breach of this Section 11(a)) any person from (x) responding publicly to incorrect, disparaging or derogatory public statements to the extent reasonably necessary to correct or refute such public statement or (y) making any truthful statement to the extent (i) necessary with respect to any litigation, arbitration or mediation involving this Agreement, including, but not limited to, the enforcement of this Agreement, (ii) required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction over such person or (iii) permitted pursuant to Section 11(b).

(b) Subject to the remainder of this paragraph, the Company will preview to the Advisor any disclosures that relate directly to the Advisor or the Advisor's likeness provided in connection with an IPO and receive any comments that the Advisor may have on such disclosure. Notwithstanding anything in this Agreement to the contrary, the Company, Home Holdings and Midco may (i) make any disclosures that they believe in good faith are required by or advisable under applicable law, rule or regulation, including under applicable securities laws (whether in connection with an IPO, any other securities offering, ongoing disclosure obligations or otherwise); and (ii) consider the views and advice of third parties including auditors, underwriters and other parties with an interest in the scope of any disclosures to be made by the Company, Home Holdings or Midco and make such disclosures as the Company, Home Holdings or Midco determines are necessary or advisable in respect thereof.

12. IPO Sale Restrictions and Lock-Up.

As of the date hereof, certain lock-up and sale restrictions on the Advisor's equity in Home Holdings are set forth in the Home Holdings operating agreement as in effect on the date hereof and in the terms of the Award Agreement. Following the IPO of Midco, in lieu of the provisions of the Home Holdings operating agreement and the Award Agreement, in addition to the selling restrictions that will be applicable to the Resto Equity Interests in accordance with the terms of the 2012 Equity Replacement Plan and 2012 Stock Option Plan and Advisor's award agreements thereunder, certain lock-up and sale restrictions (subject to the exception in the Exchange Agreement) on the Advisor's equity in Midco are set forth in the Registration Rights Agreement to be entered into in connection with the Company's initial public offering in the form attached as Exhibit G-1. In addition, following the IPO of Midco, the Exchange Agreement sets forth certain rights the Advisor will have to sell his equity in Midco in any follow-on public offering.

13. Interaction with Other Benefit Policies.

The payments, benefits and protections provided to the Advisor in this Agreement shall be in lieu of any other payments, benefits and protections to which the Advisor may be entitled under any termination policy, plan, program, practice or arrangement of the Company and its affiliates.

14. Forum Selection.

Subject to compliance with dispute resolution procedure set forth in Section 28 below, the Company and the Advisor mutually agree that any and all claims or controversies arising out of this Agreement, or any breach thereof, or otherwise arising out of or relating to this Agreement or the termination thereof, to the extent they are not covered by and subject to arbitration according to the terms of the Arbitration Agreement in the form attached hereto as Exhibit D, shall be brought exclusively in a court in the city and county of San Francisco, California or, if federal jurisdiction exists, the United States District Court for the Northern District of California, and both parties submit and consent to jurisdiction of such courts and waive any objection to venue and/or any claim that the aforementioned forums are inconvenient.

15. Governing Law.

This Agreement and any disputes or controversies arising hereunder shall be construed and enforced in accordance with and governed by the internal laws of the State of California, without reference to principles of law that would apply the law of another jurisdiction.

16. Entire Agreement.

This Agreement (including its exhibits and schedules), together with the Proprietary Information Agreements, the Promotion, Endorsement and Right to Publicity Agreement, the Mutual Release, and the Hierarchy Agreements, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and supersedes and cancels any and all previous agreements, written and oral, regarding the subject matter hereof between the parties hereto, including, without limitation, the Employment Agreement. This Agreement shall not be changed, altered, modified or amended, except by a written agreement that (i) explicitly states the intent of both parties hereto to supplement this Agreement and (ii) is signed by both parties hereto.

17. Notices.

All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been sufficiently given if personally delivered or if sent by registered or certified mail, return receipt requested to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid, and shall be deemed received upon actual receipt:

(a) to the Company at:

Restoration Hardware, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Attention: Chief Executive Officer
Facsimile: (415) 927-7083

with a copy to:

Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94402
Attention: Gavin B. Grover
Facsimile: (415) 268-7522

with a copy to:

Home Holdings, LLC
c/o Catterton Partners

599 West Putnam Avenue
Greenwich, CT 06830
Attention: J. Michael Chu
Facsimile: (203) 629-4903

with a copy to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
Attention: Steven R. Shoemate
Facsimile: (212) 351-5316

(b) to the Advisor at:

[ ]
Facsimile: [ ]

with a copy to:

Shartsis Friese LLP
One Maritime Plaza, 18th Floor
San Francisco, CA 94111-3598
Attention: Derek H. Wilson, Esq.
Facsimile: (415) 421-2922

(c) to Home Holdings at:

Home Holdings, LLC
c/o Catterton Partners
599 West Putnam Avenue
Greenwich, CT 06830
Attention: J. Michael Chu
Facsimile: (203) 629-4903

with a copy to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
Attention: Steven R. Shoemate
Facsimile: (212) 351-5316

18. Severability.

If any term or provision of this Agreement, or the application thereof to any person or under any circumstance, shall to any extent be invalid or unenforceable, the remainder of this

Agreement, or the application of such terms to the persons or under circumstances other than those as to which it is invalid or unenforceable, shall be considered severable and shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19. Waiver.

The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement.

20. Successors and Assigns.

This Agreement shall be binding upon the Company and any successors and assigns of the Company, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business. In the event that the Company sells or transfers all or substantially all of the assets of the Company, or in the event of any merger or consolidation of the Company, the Company shall use reasonable efforts to cause such assignee, transferee, or successor to assume the liabilities, obligations and duties of the Company hereunder. Neither this Agreement nor any right or obligation hereunder may be assigned by the Advisor; provided, however, that this provision shall not preclude the Advisor from designating one or more beneficiaries to receive any amount that may be payable after his death and shall not preclude his executor or administrator from assigning any right hereunder to the person or persons entitled hereto.

21. Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

22. Headings.

Headings in this Agreement are for reference only and shall not be deemed to have any substantive effect.

23. Opportunity to Seek Advice; Warranties and Representations.

The Advisor acknowledges and confirms that he has had the opportunity to seek such legal, financial and other advice and representation as he has deemed appropriate in connection with this Agreement. The Advisor hereby represents and warrants to the Company that he is not under any obligation of a contractual or quasi-contractual nature known to him that is inconsistent or in conflict with this Agreement or that would prevent, limit or impair the performance by the Advisor of his obligations hereunder.

24. Company Practices.

The timing and manner of the payment of all fees, payments, incentive compensation or benefits provided by the Company under this Agreement shall be made in accordance with the terms of this Agreement consistent with the Company's normal payroll practices.

25. Section 280G Excise Tax Matters.

In the event that any payment in the nature of compensation (within the meaning of Code Section 280G(b)(2)) to the Advisor or for the Advisor's benefit, paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, this Agreement (a "Payment" or "Payments"), would be subject to the excise tax imposed by Code Section 4999, or any interest or penalties are incurred by the Advisor with respect to such excise tax (such excise tax, together with any such interest and penalties, are, if necessary, hereinafter collectively referred to as the "Excise Tax"), then such Payments shall be reduced to such lesser amount which would result in the Advisor receiving the greatest after-tax amount, as determined by the Advisor's accountant or tax advisor paid by Advisor. In order to produce the best possible after-tax result for the Advisor, the parties agree to the reduction of any payments or benefits under this Agreement, as well as any other payments or benefits provided for under agreements entered into between the Advisor and the Company that are included in the calculation of the Payments, such as, for example, the accelerated vesting of equity awards. In selecting the equity awards (if any) for which vesting will be reduced if the Advisor so elects, awards shall be selected in a manner that maximizes the after-tax aggregate amount of Payments provided to the Advisor. For the avoidance of doubt, for purposes of measuring an equity compensation award's value to the Advisor, such award's value shall equal the then aggregate fair market value of the vested equity interests underlying the award less any aggregate exercise price less applicable taxes. Also, if two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis.

26. Section 409A.

The parties intend that any compensation, benefits and other amounts payable or provided to the Advisor under this Agreement be paid or provided in compliance with Section 409A such that there will be no adverse tax consequences, interest, or penalties for the Advisor under Section 409A as a result of the payments and benefits so paid or provided to him. The parties agree to modify this Agreement, or the timing (but not the amount) of the payment hereunder of termination or other compensation, or both, to the extent necessary to comply with and to the extent permissible under Section 409A. In addition, notwithstanding anything to the contrary contained in any other provision of this Agreement, the payments and benefits to be provided the Advisor under this Agreement shall be subject to the provisions set forth below.

(a) The date of the Advisor's "separation from service," as defined in the regulations issued under Section 409A, shall be treated as the Advisor's Date of Termination for purpose of determining the time of payment of any amount that becomes payable to the Advisor pursuant to Section 6 hereof upon the termination of his employment and that is treated as an amount of deferred compensation for purposes of Section 409A.

(b) In the case of any amounts that are payable to the Advisor under this Agreement, or under any other "nonqualified deferred compensation plan" (within the meaning of Section 409A) maintained by the Company in the form of installment payments, (i) the Advisor's right to receive such payments shall be treated as a right to receive a series of separate payments under Treas. Reg. §1.409A-2(b)(2)(iii), and (ii) to the extent any such plan does not already so provide, it is hereby amended as of the date hereof to so provide, with respect to amounts payable to the Advisor thereunder.

(c) If the Advisor is a "specified employee" within the meaning of Section 409A at the time of his "separation from service" within the meaning of Section 409A, then any payment otherwise required to be made to him under this Agreement on account of his separation from service, to the extent such payment (after taking in to account all exclusions applicable to such payment under Section 409A) is properly treated as deferred compensation subject to Section 409A, shall not be made until the first business day after (i) the expiration of six months from the date of the Advisor's separation from service, or (ii) if earlier, the date of the Advisor's death (the "Delayed Payment Date"). On the Delayed Payment Date, there shall be paid to the Advisor or, if the Advisor has died, to the Advisor's estate, in a single cash lump sum, an amount equal to aggregate amount of the payments delayed pursuant to the preceding sentence.

(d) To the extent that the reimbursement of any expenses or the provision of any in-kind benefits pursuant to this Agreement is subject to Section 409A, (i) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided hereunder during any one calendar year shall not affect the amount of such expenses eligible for reimbursement or in-kind benefits to be provided hereunder in any other calendar year; provided, however, that the foregoing shall not apply to any limit on the amount of any expenses incurred by the Advisor that may be reimbursed or paid under the terms of the Company's medical plan, if such limit is imposed on all similarly situated participants in such plan; (ii) all such expenses eligible for reimbursement hereunder shall be paid to the Advisor as soon as administratively practicable after any documentation required for reimbursement for such expenses has been submitted, but in any event by no later than December 31 of the calendar year following the calendar year in which such expenses were incurred; and (iii) the Advisor's right to receive any such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for any other benefit.

27. No Duty to Mitigate.

The Advisor shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, and the amount of any payment provided for under this Agreement shall not be reduced or offset by any compensation earned by the Advisor or by any retirement benefits received by the Advisor as a result of employment by another employer after the Date of Termination. The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish the Advisor's then existing rights, or rights which would accrue solely as a result of the passage of time, under any Company benefit plan or other contract, plan or arrangement.

28. Dispute Resolution.

The Advisor has signed and agrees to be bound by the terms of the Arbitration Agreement, which is attached asExhibit D.

29. Independent Contractor.

The Advisor is providing the Services hereunder as an independent contractor and not as an employee of the Company, and nothing herein shall be construed to establish an employment relationship between the Advisor and the Company. The Advisor has no power or authority to act for, represent, or bind the Company in any manner pursuant to this Agreement and the Advisor shall not hold himself out as an agent or employee of the Company pursuant to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Advisory Services Agreement as of the date first written above.

RESTORATION HARDWARE, INC.,
a Delaware corporation

By: /s/ Karen Boone

GARY FRIEDMAN

/s/ Gary Friedman

Acknowledged and Agreed:

RESTORATION HARDWARE HOLDINGS, INC.,
a Delaware corporation

By: /s/ Carlos Alberini

HOME HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ Marc Magliacano

Schedule A

Form of 2012 Equity Replacement Plan and Replacement Award Agreement

Schedule B

Form of 2012 Stock Option Plan
and award agreement thereunder

Terms of IPO Option Grant in accordance with 2012 Stock Option Plan and award agreement, upon occurrence of IPO of Midco:

(1) Size of Grant: options to purchase shares of Common Stock of Midco representing 7.5% of the shares of Common Stock outstanding immediately after the IPO of Midco calculated based on the fully diluted share number reflected in the Company's capitalization table (pro forma after giving effect to the issuance of shares in the IPO) as set forth in the preliminary prospectus for the IPO used in the roadshow for the IPO, reduced, to the extent included in that fully diluted number, by the number of (x) shares allocated to any new equity incentive pool adopted by Midco in connection with the IPO and any awards granted thereunder and (y) any grant of options to the Chief Executive Officer in connection with the IPO.

(2) Exercise Price: equal to a price per share corresponding with a post-IPO market capitalization of $1.9 billion

(3) Vesting/Selling Restrictions: To be subject to Vesting or Selling Restrictions based on stock appreciation hurdles from $2.1 to $5.4 billion

(4) Term of Options: Ten years

EXHIBIT A

Form of General Release

This Separation and General Release Agreement (this "Agreement") is entered into by and between Restoration Hardware, Inc. (the "Company") and Gary Friedman (the "Advisor") (collectively, "Parties").

RECITALS

WHEREAS, the Advisor provided services to the Company pursuant to an Advisory Services Agreement (defined below);

WHEREAS, the Company and the Advisor have mutually agreed that the Advisory Services Agreement will terminate as of ("Effective Date") in accordance with the terms of this Agreement; and

WHEREAS, capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Advisory Services Agreement dated as of , 2012, by and between the Company and the Advisor (the "Advisory Services Agreement").

ACCORDINGLY, the Parties agree as follows:

1. Termination Benefit. The Company hereby agrees to provide the Advisor with the payments and benefits set forth in Section 6[(d)/(e)] of the Advisory Services Agreement with respect to a termination by the Company [without Cause/for Good Reason], on the terms and subject to the conditions set forth in such Section 6[(d)/(e)] of the Advisory Services Agreement (including the Advisor's compliance with the restrictive covenants set forth in the Advisory Services Agreement and the Proprietary Information Agreements).

2. General Release of Claims. The Advisor and his representatives, heirs, successors, and assigns do hereby completely release and forever discharge the Company, any Affiliate, and its and their present and former shareholders, officers, directors, agents, employees, attorneys, subsidiaries, successors, and assigns (collectively, "Released Parties") from all claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character, known or unknown, which the Advisor may have now or in the future arising from any act or omission or condition occurring on or prior to the Effective Date (including, without limitation, the future effects of such acts, omissions, or conditions), whether based on tort, contract (express or implied), or any federal, state, or local law, statute, or regulation (collectively, the "Released Claims"). By way of example and not in limitation of the foregoing, Released Claims shall include any claims arising under the Fair Labor Standards Act, the National Labor Relations Act, the Family and Medical Leave Act, the Executive Retirement Income Security Act of 1974, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, and the California Family Rights Act, as well as any claims asserting wrongful termination, breach of contract, breach of the covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation,

negligent or intentional interference with contract or prospective economic advantage, defamation, invasion of privacy, and claims related to disability. Except as set forth in the next sentence, Released Claims shall also include, but not be limited to, any claims for fees, incentive compensation, sick leave, vacation pay, severance or termination pay, life or health insurance, or any other fringe benefit, or any claims relating to any bona fide disputes or controversies (other than a dispute or controversy regarding the determination of fair market value that in accordance with the applicable arrangement is to be, or may be, determined by an independent appraiser) concerning (i) awards made to the Advisor under the 2008 Team Resto Ownership Plan, the Restoration Hardware Equity Replacement Plan, the Restoration Hardware 2012 Stock Incentive Plan or similar plans, (ii) the repurchase of any such awards by Home Holdings, LLC, Restoration Hardware Holdings, Inc. or the Company, or (iii) the investment made by the Advisor in Home Holdings, LLC and/or Restoration Hardware Holdings, Inc. Notwithstanding the foregoing, Released Claims shall not include (i) any claims based on obligations created by or reaffirmed in this Agreement; (ii) any vested retirement benefits or vested rights under equity-based compensation awards, (iii) any claims which by law cannot be released, including without limitation unemployment compensation claims and workers' compensation claims (the settlement of which would require approval by the California Workers' Compensation Appeals Board), (iv) any claims under Sections 4, 11(a), 12 or 25 of the Advisory Services Agreement, (v) any claim for indemnification under the Indemnification Agreement, the Home Holdings LLC Agreement, the Company's or Restoration Hardware Holdings, Inc.'s bylaws or certificate of incorporation or any agreement providing for the indemnification of the Advisor, (vi) any rights not in dispute that the Advisor might have (x) as a stockholder of the Company or under the 2008 Team Resto Ownership Plan, the Restoration Hardware Equity Replacement Plan, the Restoration Hardware 2012 Stock Option Plan, the Restoration Hardware 2012 Stock Incentive Plan or similar plans or arrangements adopted after the Effective Date of the Advisory Services Agreement regarding equity awards to the Advisor or equity interests owned by the Advisor (y) the repurchase of any such awards or interests by Home Holdings, LLC, Restoration Hardware Holdings, Inc. or the Company, (vii) any rights under or pursuant to the Registration Rights Agreement among the Company and certain of its stockholders, the Promotion, Endorsement and Right to Publicity Agreement (as defined in the Advisory Services Agreement), the Hierarchy Agreements (as defined in the Advisory Services Agreement) or any other agreement that remains outstanding and in effect between the Company and GF or with respect to which GF is a beneficiary, or (viii) the Company's obligation to reimburse GF (in accordance with the Company's reimbursement policy) for any business expenses incurred by GF prior to the date hereof in accordance with the Advisory Services Agreement.

3. Section 1542 Waiver. The Advisor understands and agrees that the Released Claims include not only claims presently known to the Advisor, but also include all unknown or unanticipated claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character that would otherwise come within the scope of the Released Claims as described in Section 2, above. The Advisor understands that he may hereafter discover facts different from what he now believes to be true, which if known, could have materially affected this Agreement, but he nevertheless waives any claims or rights based on different or additional facts. The Advisor knowingly and voluntarily waives any and all rights or benefits that he may now have, or in the future may have, under the terms of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

4. Covenant Not to Sue. The Advisor shall not bring a civil action in any court (or file an administrative complaint or arbitration) against the Company or any other Released Party asserting claims pertaining in any manner to the Released Claims.

5. Age Discrimination Claims. The Advisor understands and agrees that, by entering into this Agreement, (i) he is waiving any rights or claims he might have under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act; (ii) he has received consideration beyond that to which he was previously entitled; (iii) he has been advised to consult with an attorney before signing this Agreement; and (iv) he has been offered the opportunity to evaluate the terms of this Agreement for not less than twenty-one (21) days prior to his execution of the Agreement. The Advisor may revoke this Agreement (by written notice to Company) for a period of seven (7) days after his execution of the Agreement, and it shall become enforceable (and payment of the payments and benefits by the Company to the Advisor in accordance with Section 1 above only shall be made) only upon the expiration of this revocation period without prior revocation by the Advisor.

6. Confidentiality. The Parties understand and agree that this Agreement and each of its terms, and the negotiations surrounding it, are confidential and shall not be disclosed by the Advisor without the prior written consent of the Company, unless required by law. Notwithstanding the foregoing, the Advisor may disclose the terms of this Agreement to his spouse, and for legitimate business reasons, to legal, financial, and tax advisors, provided such individuals agree to maintain the confidentiality of such information. Notwithstanding anything in this Agreement to the contrary, consistent with Section 11(b) of the Advisory Services Agreement, the Company, Home Holdings and Midco may (i) make any disclosures that they believe in good faith are required by or advisable under applicable law, rule or regulation, including under applicable securities laws (whether in connection with an IPO, any other securities offering, ongoing disclosure obligations or otherwise); and (ii) consider the views and advice of third parties including auditors, underwriters and other parties with an interest in the scope of any disclosures to be made by the Company, Home Holdings or Midco and make such disclosures as the Company, Home Holdings or Midco determines are necessary or advisable in respect thereof.

7. Non-admission. The Parties understand and agree that the furnishing of the consideration for this Agreement shall not be deemed or construed at any time or for any purpose as an admission of liability by the Company. The liability for any and all claims is expressly denied by the Company.

8. Arbitration. All claims that the Advisor may have against the Company or any other Released Party, or which the Company may have against the Advisor, of any kind, including, but not limited to, all claims in any way related to (i) the subject matter, interpretation,

application, or alleged breach of this Agreement, (ii) the employment or termination of the Advisor, or (iii) the Advisor's efforts to find subsequent employment (collectively, "Arbitrable Claims") shall be resolved by arbitration pursuant to the terms of the Arbitration Agreement attached as Exhibit D to the Advisory Services Agreement.

9. Entire Agreement. This Agreement and constitute the complete, final and exclusive embodiment of the entire agreement among the Parties hereto with regard to the subject matter hereof and thereof. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained or referenced herein.

10. Amendments; Waivers. This Agreement may not be amended except by an instrument in writing, signed by each of the Parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

11. Successors and Assigns. The Advisor represents that he has not previously assigned or transferred any claims or rights released by him pursuant to this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, attorneys, and permitted assigns. This Agreement shall also inure to the benefit of any Released Party.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to conflict of laws provisions.

13. Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any Party. By way of example and not in limitation, this Agreement shall not be construed in favor of the Party receiving a benefit nor against the Party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement.

14. Representation by Counsel. The Parties acknowledge that (i) they have had the opportunity to consult counsel in regard to this Agreement; (ii) they have read and understand the Agreement and they are fully aware of its legal effect; and (iii) they are entering into this Agreement freely and voluntarily, and based on each Party's own judgment and not on any representations or promises made by the other Party, other than those contained in this Agreement.

15. Counterparts. This Agreement may be executed in counterparts. True copies of such executed counterparts may be used in lieu of an original for any purpose.

16. Effective Date. This Agreement shall become effective as of seven (7) days after the date executed by the Advisor ("Effective Date"), but only if the Agreement is not revoked as provided in Section 5. If the Agreement is revoked, it shall be null and void.

The Parties have duly executed this Agreement as of the dates noted below.

_____ Date: _____

Advisor

Restoration Hardware, Inc.

By: _____ Date: _____

Its: _____

EXHIBIT B

[FORM OF]

RESTORATION HARDWARE

Proprietary Information and Inventions Agreement

I, the undersigned, am entering into this Proprietary Information and Inventions Agreement (the "Agreement") with Restoration Hardware, Inc., Restoration Hardware Holdings, Inc. and their subsidiaries (collectively, the "Company") for the purpose of protecting the trade secrets of the Company and prohibiting the unauthorized use of confidential information by me. The Proprietary Information and Inventions Agreement dated as of October 20, 2012 between the Company and me shall remain in full force and effect with respect to all periods prior to the date of this Agreement.

In consideration of my advisory arrangement with the Company pursuant to the Advisory Services Agreement dated as of October 20, 2012 (the "Advisory Services Agreement"), and the compensation now and hereafter paid to me thereunder, I hereby agree as follows:

1) Recognition of Company's Rights: Nondisclosure. At all times during the term of the Advisory Services Agreement and thereafter, I will hold in strictest confidence and will not disclose, use, lecture upon or publish any of the Company's Proprietary Information (defined below), except as such disclosure, use or publication may be required in connection with my work for the Company, or unless an officer of the Company expressly authorizes such in writing. I hereby assign to the Company any rights I may have or acquire in such Proprietary Information and recognize that all Proprietary Information shall be the sole property of the Company and its assigns and that the Company and its assigns shall be the sole owner of all patent rights, copyrights, trade secret rights and all other rights throughout the world (collectively, "Proprietary Rights") in connection therewith.

   The term "Proprietary Information" shall mean trade secrets, confidential knowledge, data or any other proprietary information of the Company. Proprietary Information includes, but is not limited to, (a) inventions, trade secrets, ideas, data, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques (hereinafter collectively referred to as "Inventions"), (b) information regarding plans for research, development, new products, branding, marketing and selling business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers and details of contracts and (c) information regarding the skills and compensation of employees of the Company.

2) Third Party Information. I understand, in addition, that the Company has received and in the future will receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of the Advisory Services Agreement and thereafter, I will hold Third Party Information in the strictest confidence and will not disclose (to anyone other than Company personnel who need to know such information in connection with their work for the Company) or use, except in connection with my work for the Company, Third Party Information unless expressly authorized by an officer of the Company in writing.

3) Assignment of Inventions. I shall promptly disclose to the Company any and all Inventions that I may conceive or develop, alone or with others, during the term of the Advisory Services Agreement, and I agree that all Inventions belong to and shall be the exclusive property of the Company. I agree to assign, and upon their creation do hereby automatically assign, all of my right, title and interest (in the United States and other countries) in and to all Inventions (and all Proprietary Rights with respect thereto) whether or not patentable or registrable under copyright or similar statutes, made or conceived or reduced to practice or learned by me, either alone or jointly with others, during the term of the Advisory Services Agreement. I recognize that this Agreement does not require assignment of any Invention that may not be assigned under Section 2870 of the California Labor Code (hereinafter "Section 2870"), which provides as follows:

a) Any provision in an employment agreement which provides that an associate shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the associate developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

i) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer.

ii) Result from any work performed by the associate for the employer.

iii) To the extent a provision in an employment agreement purports to require an associate to assign an invention otherwise excluded from being required to be assigned under subdivision (I), the provision is against the public policy of this state and is unenforceable.

b) I also assign to or as directed by the Company all my right, title and interest in and to any and all Inventions, full title to which is required to be in the United States by a contract between the Company and the United States or any of its agencies.

c) I acknowledge that all original works of authorship which are made by me (solely or jointly with others) within the scope of my services under the Advisory Services Agreement and which are protectable by copyright are "works made for hire", as that term is defined in the United States Copyright Act (17 U.S.C., Section 101). Inventions assigned to or as directed by the Company by this paragraph 3 are hereinafter referred to as "Company Inventions".

4) Prior Inventions. Inventions, if any patented or unpatented, which I made prior to the commencement of my employment or services with the Company (or any of its predecessor entities) or the Advisory Services Agreement are excluded from the scope of this Agreement. To preclude any possible uncertainty, I have set forth on Exhibit A attached hereto a complete list of all Inventions that I have, alone or jointly with others, conceived, developed or reduced to practice prior to commencement of my employment or services with the Company (or any of its predecessor entities) or the Advisory Services Agreement, that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement. If disclosure of any such Invention on Exhibit A would cause me to violate any prior confidentiality agreement, I understand that I am not to list such Inventions in Exhibit A but am to inform the Company that all Inventions have not been listed for that reason.

5) No Improper Use of Materials. During the term of the Advisory Services Agreement, I will not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom I have an obligation of confidentiality, and I will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom I have an obligation of confidentiality unless consented to in writing by that former employer or person.

6) No Conflicting Obligation. I represent that my performance of all the terms of this Agreement and as an advisor to the Company does not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment by the Company or the term of the Advisory Services Agreement. I have not entered into, and I agree I will not enter into, any agreement either in written or oral in conflict herewith.

7) Hierarchy. For the avoidance of doubt, Proprietary Rights, Proprietary Information and Inventions shall not include trade secrets, inventions, ideas, processes, formulas, data, lists, programs, other works of authorship, know-how, improvements, discoveries, developments, designs, techniques, knowledge, data, patent rights, copyrights, trade secret rights, inventions or other information that are made or conceived or reduced to practice or learned by me, either alone or jointly with others outside of the course of the Company Services, and that are (x) unrelated to the RH Lines (as defined in the Hierarchy Agreements) and (y) within the scope of the Hierarchy Lines (as defined in the Hierarchy Agreements) or the other Permitted Non RH-Uses (the "Hierarchy Rights"). For the avoidance of doubt, none of the Hierarchy Rights shall be assigned or released hereby, and my possession, use or disclosure of the Hierarchy Rights shall not be deemed a violation of any of the terms of this Agreement.

8) Right to Inspection. I agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. Prior to leaving, I will cooperate with the Company in completing and signing any termination statement of the Company.

9) Legal and Equitable Remedies. Because my services are personal and unique and because I may have access to and become acquainted with the Proprietary Information of the Company, the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without bond, without prejudice to any other rights and remedies that the Company may have for a breach

of this Agreement; provided that the limitations on such rights and remedies other stated in the Advisory Services Agreement shall equally apply hereunder.

10) Notices. Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below or at such other address as the party shall specify in writing. Such notice shall be deemed given upon personal delivery to the appropriate address or if sent by certified or registered mail, three days after the date of mailing.

11) General Provisions.

a) Governing Law, This Agreement shall be governed by and construed in accordance with the laws of the State of California.

b) Entire Agreement. Subject to the Advisory Services Agreement, this Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter hereof and supersedes and merges all prior discussions between us. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement will be effective unless in writing signed by the party to be charged. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement. As used in this Agreement, the period of my employment includes any time during which I may be retained by the Company as an advisor.

c) Severability. If one or more of the provisions in this Agreement are deemed unenforceable by law, then the remaining provisions will continue in full force and effect.

d) Successors and Assigns. This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors and assigns.

e) Survival. The provisions of the Agreement shall survive the termination of my employment and the assignment of this Agreement by the Company to any successor in interest or other assignee.

f) Independent Contractor. I agree and understand that I am an independent contractor and not an employee of the Company, and nothing herein shall be construed to establish an employment relationship between the Company and me. I have no power or authority to act for, represent, or bind the Company in any manner pursuant to this Agreement and the I shall not hold myself out as an agent or employee of the Company pursuant to this Agreement.

g) Waiver. No waiver by the Company of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by the Company of any right under this Agreement shall be construed as a waiver of any other right. The Company shall not be required to give notice to enforce strict adherence to all terms of this Agreement.

This Agreement shall be effective as of the effective date of the Advisory Services Agreement, namely: October 20, 2012

I UNDERSTAND THAT THIS AGREEMENT AFFECTS MY RIGHTS TO INVENTIONS I MAKE DURING THE TERM OF THE ADVISORY SERVICES AGREEMENT, AND RESTRICTS MY RIGHT TO DISCLOSE OR USE THE COMPANY'S PROPRIETARY

INFORMATION DURING OR SUBSEQUENT TO THE TERM OF THE ADVISORY SERVICES AGREEMENT.

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY FILLED OUT EXHIBIT A TO THIS AGREEMENT.

Dated as of October 20, 2012

Signature

Gary Friedman
Name of Advisor

Address

ACCEPTED AND AGREED TO:

Restoration Hardware, Inc.

By:
Name:
Title:

Exhibit A to Proprietary Information and Inventions Agreement

Schedule of Inventions

EXHIBIT C

[FORM OF]

RESTORATION HARDWARE

Confirmation of Confidential Treatment

This shall confirm that, I, Gary Friedman, as an advisor of Restoration Hardware, Inc. (the "Company"), and in accordance with the Proprietary Information and Inventions Agreement (the "Confidentiality Agreement") entered into between me and the Company, understand, agree and acknowledge that all information and materials relating to my work on the Company's development of new retail concepts, new merchandise programs and new brands (including without limitation all information and materials related to the development of new Company brands, logos and corporate identities), shall be treated as Proprietary Information (as that term is defined under the Confidentiality Agreement). Without limiting the generality of the foregoing, and for the avoidance of doubt, I hereby agree to hold all ideas, data, documents, drawings, notes, memoranda, and other information and materials regarding Company's new retail concepts, new merchandise programs and new brands including branding plans, brand development and branding strategy, in strictest confidence, and will not disclose, lecture upon or publish any such information or materials unless an officer of the Company expressly authorizes such in writing, and will not use such information and materials for any purpose other than in furtherance of the business of the Company as directed by the Company. For the avoidance of doubt, the Hierarchy Rights, as defined in the Confidentiality Agreement, shall not be subject to this confirmation.

Because I may have access to and become acquainted with such information and materials, the Company shall have the right to enforce my duties of confidentiality by injunction, specific performance or other equitable relief, without bond, without prejudice to any other rights and remedies that the Company may have.

I HAVE READ THIS DOCUMENT CAREFULLY AND UNDERSTAND ITS TERMS.

Dated: _____

_____
Signature

Gary Friedman
Advisor Name

EXHIBIT D

Arbitration Agreement

Restoration Hardware, Inc. (the "Company"), Restoration Hardware Holdings, Inc. ("Midco") and Gary Friedman (the "Advisor") hereby agree, effective as of October 20, 2012, that, to the fullest extent permitted by law, any and all claims or controversies between them (or between the Advisor and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) relating in any manner to the Advisory Services Agreement dated of even date herewith (the "Advisory Services Agreement"), among the Advisor, the Company and Midco (including the awards to the Advisor under the Restoration Hardware 2012 Equity Replacement Plan, the Restoration Hardware 2012 Stock Incentive Plan and the 2008 Team Resto Ownership Plan or the investment by the Advisor in Midco or Home Holdings, LLC) shall be resolved by final and binding arbitration. Except as specifically provided herein, any arbitration proceeding shall be conducted by the Judicial Arbitration and Mediation Services ("JAMS") pursuant to its Arbitration Rules and Procedures then in effect (the "JAMS Rules").

Claims subject to arbitration shall include, without limitation: contract claims, tort claims, claims relating to compensation, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the California Fair Employment and Housing Act, equity purchases or repurchases, and any and all claims for any other compensation, wages and/or benefits of any type, including as such terms are used in the Advisory Services Agreement. However, claims for unemployment benefits, workers' compensation claims, and claims under the National Labor Relations Act or any other statute that provides for claimants to be entitled to have claims heard at law or in equity shall not be subject to arbitration.

A neutral and impartial arbitrator shall be chosen by mutual agreement of the parties; however, if the parties are unable to agree upon an arbitrator within a reasonable period of time, then a neutral and impartial arbitrator shall be appointed in accordance with the arbitrator nomination and selection procedure set forth in the JAMS Rules. The arbitrator shall prepare a written decision containing the essential findings and conclusions on which the award is based so as to ensure meaningful judicial review of the decision. The arbitrator shall apply the same substantive law, with the same statutes of limitations and same remedies, that would apply if the claims were brought in a court of law.

Either the Company or the Advisor may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Otherwise, neither party shall initiate or prosecute any lawsuit of claim in any way related to any arbitrable claim, including without limitation any claim as to the making, existence, validity, or enforceability of the agreement to arbitrate. Nothing in this Agreement, however, precludes a party from filing an administrative charge before an agency that has jurisdiction over an arbitrable claim. Moreover, nothing in this Agreement prohibits either party from seeking provisional relief pursuant to Section 1281.8 of the California Code of Civil Procedure.

All arbitration hearings under this Agreement shall be conducted in San Francisco, California, unless otherwise agreed by the parties. The arbitration provisions of this Arbitration Agreement shall be governed by the Federal Arbitration Act. In all other respects, this Arbitration Agreement shall be construed in accordance with the laws of the State of California, without reference to conflicts of law principles.

Each party shall pay its own costs and attorney's fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys' fees. In that case, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party as provided by law. The fees and costs of JAMS and the arbitrator shall be paid by the Company or Midco.

If any provision of this Agreement shall be held by a court or the arbitrator to be invalid, unenforceable, or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect. The parties' obligations under this Agreement shall survive the termination of the Advisory Services Agreement.

The Company and the Advisor understand and agree that this Arbitration Agreement contains a full and complete statement of any agreements and understandings regarding resolution of disputes between the parties, and the parties agree that this Arbitration Agreement supersedes all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this agreement. The parties also agree that the terms of this Arbitration Agreement cannot be revoked or modified except in a written document signed by both the Advisor and an officer of the Company.

THE PARTIES ALSO UNDERSTAND AND AGREE THAT THIS AGREEMENT CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS AGREEMENT. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL.

THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.

RESTORATION HARDWARE, INC.

By: _____

RESTORATION HARDWARE HOLDINGS, INC.

By: _____

_____
Gary Friedman

EXHIBIT E

None

EXHIBIT F

PROMOTION, ENDORSEMENT AND RIGHT TO PUBLICITY AGREEMENT

This **PROMOTION, ENDORSEMENT AND RIGHT TO PUBLICITY AGREEMENT** (this "Promotion Agreement") is entered into as of October 20, 2012 (the "Effective Date"), by and between Restoration Hardware, Inc., a Delaware corporation (the "Company") and Gary Friedman ("GF"), an individual and citizen of the United States of America.

RECITALS

A. The Company and GF are parties to that certain Advisory Services Agreement dated of even date herewith (the "Advisory Services Agreement"), pursuant to which, among other things, GF shall provide the Services to the Company. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Advisory Services Agreement.

B. GF has performed a critical role in connection with the Company's business ("theBusiness") and its branding and, as a result of such role and as a material inducement to the Company's performance of its obligations under the Advisory Services Agreement, the Company and GF wish to provide for GF's continued promotion and endorsement of the Business.

AGREEMENT

In consideration of the foregoing recitals and of the mutual promises and obligations contained herein, and for other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. SERVICES AND RIGHTS

1.1 Basic Rights.

(a) Association of GF with Business. During the Term, the Company shall have the right and fully expects at its option to be permitted to continue to use GF as the face of the brand of the Company at no additional cost beyond GF's compensation under the Advisory Services Agreement. Accordingly, it is the intention of the parties hereto that the Company shall be entitled to promotional, endorsement and publicity rights from GF consistent with scope of the promotion, endorsement and publicity previously afforded to the Business by him and in all other respects reasonably sufficient to support the association of GF with the Business during the Term (as hereinafter defined), subject to the terms of this Promotion Agreement and the Advisory Services Agreement. However, for the avoidance of doubt, the Company shall have no obligation to use such promotional, endorsement and publicity rights from GF and the Company may disassociate itself from GF as face of the brand of the Company at any time.

(b) Basic Rights. GF hereby grants, on a non-exclusive basis, to the Company the rights necessary to enable the association of GF with the Business during the Term (the "Basic Rights").

1.2 Personal Services. Prior to the Effective Date, GF had previously provided certain personal promotional services in connection with the Business, including, but not limited to, personal appearances, participation in advertising and publicity events, recordings, endorsements, broadcasts and other similar matters ("Personal Services"). The Company wishes to have continuing access to the Personal Services in support of the Business and GF agrees to provide continuing personal Services in support of the Business throughout the Term whenever reasonably requested by the Company as part of the Company Services.

1.3 Publicity Rights. During the Term, GF hereby grants to the Company (and its parent and subsidiary entities) and its successors, licensees and assigns, the limited, non-exclusive and terminable (as provided in Section 4.1) license and right to use GF's endorsement, name, nicknames, signature, photographs, voice or other sound effects, likeness, personality and biographical materials (collectively, "GF's Name and Likeness"), including, without limitation, in connection with the Company's catalogs, websites and in-store displays, personal appearances which GF may make, and with respect to any and all other publicity, endorsements and promotional materials relating to the Business produced during the Term, all in a manner similar to or in the same spirit as the manner and practice by which the Company used GF's Name and Likeness prior to the Effective Date or as otherwise agreed by GF in his reasonable discretion. Nothing contained in this Agreement shall prohibit GF from using GF's Name and Likeness in connection with (i) the Hierarchy Business in compliance with the Hierarchy Agreements or (ii) in connection with personal projects of GF that are individual and not on behalf of a business or entity other than Hierarchy, such as a personal book or personal speaking engagements (the "Permitted Non RH Uses").

1.4 GF's Review Rights. With respect to new sales, advertising and promotion materials used by the Company after the date hereof, the Company shall provide GF with a reasonable opportunity to review in advance, and shall meaningfully consult in advance with GF regarding their use of, all such materials in connection with the promotion or publicity of the Business that involve the use of one or more elements of GF's Name and Likeness (to the extent GF has an ownership right therein). Any previously produced promotional materials, including, without limitation, catalogues and photograph stock, may continue to be used by the Company without further review by GF, provided such use is otherwise consistent with the terms of this Promotion Agreement and has not become obsolete, untrue or incorrect.

1.5 Certain Matters Pertaining to the Services. Subject to the terms and conditions hereof, GF shall perform the Personal Services to the best of his reasonable ability, consistent with scope of the promotion, endorsement and publicity previously afforded to the Business by him and reasonably sufficient to support the association of GF with the promotion of the Business, to the extent that GF is not prevented from performing such Personal Services by death or disability. The rights granted to the Company hereunder shall include, without limitation, the rights to use, during the Term, any footage recorded and photos taken previously or during the Term in connection with the Business. The Company shall have the right, but not the obligation, to use the Personal Services and other rights pertaining to GF provided by this Promotion Agreement and shall not be liable to GF for any failure to use, in whole or in part, the Personal Services of GF or the other rights granted to the Company under this Promotion Agreement, and any such failure shall not be deemed a breach of this Promotion Agreement. Time spent by GF engaged in promotional, endorsement and publicity services pursuant to this Promotion

Agreement shall be considered in determining compliance with the service requirements set forth in the Advisory Services Agreement. The fees paid to GF by the Company pursuant to the terms of the Advisory Services Agreement shall be the only fees GF shall receive for the services provided by GF pursuant to this Promotion Agreement.

2. OWNERSHIP

2.1 GF agrees that the results and proceeds of GF's Personal Services and the Company's use of GF's Name and Likeness in accordance with the terms of this Agreement, including, without limitation, any photos, endorsements, publicity, commercials, promotional writings or other promotional materials produced pursuant to this Agreement during the Term ("Results and Proceeds"), shall constitute "works-made-for-hire" specially commissioned by the Company, and shall be for all purposes the sole and exclusive property of the Company, subject to and excluding the rights of GF and third parties in any personality rights. Such Results and Proceeds shall be owned by the Company subject to rights and licenses granted by GF hereunder. In the event the Results and Proceeds are not deemed to constitute "works-made-for-hire," GF hereby irrevocably assigns and transfers to the Company in perpetuity any and all rights of any kind or character, in any and all media now existing or hereinafter discovered or invented, throughout the universe, which GF may possess in and to such Results and Proceeds, without reservation, condition or limitation. For the avoidance of doubt, the Company shall have no ownership rights in GF's Name and Likeness nor any results or proceeds thereof, including without limitation photos, endorsements, publicity, commercials, promotional writings or other promotional materials, to the extent any such materials are produced by or for a person other than the Company for Permitted Non RH Uses.

2.2 All rights reserved to GF under this Promotion Agreement are subject to the other transaction agreements in connection with the Advisory Services Agreement.

3. TERM OF AGREEMENT

3.1 Term of Agreement. The term of this Promotion Agreement (the "Term") shall commence as of the Effective Date and shall continue until the earlier of expiry or termination of the Advisory Services Agreement or this Promotion Agreement in accordance with its terms.

3.2 Post-Term Rights. Following the Term, the Company may continue to use GF's Name and Likeness in any promotional materials or Results and Proceeds produced prior to the end of the Term, including, without limitation, catalogues and photograph stock; provided that any such use continues to comply in all respects with the terms of this Promotion Agreement.

4. TERMINATION

4.1 Termination. This Promotion Agreement may be terminated prior to the termination of the Advisory Services Agreement by (i) the Company in its sole discretion or (ii) the mutual written consent of the parties hereto.

4.2 Rights Not Exclusive. The termination rights set forth inSection 4.1 shall not constitute the exclusive remedy of the non-breaching party hereunder, who shall have the right to resort to any and all such other remedies as are available to such party at law or in equity. Any

termination under the provisions of Section 4.1 shall be without prejudice to any rights or claims which any party may otherwise have against any other party.

5. MISCELLANEOUS

5.1 Independent Contractor. GF is providing the Services hereunder as an independent contractor pursuant to the Advisory Services Agreement and not as an employee of the Company, and nothing herein shall be construed to establish an employment relationship between GF and the Company. GF has no power or authority to act for, represent, or bind the Company in any manner pursuant to this Promotion Agreement and GF shall not hold himself out as an agent or employee of the Company pursuant to this Promotion Agreement.

5.2 Assignment. This Promotion Agreement shall be binding upon the parties hereto and their respective successors, heirs, executors and assigns. GF acknowledges that the Personal Services to be rendered by GF under this Promotion Agreement and the Basic Rights are unique and personal. Accordingly, GF may not assign or transfer any of his rights or delegate any of his duties or obligations under this Promotion Agreement to any third party without the prior written consent of the Company, which may grant or withhold such consent in its sole and absolute discretion. The rights granted to the Company hereunder may not be assigned or transferred to any third party without the prior written consent of GF; provided, however, that the merger, acquisition of a controlling stock interest, or acquisition of all or substantially all of the assets of the Company will not be deemed to be a transfer or assignment hereunder.

5.3 Good Faith Obligation. Each party agrees to use commercially reasonable efforts and to exercise good faith in fulfilling its or his obligations under this Promotion Agreement.

5.4 Incorporation By Reference. Sections 14 through 19 and Sections 27 through 29 of the Advisory Services Agreement shall be deemed to be incorporated herein by reference in their entirety, as if the foregoing provisions were expressly set forth herein at length; provided, however, that, for purposes of this Promotion Agreement, the references to the "parties" in such provisions of the Advisory Services Agreement shall mean the parties to this Promotion Agreement, the term "Agreement" as used in such provisions of the Advisory Services Agreement shall be deemed to refer to this Promotion Agreement and other capitalized terms used but not defined in such provisions of the Advisory Services Agreement shall have the meanings ascribed to them in the Advisory Services Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Promotion Agreement as of the Effective Date.

RESTORATION HARDWARE, INC.

By: _____
Name:
Title:

GARY FRIEDMAN

_____

EXHIBIT G-1

Form of Registration Rights Agreement

Exhibit 10.19

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (the "Agreement") is entered into as of [ ], 2012, effective as of the Effective Date (as defined below), by and between Restoration Hardware, Inc., a Delaware corporation, with a business address of 15 Koch Road, Suite J, Corte Madera, CA 94925 (the "Company"), and Carlos Alberini, an individual with a residence address of [ ] (the "Executive").

INTRODUCTION

1. The Company and the Executive have entered into that certain Employment Agreement dated as of May 12, 2010 (the "Prior Agreement"), pursuant to which the Company employed the Executive as its Co-Chief Executive Officer pursuant to the terms and conditions set forth therein.

2. In connection herewith, (a) Restoration Hardware Holdings, Inc., a Delaware corporation ("Holdings"), will acquire all of the issued and outstanding shares of stock of the Company from Home Holdings, LLC, a Delaware limited liability company ("Home Holdings"), and all of the outstanding units in Home Holdings owned by Executive will be converted to common stock in Holdings, and (b) Holdings will consummate an initial offering of its capital stock to the public under a registration statement filed with the Securities and Exchange Commission (the "IPO"). For purposes of this Agreement, "RHH Group" means Holdings, the Company and their subsidiaries.

3. In connection with such reorganization and IPO, the Executive and the Company desire to amend and restate the terms and conditions under which the Executive is employed by the Company, as set forth herein, effective upon and subject to the completion of the pricing of the IPO (the "Effective Date").

AGREEMENT

In consideration of the premises and mutual promises herein below set forth, the parties hereby agree as follows:

1. Employment.

(a) Title; Duties; Board Membership. The Executive shall serve as Chief Executive Officer of the Company, and the Executive hereby accepts such employment. The Executive shall report to the Company's and Holding's Chairman of the Board. The Executive shall serve as a member of the Company's Board of Directors (the "Board") and of Holdings' Board of Directors and as Chief Executive Officer of Holdings while the Executive serves as Chief Executive Officer of the Company. The Executive agrees to perform his duties for the Company diligently, competently, and in a good faith manner.

(b) Exclusive Employment. While the Executive is employed by the Company, the Executive shall devote his full business time to his duties and responsibilities set forth above, and may not, without the prior written consent of the Board or its designee, operate, participate in the management, board of directors, operations or control of, or act as an

employee, officer, consultant, agent or representative of, any type of business or service (other than as an employee of the Company); provided, however, that the Executive may (i) engage in civic and charitable activities to the extent they do not materially interfere with the Executive's performance of his duties hereunder, (ii) make and maintain outside personal investments, and (iii) serve on the board of directors of other companies subject to the prior written consent of the Board or its designee, which consent shall not be unreasonably withheld, provided that none of the foregoing activities and service materially interfere with the Executive's performance of his duties hereunder.

(c) Place of Employment. The Executive's primary workplace shall be the Company's offices in Corte Madera, California, except for usual and customary travel on the Company's business.

2. Compensation.

(a) Base Salary. The Executive shall be entitled to receive a base salary from the Company at the rate of One Million One Hundred Thousand Dollars ($1,100,000.00) per year. The Executive's base salary shall be reviewed annually on or about the same time that the compensation arrangements (including the Annual Bonus for the immediately prior year) for the Company's management team are determined by the Compensation Committee of the Board (the "Committee"), which shall consider appropriate factors, including, without limitation, the Executive's performance and the Company's financial condition.

(b) Bonus. The Executive will be eligible to earn annual cash bonus compensation (the "Annual Bonus") for each fiscal year based on the level of achievement of performance goals established by the Board or the Committee following consultation with the Executive. If, and only if, the minimum performance threshold required in order to earn a bonus is attained, then the bonus payable to the Executive will be between 85% and 125% of the Executive's then effective base salary (increasing on a straight line basis between 85% and 125%) depending on the actual level of achievement of the goals as confirmed by the Board or the Committee. The performance goals established as provided above shall be based upon financial performance metrics for the Company and shall be set for each fiscal year at approximately the same time that the Company's annual budget for such fiscal year is established, but in no event later than April 30th of such fiscal year. Payment of the Annual Bonus for any fiscal year generally shall be made thirty (30) days following the date on which the audited financial results for such fiscal year and the amount of the bonus for such fiscal year are determined, but in no case later than the 15th day of the third month following the end of the applicable fiscal year.

(c) Equity Incentive Compensation. Executive has previously been granted equity interests in Home Holdings that are vested or subject to continued vesting in accordance with the vesting schedule set forth in the Award Agreement (the "Award Agreement") attached hereto as Schedule A-1 (the "Time-Based Units") and equity interests in Home Holdings that vest on the satisfaction of performance-based criteria (the "Performance-Based Units") as set forth in the Award Agreement (the Time-Based Units and Performance-based Units are together referred to herein as the "Home Holdings Equity Interests"). On or before the date of the initial public offering (the "IPO") of shares of Holdings, the Home Holdings Equity Interests will be

redeemed in exchange for shares of Holdings that are subject to repurchase rights and transfer restrictions substantially as set forth in the form of Replacement Award Agreement (the "Replacement Award Agreement") attached as Schedule A-2 (the "Selling Restricted Shares") and shares of Holdings that vest on the satisfaction of performance-based criteria (the "Performance-Based Shares" and, together with Selling Restricted Shares, the "Resto Equity Interests") pursuant to the terms and conditions of the Restoration Hardware 2012 Equity Replacement Plan (the "Replacement Plan") and the Replacement Award Agreement, in substantially the form set forth onSchedule A-2 attached hereto.

(d) Stock Option Grants. On or before the date of the IPO, provided that he remains employed by the Company as Chief Executive Officer, and contingent upon the subsequent consummation of the IPO, Holdings shall grant to Executive options to purchase shares of stock pursuant to the terms and conditions of the Restoration Hardware 2012 Stock Option Plan and the form of award agreement thereunder, substantially on the basis attached hereto as Schedule B (the options subject to performance-based transfer restrictions and repurchase rights, the "IPO Performance-Based Options", and, together with the Home Holdings Equity Interests or the Resto Equity Interests, as the case may be, the "Equity Interests").

3. Other Benefits; Indemnification.

(a) Benefits. The Executive (and his spouse and dependents) shall be covered by health and other employee benefits (including but not limited to health, medical, dental, supplemental health, travel accident, life, long-term disability, and directors and officers insurance) on a basis commensurate with the Executive's position in the Company. The Executive shall be bound by all of the written policies and procedures established by the Company from time to time.

(b) Vacation. The Executive shall be entitled to an annual vacation of four (4) weeks per calendar year, pro rated for any partial year during the Executive's employment with the Company. During any vacation period, the Executive will continue to receive his salary, compensation, and benefits, without interruption.

(c) Reimbursement of Expenses. The Company shall promptly reimburse the Executive for all reasonable out of pocket travel, entertainment, and other expenses incurred or paid by the Executive in connection with, or related to, the performance of his responsibilities or services under this Agreement upon the submission of appropriate documentation pursuant to the Company's policies in effect from time to time.

(d) Automobile Allowance. The Executive shall be entitled to receive an automobile allowance of not less than the amount of the car allowance being provided as of the date hereof pursuant to the Prior Agreement.

(e) Reimbursement of Legal Fees. The Company shall reimburse the Executive for reasonable legal fees and expenses incurred in connection with the negotiation and preparation of this Agreement and the related agreements and documents.

(f) Indemnification. Each of the Company and Holdings shall enter into an indemnification agreement with the Executive in the standard form provided to each of the Company's and Holdings' other directors (the "Indemnification Agreement").

(g) Other Agreements. The Executive shall become a party to Registration Rights Agreement among Holdings and its stockholders.

4. Conversion of Class A-1 and Class A-2 Units.

In connection with the Prior Agreement, Home Holdings issued and the Executive purchased 888,889 Class A-1 Units and 888,889 Class A-2 Units of Home Holdings pursuant to that certain Restricted Unit Purchase Agreement dated as of May 12, 2010. Effective on or before the date of the IPO, and contingent upon the subsequent consummation of the IPO, such Class A-1 Units and Class A-2 Units shall be redeemed in exchange for shares of Holdings pursuant to an Exchange Agreement substantially in the form of Schedule C (the "Exchange Agreement").

5. Termination.

(a) At-Will Termination by the Company. The employment of the Executive shall be "at-will" at all times. Subject to Section 5(h), the Company may terminate the Executive's employment with the Company at any time without any advance notice (and the Executive may terminate his employment with the Company at any time upon providing thirty (30) days prior notice), in each case, for any reason or no reason at all, notwithstanding anything to the contrary contained in or arising from any statements, policies or practices of the Company relating to the employment, discipline or termination of its employees. Upon and after such termination, all obligations of the Company under this Agreement shall cease, except as otherwise provided below in this Section 5.

(b) Termination by the Company with Cause. Upon written notice to the Executive, the Company may terminate the Executive's employment for Cause (as defined below). In the event that the Executive's employment is terminated for Cause, (A) the Executive shall receive from the Company payments for (i) any and all earned and unpaid portion of his then effective base salary through the Date of Termination (to be paid on or before the first regular payroll date following the Date of Termination); (ii) any and all accrued and unpaid vacation through the Date of Termination (to be paid on or before the first regular payroll date following the Date of Termination); (iii) any and all unreimbursed business expenses incurred prior to the Date of Termination (in accordance with the Company's reimbursement policy); and (iv) any other benefits the Executive is entitled to receive as of the Date of Termination under the employee benefit plans of the Company, less standard withholdings for tax and social security purposes (items (i) through (iv) are hereafter referred to as "Accrued Benefits"), and (B) except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including severance or other compensation of any kind, on account of the Executive's termination of employment or to make any payment in lieu of notice to the Executive. Except as required by law, all benefits provided by the Company to the Executive under this Agreement (including for any further vesting for any Equity Interests) or otherwise shall cease as of the Date of Termination. With respect to the Executive's Equity Interests, in the

event of termination for Cause, the Resto Equity Interests, and the IPO Performance-Based Options (whether or not vested) on the Date of Termination shall terminate, expire and be forfeited for no value or be subject to repurchase in accordance with the terms thereof. Except as required by law, all benefits provided by the Company to the Executive under this Agreement or otherwise shall cease as of the Date of Termination.

(c) Termination by the Company Without Cause. The Company may, at any time and without prior written notice, terminate the Executive without Cause. In the event that the Executive's employment with the Company is terminated without Cause, the Executive shall receive the Accrued Benefits. In addition, the Executive shall be entitled to receive from the Company the following: (i) severance payments totaling Three Million Dollars ($3,000,000), less standard withholdings for tax and social security purposes, paid according to the Company's regular payroll schedule over the twenty-four (24) months following the Date of Termination (the "Post-Termination Period"), (ii) any earned and unpaid Annual Bonus for the year prior to the year of termination to be paid in the same time and the same form as the Annual Bonus otherwise would be paid (but in no event later than 75 days after the end of the Company's fiscal year to which such bonus relates), (iii) a pro-rata amount of the Annual Bonus that the Executive would have been eligible to receive had he remained employed by the Company for the remainder of the year in which the Executive's termination occurs (determined by multiplying the amount the Executive would have received based upon the actual level of achievement of the applicable performance goals had employment continued through the end of the performance year by a fraction, the numerator of which is the number of days during the performance year of termination that the Executive is employed by the Company and the denominator of which is 365), such pro-rata amount to be paid in the same time and the same form as the Annual Bonus otherwise would be paid (but in no event later than 75 days after the end of the Company's fiscal year to which such bonus relates), (iv) subject to the Executive's timely election under COBRA, continuation of health insurance benefits for twenty four (24) months following the Date of Termination, which benefits shall be paid for by the Company to the same extent that the Company paid for health insurance for the Executive prior to termination, (v) the Executive's Performance-Based Shares, Selling Restricted Shares with selling restrictions that lapse based upon stock price performance and the IPO Performance-Based Options shall remain outstanding, and continue to vest or have the selling restrictions lapse subject to satisfaction of their terms, for a period of twenty four (24) months following the Date of Termination (after which time such Performance-Based Shares, to the extent unvested, shall expire and be cancelled for no consideration and such Selling Restricted Shares and IPO Performance-Based Options shall be subject to repurchase in accordance with the terms thereof) and (vi) vesting of and the lapsing of the selling restrictions applicable to Executive's Selling Restricted Shares that lapse solely based upon continued employment shall accelerate as to the number of Selling Restricted Shares with respect to which the selling restrictions would have lapsed through the Date of Termination and for an additional thirty six (36) month period following the Date of Termination and any Selling Restricted Shares with respect to which time-based selling restrictions have not lapsed shall be subject to repurchase in accordance with the terms thereof; provided, however, that the Company's repurchase rights with respect to such unvested Selling Restricted Shares shall not be exercisable until the third anniversary of the Date of Termination. Notwithstanding the foregoing, the Executive's entitlement to the severance payments in this Section 5(c) is conditioned on (y) the Executive's executing and delivering to the Company of a release of claims against the Company, in a form attached hereto as Exhibit A, and on such release

becoming effective within sixty (60) days following the Date of Termination (the "Release Deadline"), and (z) the Executive's compliance with the restrictive covenants set forth in Sections 6 and 8(a), (b), (d) and (e) and the Proprietary Information Agreements (as defined below), provided, however, that the Executive shall be given notice of any alleged breach and an opportunity to cure within thirty (30) days of the Executive's receipt of such notice (without regard to timing requirements related to compliance of such covenants). If Executive's Date of Termination occurs at a time during the calendar year where the Release Deadline could occur in the calendar year following the calendar year in which such Date of Termination occurs, then any severance payments or benefits under this Agreement that would be considered "deferred compensation" under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and all regulations, guidance, and other interpretative authority issued thereunder (collectively, "Section 409A") will be paid on the first payroll date to occur during the calendar year following the calendar year in which such Date of Termination occurs, or such later time as required by the date the Release becomes effective, or Section 23 below; provided that the first payment shall include all amounts that would have been paid to the Executive if payment had commenced on the Date of Termination. The Executive agrees that the Company shall have a right of offset against all severance payments for amounts owed to the Company by the Executive (unless the amounts owed are subject to a good faith dispute) to the fullest extent not prohibited by law. Except as specifically provided in this Section 5(c) or in another section of this Agreement, or except as required by law, all benefits provided by the Company to the Executive under this Agreement or otherwise shall cease as of the Date of Termination.

(d) Termination by the Executive for Good Reason. The Executive may voluntarily terminate his employment with the Company and receive the severance payments, bonus payments, and other benefits detailed in Section 5(c) (subject to the same conditions set forth in Section 5(c)) following the occurrence of an event constituting Good Reason (as defined below) that has not been cured by the Company within the timeframe specified in the definition of Good Reason.

(e) Voluntary Termination. If the Executive terminates employment with the Company without Good Reason, the Executive agrees to provide the Company with thirty (30) days' prior written notice. In the event that the Executive's employment is terminated under this Section 5(e), the Executive shall receive from the Company payment for all Accrued Benefits described in Section 5(b) above at the times specified in Section 5(b) above. Except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including severance or other compensation, of any kind, or provide any other benefits (including for any further vesting for any Equity Interests), to the Executive on account of the Executive's termination of employment.

(f) Termination Upon Death or Disability. If the Executive's employment is terminated as a result of death or Disability, the Executive (or the Executive's estate, or other designated beneficiary(s) as shown in the records of the Company in the case of death) shall be entitled to receive from the Company payment for (i) the Accrued Benefits described in Section 5(b) above at the times specified in Section 5(b) above, (ii) any earned and unpaid Annual Bonus for the year prior to the year of termination to be paid in the same time and the same form as the Annual Bonus otherwise would be paid (but in no event later than 75 days after the end of the Company's fiscal year to which such bonus relates) and (iii) a pro-rata amount of

the Annual Bonus that the Executive would have been eligible to receive had he remained employed by the Company for the remainder of the year in which the Executive's termination occurs (determined by multiplying the amount the Executive would have received based upon the actual level of achievement of the applicable performance goals had employment continued through the end of the performance year by a fraction, the numerator of which is the number of days during the performance year of termination that the Executive is employed by the Company and the denominator of which is 365), such pro-rata amount to be paid in the same time and the same form as the Annual Bonus otherwise would be paid (but in no event later than 75 days after the end of the Company's fiscal year to which such bonus relates). Except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including severance or other compensation, of any kind, or provide any other benefits (including for any further vesting for any Equity Interests), to the Executive (or the Executive's estate, or other designated beneficiary(s), as applicable) upon a termination of employment by death or Disability.

(g) Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below.

(i) "Cause" shall mean

(A) the Executive has been convicted of (or has entered a plea of nolo contendere to) a felony involving fraud, dishonesty, or physical harm to any person or any crime involving moral turpitude;

(B) the Executive intentionally failed to substantially perform the Executive's material duties (other than a failure resulting from the Executive's incapacity due to physical or mental illness or from the Executive's assignment of duties that would constitute Good Reason), which failure lasted for a period of at least fifteen (15) days after a written notice of demand for substantial performance has been delivered to the Executive specifying the manner in which the Executive has failed substantially to perform;

(C) the Executive intentionally engaged in conduct which is demonstrably and materially injurious to the Company;

(D) the Executive's fraud, embezzlement or other act of material dishonesty with respect to the Company as determined by a court of competent jurisdiction or by arbitration pursuant to the Arbitration Agreement attached as Exhibit D hereto;

(E) the Executive's material breach of Sections 6(a), 8(a) or 8(b) or any other material term of this Agreement; provided that the Executive shall be given written notice of any such alleged breach and an opportunity to cure such breach within sixty (60) days after the Executive's receipt of such notice; or

(F) the Executive's material breach of any policy of the Company applicable to its employees; provided that the Executive shall be given written

notice of any such alleged breach and an opportunity to cure such breach within sixty (60) days after the Executive's receipt of such notice.

For purposes of this Section 5(g)(i), no act, nor failure to act, on the Executive's part shall be considered "intentional" unless the Executive has acted, or failed to act, with a lack of reasonable belief that the Executive's action or failure to act was in the best interest of Company. No termination for Cause may occur pursuant to Section 5(g)(i)(B), (C) or (F) unless a written notice setting forth the conduct allegedly constituting "Cause" and specifying the particulars thereof in reasonable detail has been delivered to the Executive, and the Executive has been provided an opportunity to be heard in person by the Board (with the assistance of the Executive's counsel).

(ii) "Date of Termination" shall mean (i) if the Executive is terminated by the Company for Disability, thirty (30) days after written notice of termination is given to the Executive (provided that the Executive shall not have returned to the performance of his duties on a full-time basis during such 30-day period); (ii) if the Executive's employment is terminated by the Company for any other reason, the date on which a written notice of termination is given; (iii) if the Executive terminates employment for Good Reason, the date of the Executive's resignation; provided that the notice and cure provisions in the definition of Good Reason have been complied with; (iv) if the Executive terminates employment for other than a Good Reason, the date specified in the Executive's notice in compliance with Section 5(e); or (v) in the event of the Executive's death, the date of death.

(iii) "Disability" shall (i) have the meaning defined under the Company's then-current long-term disability insurance plan, policy, program or contract as entitles the Executive to payment of disability benefits thereunder, or (ii) if there shall be no such plan, policy, program or contract, mean permanent and total disability as defined in Section 22(e)(3) of the Code.

(iv) "Good Reason" shall mean the occurrence of any of the events or conditions described in subsections (A) through (E) hereof that occur without the Executive's consent, and within ninety (90) days following the end of the Notice Period (as defined below) the Executive terminates his employment with the Company:

(A) the relocation by the Company of the Executive's primary workplace to a location outside of the San Francisco Bay Area;

(B) a reduction in the Executive's Base Salary or Annual Bonus opportunity, except if the base salary or annual bonus opportunities of the other executives of the Company are proportionately reduced (and not replaced with another form of compensation the purpose of which is to compensate such executives for the reduction of base salary or annual bonus opportunity), whether or not such reduction is voluntary on the part of the other executives of the Company;

(C) a material and adverse diminution in the Executive's authority, duties or responsibilities including an adverse change in the Executive's reporting relationship, except where the Executive agrees in writing to such change in;

provided that (for avoidance of doubt) a change in the Executive's duties in connection with the termination of this Agreement for Disability, Cause, as a result of the Executive's death, or by the Executive other than for Good Reason shall not constitute Good Reason;

(D) removal of the Executive, or failure to cause the reappointment or nomination of the Executive, as the Chief Executive Officer of the Company or as a member of the Board or of Holdings' Board of Directors;

(E) any material breach by the Company or any of its successors and assigns of this Agreement; and

(F) the failure of the Company's successors and assigns to assume the obligations of the Company under this Agreement, either by written agreement or by operation of law.

The Executive's right to terminate his employment in connection with an event of Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive must provide notice to the Company of the existence of a condition described in clauses (A) through (F) above within ninety (90) days of his knowledge of the initial existence of the condition, upon the notice of which the Company shall have a period of thirty (30) days during which it may remedy the condition so that it shall not constitute a "Good Reason." If more than one change or event shall occur which alone or in the aggregate constitutes Good Reason, then for purposes hereof, Good Reason shall be deemed to have occurred on the last such change or event to occur.

(h) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive under this Section 5 (other than in the case of death) shall be communicated by a written notice (the "Notice of Termination") to the other party hereto, indicating the specific termination provision in this Agreement relied upon, and specifying a Date of Termination which notice shall be delivered within the time periods set forth in the various subsections of this Section 5, as applicable (the "Notice Period"); provided, however, that the Company may pay to the Executive all base salary, benefits and other rights due to the Executive during the Notice Period instead of employing the Executive during such Notice Period. For purposes of this Agreement, no such purported termination shall be effective without such Notice of Termination.

6. Non-Competition; General Provisions Applicable to Restrictive Covenants.

(a) Covenant not to Compete. For the duration of the Executive's employment with the Company and throughout the duration of the Post-Termination Period, the Executive shall not, directly or indirectly, engage or invest in, own, manage, operate, finance, control or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, lend any credit to, or render services or advice to, any business, firm, corporation, partnership, association, joint venture or other entity that engages or conducts any competing business the same as or substantially similar to the business engaged in or proposed to be engaged in or conducted by the RHH Group or

described in a written strategic plan of the RHH Group at any time that the Executive was employed with the Company, anywhere within the United States of America; provided, however, that the Executive may own up to 2% of the outstanding shares of any class of securities of any enterprise (but without otherwise participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, and up to 5% of the voting stock or other securities of any privately-held company. At any time after the termination of his employment with the Company for any reason, the Executive will not engage in competition with the RHH Group while making use of the trade secrets of the RHH Group.

(b) Specific Performance. The Executive recognizes and agrees that a violation by him of his obligations under this Section 6, or under Section 8, or under the Proprietary Information Agreements may cause irreparable harm to the RHH Group that would be difficult to quantify and that money damages may be inadequate. As such, the Executive agrees that the Company shall have the right to seek injunctive relief (in addition to, and not in lieu of any other right or remedy that may be available to it) to prevent or restrain any such alleged violation without the necessity of posting a bond or other security and without the necessity of proving actual damages. However, the foregoing shall not prevent the Executive from contesting the Company's request for the issuance of any such injunction on the grounds that no violation or threatened violation of the aforementioned Sections has occurred and that the RHH Group has not suffered irreparable harm. If an arbitrator or court of competent jurisdiction determines that the Executive has violated the obligations of any covenant for a particular duration, then the Executive agrees that such covenant will be extended by that duration.

(c) Scope and Duration of Restrictions. The Executive expressly agrees that the character, duration and geographical scope of the restrictions imposed under this Section 6 and Section 8, are reasonable in light of the circumstances as they exist at the date upon which this Agreement has been executed. However, should a determination nonetheless be made by an arbitrator or a court of competent jurisdiction at a later date that the character, duration or geographical scope of any of the covenants contained herein is unreasonable in light of the circumstances as they then exist, then it is the intention of both the Executive and the Company that such covenant shall be construed by an arbitrator or the court in such a manner as to impose only those restrictions on the conduct of the Executive which are reasonable in light of the circumstances as they then exist and necessary to assure the Company of the intended benefit of such covenant. Except insofar as claims involving the prohibited disclosure, misuse or misappropriation of the RHH Group's trade secrets, return of the RHH Group's property or assignment of inventions are involved, to the extent the Executive engages in any action(s) after termination of his employment in violation of the restrictions imposed under this Section 6(a), the Company's only right of action and remedy hereunder shall be to immediately terminate any and all severance payment that still may be due and owing hereunder as well as for any further vesting or lapse of sales restrictions for any Equity Interests, stock options or other equity awards; the parties otherwise acknowledge that the Executive is not limited hereby from engaging in such action(s) after his employment termination except insofar as the prohibited disclosure, misuse or misappropriation of trade secrets or breach of any other statutory or common law duties (including any fiduciary duties) may be involved.

7. Proprietary and Confidential Information.

The Executive has signed and agrees to be bound by the terms of the Proprietary Information and Inventions Agreement, a copy of which is attached hereto as Exhibit B, and the Confirmation of Confidential Information, a copy of which is attached hereto as Exhibit C (collectively, the "Proprietary Information Agreements").

8. Other Covenants.

(a) Solicitation of Employees. During the Executive's employment with the Company and for the duration of any Post-Termination Period thereafter, the Executive shall not, directly or indirectly, individually, or together with or through any other person, firm, corporation or entity, (i) hire any member of senior management of the RHH Group (defined as an officer with a title of vice president or higher) who is then in the employ of the Company, (ii) solicit for hire any employee of the RHH Group, provided, however, that general solicitations not targeted to Company employees shall not be deemed to violate this clause (ii), or (iii) cause any of the foregoing persons to terminate their employment relationship with the Company. Provided that Executive has not violated clause (ii) or (iii) of this Agreement, Executive shall not be prevented from hiring a person referred to in clause (i) if that person has not been in the employ of the RHH Group for at least one hundred and eighty (180) days prior to the date of such hiring.

(b) Solicitation of Customers and Suppliers. During the Executive's employment with the Company and for the duration of any Post-Termination Period, the Executive shall not, directly or indirectly, individually, or together through any other person, firm, corporation or entity (i) use the Company's Proprietary Information (as defined in the Proprietary Information and Inventions Agreement attached hereto as Exhibit B) to solicit the business of any material customers of or suppliers to the RHH Group, or (ii) encourage any person or entity which is a customer of the RHH Group to cease, reduce, limit or otherwise alter in a manner adverse to the RHH Group its existing business or contractual relationship with the RHH Group.

(c) Compliance with RHH Group Policies. The Executive agrees that, during Executive's employment with the Company, he shall comply with the employee manual and other policies and procedures applicable to the employees of the RHH Group established by the RHH Group from time to time, including but not limited to policies addressing matters such as management, supervision, recruiting and diversity.

(d) Cooperation. The Executive shall, upon the Company's reasonable request and in good faith and with the Executive's commercially reasonable efforts and subject to the Executive's reasonable availability, (i) during the one year following termination of Executive's employment, cooperate and assist the RHH Group (a) in connection with any sale or public offering of the RHH Group or proposed sale or public offering of the RHH Group, (b) in connection with all material matters relating to the Executive's employment with the Company, and (c) in transitioning the Executive's responsibilities to the Executive's replacement; and (ii) for a period of two years following termination of the Executive's employment under this Agreement, cooperate and assist the RHH Group in any dispute, controversy, or litigation in

which the Company may be involved and with respect to which the Executive obtained knowledge while employed by the Company or any of its affiliates, successors, or assigns, including, but not limited to, participation in any court or arbitration proceedings, giving of testimony, signing of affidavits, or such other personal cooperation as counsel for the Company shall request, with the Company paying (a) the Executive's reasonable travel and incidental out-of-pocket expenses incurred in connection with any such cooperation, (b) the reasonable attorney's fees and costs incurred in connection with a joint representation and (c) the reasonable fees and costs of an attorney the Executive engages to advise him in connection with the foregoing, but only if there is a conflict of interest that would prevent the Company's own outside or inside legal counsel from adequately representing the Executive's interests as well as the Company's interests).

(e) Return of Business Records and Equipment. Upon termination of the Executive's employment hereunder, the Executive shall promptly return to the Company: (i) all documents, records, procedures, books, notebooks, and any other documentation in any form whatsoever, including but not limited to written, audio, video or electronic, containing any information pertaining to the RHH Group which includes Proprietary Information, including any and all copies of such documentation then in the Executive's possession or control regardless of whether such documentation was prepared or compiled by the Executive, the RHH Group, other employees of the RHH Group, representatives, agents, or independent contractors, and (ii) all equipment or tangible personal property owned by the RHH Group and entrusted to the Executive by the RHH Group. The Executive acknowledges that all such documentation, copies of such documentation, equipment, and tangible personal property are and shall at all times remain the sole and exclusive property of the Company.

(f) Nondisparagement.

(i) Executive and the Company mutually agree that, for the duration of this Agreement and at any time thereafter, in any communication with the press or other media or any customer or client of or supplier to the Company or any of its affiliates, or any customer or client of or supplier to Executive or of any business with which Executive then is affiliated, Executive shall not, and the Company shall not, and shall use commercially reasonable efforts to cause each of its officers and directors not to, criticize, ridicule, disparage, defame, slander or make any statement which reasonably could be concluded to be disparaging or derogatory towards the other, including, in the case of the Company or any of its affiliates including Home Holdings, any of their officers or directors, and including, in Executive's case, any business with which he then is affiliated and any affiliate, officer or director of such business or its affiliates. Notwithstanding the foregoing, nothing in this Section 8(f) shall prevent (and none of the following shall be deemed a breach of this Section 8(f)(i)) any person from (x) responding publicly to incorrect, disparaging or derogatory public statements to the extent reasonably necessary to correct or refute such public statement or (y) making any truthful statement to the extent (i) necessary with respect to any litigation, arbitration or mediation involving this Agreement, including, but not limited to, the enforcement of this Agreement, (ii) required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction over such person or (iii) permitted pursuant to Section 8(f)(ii).

(ii) Notwithstanding anything in this Agreement to the contrary, Executive, the Company, Home Holdings and Holdings may (i) make any disclosures that they believe in good faith are required by or advisable under applicable law, rule or regulation, including under applicable securities laws (whether in connection with an IPO, any other securities offering, ongoing disclosure obligations or otherwise); and (ii) consider the views and advice of third parties including auditors, underwriters and other parties with an interest in the scope of any disclosures to be made by Executive, the Company, Home Holdings or Holdings and make such disclosures as Executive, the Company, Home Holdings or Holdings determines are necessary or advisable in respect thereof.

9. Interaction with Other Benefit Policies.

The severance payments, severance benefits and severance protections provided to the Executive in this Agreement shall be in lieu of any other severance payments, severance benefits and severance protections to which the Executive may be entitled under any severance or termination policy, plan, program, practice or arrangement of the Company and its affiliates. The Executive's entitlement to any other compensation or benefits from the Company shall be determined in accordance with the Company's employee benefit plans and other applicable programs, policies and practices then in effect. Nothing in this Agreement shall alter the Executive's status as an "at will" employee of the Company. Notwithstanding the foregoing, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in, or reduce the Executive's rights under (i) any benefit, bonus, incentive or other plan or program provided by the Company (except for any severance or termination policy, plan, program, practice, or arrangement) and for which the Executive may qualify, or (ii) any other agreement with the Company, Holdings or Home Holdings. Amounts which are vested or accrued benefits or which the Executive is otherwise entitled to receive under any plan or program of the Company shall be payable in accordance with such plan or program, except as explicitly modified by this Agreement.

10. Forum Selection.

Subject to compliance with dispute resolution procedure set forth in Section 25 below, the Company and the Executive mutually agree that any and all claims or controversies arising out of this Agreement, or any breach thereof, or otherwise arising out of or relating to the Executive's employment, compensation, and benefits with the Company or the termination thereof, to the extent they are not covered by and subject to arbitration according to the terms of the Arbitration Agreement in the form attached hereto as Exhibit D, shall be brought exclusively in a court in the city and county of San Francisco, California or, if federal jurisdiction exists, the United States District Court for the Northern District of California, and both parties submit and consent to jurisdiction of such courts and waive any objection to venue and/or any claim that the aforementioned forums are inconvenient.

11. Governing Law.

This Agreement and any disputes or controversies arising hereunder shall be construed and enforced in accordance with and governed by the internal laws of the State of California, without reference to principles of law that would apply the law of another jurisdiction.

12. Entire Agreement.

This Agreement (including its exhibits and schedules), together with the Replacement Plan and Executive's award agreement thereunder, the Exchange Agreement, the Proprietary Information Agreements and the Registration Rights Agreement, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and supersedes and cancels any and all previous agreements, written and oral, regarding the subject matter hereof between the parties hereto, including without limitation the Prior Agreement. This Agreement shall not be changed, altered, modified or amended, except by a written agreement that (i) explicitly states the intent of both parties hereto to supplement this Agreement and (ii) is signed by both parties hereto.

13. Notices.

All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been sufficiently given if personally delivered or if sent by registered or certified mail, return receipt requested to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid, and shall be deemed received upon actual receipt:

(a) to the Company at:

Restoration Hardware, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Attention: Chief Executive Officer
Facsimile: (415) 927-7083

with a copy to:

Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94402
Attention: Gavin B. Grover
Facsimile: (415) 268-7522

(b) to the Executive at:

_____

_____

with copies to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004-1980

Attention: Donald P. Carleen, Esq.
Facsimile: (212) 859-4000

14. Severability.

If any term or provision of this Agreement, or the application thereof to any person or under any circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such terms to the persons or under circumstances other than those as to which it is invalid or unenforceable, shall be considered severable and shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. Waiver.

The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement.

16. Exclusive Remedy.

The Executive's right to the compensation and benefits to which he may become entitled pursuant to this Agreement and pursuant to any other written agreement between the Executive and the Company, Holdings and/or Home Holdings shall be the Executive's sole and exclusive remedy for any termination of the Executive's employment.

17. Successors and Assigns.

This Agreement shall be binding upon the Company and any successors and assigns of the Company, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business. In the event that the Company sells or transfers all or substantially all of the assets of the Company, or in the event of any merger or consolidation of the Company, the Company shall use reasonable efforts to cause such assignee, transferee, or successor to assume the liabilities, obligations and duties of the Company hereunder. Neither this Agreement nor any right or obligation hereunder may be assigned by the Executive; provided, however, that this provision shall not preclude the Executive from designating one or more beneficiaries to receive any amount that may be payable after his death and shall not preclude his executor or administrator from assigning any right hereunder to the person or persons entitled hereto.

18. Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

19. Headings.

Headings in this Agreement are for reference only and shall not be deemed to have any substantive effect.

20. Opportunity to Seek Advice; Warranties and Representations.

The Executive acknowledges and confirms that he has had the opportunity to seek such legal, financial and other advice and representation as he has deemed appropriate in connection with this Agreement. The Executive hereby represents and warrants to the Company that he is not under any obligation of a contractual or quasi-contractual nature known to him that is inconsistent or in conflict with this Agreement or that would prevent, limit or impair the performance by the Executive of his obligations hereunder.

21. Withholding and Payroll Practices.

All salary, severance payments, bonuses or benefits provided by the Company under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law and shall be paid in the ordinary course pursuant to the Company's then existing payroll practices or as otherwise specified in this Agreement.

22. Section 280G Excise Tax Matters.

In the event that any payment in the nature of compensation (within the meaning of Code Section 280G(b)(2)) to the Executive or for the Executive's benefit, paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, the Executive's employment with the Company (a "Payment" or "Payments"), would be subject to the excise tax imposed by Code Section 4999, or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then such Payments shall be payable either in (x) full or (y) as to such lesser amount which would result in no portion of such Payments being subject to the Excise Tax and the Executive shall receive the greater, on an after-tax basis, of (x) or (y) above, as determined by an independent accountant or tax advisor selected by Executive and paid for by the Company. In the event that the payments and/or benefits are to be reduced pursuant to this Section 22, such payments and benefits shall be reduced such that the reduction of compensation to be provided to or for the benefit of the Executive as a result of this Section 22 is minimized and to effectuate that, Payments shall be reduced (i) by first reducing or eliminating the portion of such Payments which is not payable in cash (other than that portion of such payments that is subject to clause (iii) below), (ii) then by reducing or eliminating cash Payments (other than that portion of such Payments subject to clause (iii) below) and (iii) then by reducing or eliminating the portion of such Payments (whether or not payable in cash) to which Treasury Regulation Section 1.280G-1 Q/A 24(c) (or any successor provision thereto) applies, in each case in reverse order beginning with Payments which are to be paid the farthest in time from the date of the change in control transaction. Any reductions made pursuant to this Section 22 shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically

equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero.

23. Section 409A.

The parties intend that any compensation, benefits and other amounts payable or provided to the Executive under this Agreement be paid or provided in compliance with Section 409A such that there will be no adverse tax consequences, interest, or penalties for the Executive under Section 409A as a result of the payments and benefits so paid or provided to him. The parties agree to modify this Agreement, or the timing (but not the amount) of the payment hereunder of severance or other compensation, or both, to the extent necessary to comply with and to the extent permissible under Section 409A. In addition, notwithstanding anything to the contrary contained in any other provision of this Agreement, the payments and benefits to be provided the Executive under this Agreement shall be subject to the provisions set forth below.

(a) The date of the Executive's "separation from service," as defined in the regulations issued under Section 409A, shall be treated as the Executive's Date of Termination for purpose of determining the time of payment of any amount that becomes payable to the Executive pursuant to Section 5 hereof upon the termination of his employment and that is treated as an amount of deferred compensation for purposes of Section 409A.

(b) In the case of any amounts that are payable to the Executive under this Agreement, or under any other "nonqualified deferred compensation plan" (within the meaning of Section 409A) maintained by the Company in the form of installment payments, (i) the Executive's right to receive such payments shall be treated as a right to receive a series of separate payments under Treas. Reg. §1.409A-2(b)(2)(iii), and (ii) to the extent any such plan does not already so provide, it is hereby amended as of the date hereof to so provide, with respect to amounts payable to the Executive thereunder,

(c) If the Executive is a "specified employee" within the meaning of Section 409A at the time of his "separation from service" within the meaning of Section 409A, then any payment otherwise required to be made to him under this Agreement on account of his separation from service, to the extent such payment (after taking in to account all exclusions applicable to such payment under Section 409A) is properly treated as deferred compensation subject to Section 409A, shall not be made until the first business day after (i) the expiration of six months from the date of the Executive's separation from service, or (ii) if earlier, the date of the Executive's death (the "Delayed Payment Date"). On the Delayed Payment Date, there shall be paid to the Executive or, if the Executive has died, to the Executive's estate, in a single cash lump sum, an amount equal to aggregate amount of the payments delayed pursuant to the preceding sentence.

(d) To the extent that the reimbursement of any expenses or the provision of any in-kind benefits pursuant to this Agreement is subject to Section 409A, (i) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided hereunder during any one calendar year shall not affect the amount of such expenses eligible for reimbursement or in-kind benefits to be provided hereunder in any other calendar year; provided, however, that the foregoing shall not apply to any limit on the amount of any expenses incurred by the Executive

that may be reimbursed or paid under the terms of the Company's medical plan, if such limit is imposed on all similarly situated participants in such plan; (ii) all such expenses eligible for reimbursement hereunder shall be paid to the Executive as soon as administratively practicable after any documentation required for reimbursement for such expenses has been submitted, but in any event by no later than December 31 of the calendar year following the calendar year in which such expenses were incurred; and (iii) the Executive's right to receive any such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for any other benefit.

24. No Duty to Mitigate.

The Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, and the amount of any payment provided for under this Agreement shall not be reduced or offset by any compensation earned by the Executive or by any retirement benefits received by the Executive as a result of employment by another employer after the Date of Termination. The provisions of this Agreement, and any payment provided for hereunder, shall not reduce any amounts otherwise payable, or in any way diminish the Executive's then existing rights, or rights which would accrue solely as a result of the passage of time, under any Company benefit plan or other contract, plan or arrangement.

25. Dispute Resolution.

The Executive has signed and agrees to be bound by the terms of the Arbitration Agreement, which is attached as Exhibit D.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Employment Agreement as of the Effective Date.

RESTORATION HARDWARE, INC.,
a Delaware corporation

By: _____

CARLOS ALBERINI

_____

Acknowledged and Agreed:

RESTORATION HARDWARE HOLDINGS, INC.,
a Delaware corporation

By: _____

SCHEDULE A-1

Award Agreement

SCHEDULE A-2

Form of 2012 Equity Replacement Plan and Replacement Award Agreement

SCHEDULE B

Form of 2012 Stock Option Plan
and award agreement thereunder

Terms of IPO Option Grant in accordance with 2012 Stock Option Plan and award agreement, upon occurrence of IPO of Holdings:

(1) Size of Grant: options to purchase shares of Common Stock of Holdings representing 7.5% of the shares of Common Stock outstanding immediately after the IPO of Holdings calculated based on the fully diluted share number reflected in the Company's capitalization table (pro forma after giving effect to the issuance of shares in the IPO) as set forth in the preliminary prospectus for the IPO used in the roadshow for the IPO, reduced, to the extent included in that fully diluted number, by the number of (x) shares allocated to any new equity incentive pool adopted by Holdings in connection with the IPO and any awards granted thereunder and (y) any grant of options to Gary Friedman in connection with the IPO.

(2) Exercise Price: equal to a price per share corresponding with a post-IPO market capitalization of $1.9 billion

(3) Vesting/Selling Restrictions: To be subject to Vesting or Selling Restrictions based on stock appreciation hurdles from $2.1 to $5.4 billion

(4) Term of Options: Ten years

SCHEDULE C

Form of Exchange Agreement

EXHIBIT A

Form of General Release

This Separation and General Release Agreement (the "Agreement") is entered into by and between Restoration Hardware, Inc. (the "Company") and Carlos Alberini (the "Executive") (collectively, "Parties").

RECITALS

WHEREAS, the Executive was employed by the Company on an at-will basis;

WHEREAS, the Company and the Executive have mutually agreed that the Executive will resign as of ("Resignation Date") in accordance with the terms of this Agreement; and

WHEREAS, capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Amended and Restated Employment Agreement dated as of , 2012, by and between the Company and the Executive (the "Employment Agreement").

ACCORDINGLY, the Parties agree as follows:

1. Severance Benefit. The Company hereby agrees to provide the Executive with the payments and benefits set forth in Section 5(c) of the Employment Agreement with respect to a termination by the [Company without Cause/Executive for Good Reason], on the terms and subject to the conditions set forth in such Section 5(c)/(d) of the Employment Agreement (including the Executive's compliance with the restrictive covenants set forth in Sections 6 and 8(a) and (b) of the Employment Agreement and the Proprietary Information Agreements).

2. Resignation. The Executive hereby resigns his employment with the Company and any Affiliate, and his position as a member of the Board of Directors of the Company or any Affiliate, effective as of the Resignation Date. "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with the Company.

3. The Executive Release. The Executive and his representatives, heirs, successors, and assigns do hereby completely release and forever discharge the Company, any Affiliate, and its and their present and former shareholders, officers, directors, agents, employees, attorneys, successors, and assigns (collectively, "Released Parties") from all claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character, known or unknown, which the Executive may have now or in the future arising from any act or omission or condition occurring on or prior to the Effective Date (including, without limitation, the future effects of such acts, omissions, or conditions), whether based on tort, contract (express or implied), or any federal, state, or local law, statute, or regulation (collectively, the "Released Claims"). By way of example and not in limitation of the foregoing, Released Claims shall include any claims arising under the Fair Labor Standards Act, the National Labor Relations Act, the Family and Medical Leave Act, the Executive Retirement Income Security Act of 1974, the

Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, and the California Family Rights Act, as well as any claims asserting wrongful termination, breach of contract, breach of the covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, defamation, invasion of privacy, and claims related to disability. Except as set forth in the next sentence, Released Claims shall also include, but not be limited to, any claims for severance pay, bonuses, sick leave, vacation pay, life or health insurance, or any other fringe benefit, or any claims relating to any bona fide disputes or controversies (other than a dispute or controversy regarding the determination of fair market value that in accordance with the applicable arrangement is to be, or may be, determined by an independent appraiser) concerning (i) awards made to the Executive under the 2008 Team Resto Ownership Plan, the Restoration Hardware 2012 Equity Replacement Plan, the Restoration Hardware 2012 Stock Incentive Plan or similar plans, (ii) the repurchase of any such awards by Home Holdings, LLC, Restoration Hardware Holdings, Inc. or the Company, or (iii) the investment made by the Executive in Home Holdings, LLC and/or Restoration Hardware Holdings, Inc. The Executive likewise releases the Released Parties from any and all obligations for attorneys' fees incurred in regard to the above claims or otherwise. Notwithstanding the foregoing, Released Claims shall not include (i) any claims based on obligations created by or reaffirmed in this Agreement; (ii) any vested retirement benefits or vested stock option rights, (iii) any claims which by law cannot be released, including without limitation unemployment compensation claims and workers' compensation claims (the settlement of which would require approval by the California Workers' Compensation Appeals Board), (iv) any claim for indemnification under the Employment Agreement, the Company's or Holdings' bylaws or certificate of incorporation, the Indemnification Agreement or any other agreement providing for the indemnification of the Executive, or (v) any rights not in dispute that the Executive might have (x) under the 2008 Team Resto Ownership Plan, the Restoration Hardware 2012 Equity Replacement Plan, the Restoration Hardware 2012 Stock Incentive Plan or similar plans or arrangements adopted after the Effective Date of the Employment Agreement regarding equity awards to the Executive or equity interests owned by the Executive or (y) the repurchase of any such awards or interests by Home Holdings, LLC, Restoration Hardware Holdings, Inc. or the Company or (z) the Registration Rights Agreement among the Company and certain of its stockholders.

4. Section 1542 Waiver. The Executive understands and agrees that the Released Claims include not only claims presently known to the Executive, but also include all unknown or unanticipated claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character that would otherwise come within the scope of the Released Claims as described in Section 3, above. The Executive understands that he may hereafter discover facts different from what he now believes to be true, which if known, could have materially affected this Agreement, but he nevertheless waives any claims or rights based on different or additional facts. The Executive knowingly and voluntarily waives any and all rights or benefits that he may now have, or in the future may have, under the terms of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT

TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

5. Covenant Not to Sue. The Executive shall not bring a civil action in any court (or file an administrative complaint or arbitration) against the Company or any other Released Party asserting claims pertaining in any manner to the Released Claims.

6. Age Discrimination Claims. The Executive understands and agrees that, by entering into this Agreement, (i) he is waiving any rights or claims he might have under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act; (ii) he has received consideration beyond that to which he was previously entitled; (iii) he has been advised to consult with an attorney before signing this Agreement; and (iv) he has been offered the opportunity to evaluate the terms of this Agreement for not less than twenty-one (21) days prior to his execution of the Agreement. the Executive may revoke this Agreement (by written notice to Company) for a period of seven (7) days after his execution of the Agreement, and it shall become enforceable (and payment of the payments and benefits by the Company to the Executive in accordance with Section 1 above only shall be made) only upon the expiration of this revocation period without prior revocation by the Executive.

7. Confidentiality. The Parties understand and agree that this Agreement and each of its terms, and the negotiations surrounding it, are confidential and shall not be disclosed by the Executive without the prior written consent of the Company, unless required by law. Notwithstanding the foregoing, the Executive may disclose the terms of this Agreement to his spouse, and for legitimate business reasons, to legal, financial, and tax advisors, provided such individuals agree to maintain the confidentiality of such information.

8. Non-admission. The Parties understand and agree that the furnishing of the consideration for this Agreement shall not be deemed or construed at any time or for any purpose as an admission of liability by the Company. The liability for any and all claims is expressly denied by the Company.

9. Arbitration. All claims that the Executive may have against the Company or any other Released Party, or which the Company may have against the Executive, of any kind, including, but not limited to, all claims in any way related to (i) the subject matter, interpretation, application, or alleged breach of this Agreement, (ii) the employment or termination of the Executive, or (iii) the Executive's efforts to find subsequent employment (collectively, "Arbitrable Claims") shall be resolved by arbitration pursuant to the terms of the Arbitration Agreement attached as Exhibit D to the Employment Agreement.

10. Entire Agreement. This Agreement and constitute the complete, final and exclusive embodiment of the entire agreement among the Parties hereto with regard to the subject matter hereof and thereof. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained or referenced herein.

11. Amendments; Waivers. This Agreement may not be amended except by an instrument in writing, signed by each of the Parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

12. Successors and Assigns. The Executive represents that he has not previously assigned or transferred any claims or rights released by him pursuant to this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, attorneys, and permitted assigns. This Agreement shall also inure to the benefit of any Released Party.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to conflict of laws provisions.

14. Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any Party. By way of example and not in limitation, this Agreement shall not be construed in favor of the Party receiving a benefit nor against the Party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement.

15. Representation by Counsel. The Parties acknowledge that (i) they have had the opportunity to consult counsel in regard to this Agreement; (ii) they have read and understand the Agreement and they are fully aware of its legal effect; and (iii) they are entering into this Agreement freely and voluntarily, and based on each Party's own judgment and not on any representations or promises made by the other Party, other than those contained in this Agreement.

16. Counterparts. This Agreement may be executed in counterparts. True copies of such executed counterparts may be used in lieu of an original for any purpose.

17. Effective Date. This Agreement shall become effective as of seven (7) days after the date executed by the Executive ("Effective Date"), but only if the Agreement is not revoked as provided in Section 6. If the Agreement is revoked, it shall be null and void.

The Parties have duly executed this Agreement as of the dates noted below.

_____ Date: _____

Executive

Restoration Hardware, Inc.

By: _____ Date: _____

Its: _____

EXHIBIT B

RESTORATION HARDWARE

Proprietary Information and Inventions Agreement

I am entering into this Proprietary Information and Inventions Agreement (the "Agreement") with Restoration Hardware, Inc. (the "Company") for the purpose of protecting the trade secrets of the Company and prohibiting the unauthorized use of confidential information by me.

In consideration of my employment or continued employment by the Company, and the compensation now and hereafter paid to me, I hereby agree as follows:

1) Recognition of Company's Rights: Nondisclosure, At all times during the term of my employment and thereafter, I will hold in strictest confidence and will not disclose, use, lecture upon or publish any of the Company's Proprietary Information (defined below), except as such disclosure, use or publication may be required in connection with my work for the Company, or unless an officer of the Company expressly authorizes such in writing. I hereby assign to the Company any rights I may have or acquire in such Proprietary Information and recognize that all Proprietary Information shall be the sole property of the Company and its assigns and that the Company and its assigns shall be the sole owner of all patent rights, copyrights, trade secret rights and all other rights throughout the world (collectively, "Proprietary Rights") in connection therewith.

   The term "Proprietary Information" shall mean trade secrets confidential knowledge, data or any other proprietary information of the Company. Proprietary Information includes, but is not limited to, (a) inventions, trade secrets, ideas, data, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques (hereinafter collectively referred to as "Inventions"); and (b) information regarding plans for research, development, new products, branding, marketing and selling business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers, details of contracts; and information regarding the skills and compensation of other associates of the Company.

2) Third Party Information, I understand, in addition, that the Company has received and in the future will receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of my employment and thereafter, I will hold Third Party Information in the strictest confidence and will not disclose (to anyone other than Company personnel who need to know such information in connection with their work for the Company) or use, except in connection with my work for the Company, Third Party Information unless expressly authorized by an officer of the Company in writing.

3) Assignment of Inventions I shall promptly disclose to the Company any and all inventions that I may conceive or develop, alone or with others, during the term of my employment, and I agree that all inventions belong to and be the exclusive property of the Company. I agree to assign, and upon their creation do hereby automatically assign, all of my right, title and interest (in the United States and other countries) in and to all Inventions (and all Proprietary Rights with respect thereto) whether or not patentable or registerable under copyright or similar statutes, made or conceived or reduced to practice or learned by me, either alone or jointly with others, during the period of my employment with the Company. I recognize that this Agreement does not require assignment of any invention which qualifies fully for protection under Section 2870 of the California Labor Code (hereinafter "Section 2870"), which provides as follows:

a) Any provision in an employment agreement which provides that an associate shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the associate developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

i) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer.

ii) Result from any work performed by the associate for the employer.

iii) To the extent a provision in an employment agreement purports to require an associate to assign an invention otherwise excluded from being required to be assigned under subdivision (I), the provision is against the public policy of this state and is unenforceable.

b) I also assign to or as directed by the Company all my right, title and interest in and to any and all Inventions, full title to which is required to be in the United States by a contract between the Company and the United States or any of its agencies.

c) I acknowledge that all original works of authorship which are made by me (solely or jointly with others) within the scope of my employment and which are protectable by copyright are "works made for hire", as that term is defined in the United States Copyright Act (17 U.S.C., Section 101). Inventions assigned to or as directed by the Company by this paragraph 3 are hereinafter referred to as "Company Inventions".

4) Prior Inventions, Inventions, if any patented or unpatented, which I made prior to the commencement of my employment with the Company are excluded form the scope of this Agreement. To preclude any possible uncertainty, I have set forth on Exhibit A attached hereto a complete list of all Inventions that I have, alone or jointly with others, conceived, developed or reduced to practice prior to commencement of my employment with the Company, that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement. If disclosure of any such Invention on Exhibit A would cause me to violate any prior confidentiality agreement, I understand that I am not to list such Inventions in Exhibit A but am to inform the Company that all Inventions have not been listed for that reason.

5) No Improper Use of materials, During my employment by the Company I will not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom I have an obligation of confidentiality, and I will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom I have an obligation of confidentiality unless consented to in writing by that former employer or person.

6) No Conflicting Obligation, I represent that my performance of all the terms of this Agreement and as an associate of the Company does not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any agreement either in written or oral in conflict herewith.

7) Right to Inspection, I agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. Prior to leaving, I will cooperate with the Company in completing and signing the Company's termination statement for technical and management personnel.

8) Legal and Equitable Remedies, Because my services are personal and unique and because I may have access to and become acquainted with the Proprietary Information of the Company, the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without bond, without prejudice to any other rights and remedies that the Company may have for a breach of this Agreement; provided that the limitations on such rights and remedies other stated in Executive's Employment Agreement executed concurrently herewith shall equally apply hereunder.

9) Notices, Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below or at such other address as the party shall specify in writing. Such notice shall be deemed given upon personal delivery to the appropriate address or if sent by certified or registered mail, three days after the date of mailing.

10) General Provisions,

a) Governing Law, This Agreement shall be governed by and construed in accordance with the laws of the State of California.

b) Entire Agreement, This Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter hereof and supersedes and merges all prior discussions between us. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement will be effective unless in writing signed by the party to be charged. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement. As used in this Agreement, the period of my employment includes any time during which I may be retained by the Company as a consultant.

c) Severability, If one or more of the provisions in this Agreement are deemed unenforceable by law, then the remaining provisions will continue in full force and effect.

d) Successors and Assigns, This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors and assigns.

e) Survival, The provisions of the Agreement shall survive the termination of my employment and the assignment of this Agreement by the Company to any successor in interest or other assignee.

f) Employment, I agree and understand that nothing is this Agreement shall confer any right with respect to continuation of employment with the Company, nor shall it interfere in any way with my right or the Company's right to terminate my employment at any time, with or without cause.

g) Waiver, No waiver by the Company of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by the Company of any right under this Agreement shall be construed as a waiver of any other right. The Company shall not be required to give notice to enforce strict adherence to all terms of this Agreement.

I UNDERSTAND THAT THIS AGREEMENT AFFECTS MY RIGHTS TO INVENTIONS I MAKE DURING MY EMPLOYMENT, AND RESTRICTS MY RIGHT TO DISCLOSE OR USE THE COMPANY'S PROPRIETARY INFORMATION DURING OR SUBSEQUENT TO MY EMPLOYMENT.

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY FILLED OUT EXHIBIT A TO THIS AGREEMENT.

Dated as of , 2012

Signature

Name of Associate

Address

ACCEPTED AND AGREED TO:

Restoration Hardware, Inc.

By:

Name:
Title:

Exhibit A to Proprietary Information and Inventions Agreement

Schedule of Inventions

EXHIBIT C

RESTORATION HARDWARE

Confirmation of Confidential Treatment

This shall confirm that as an associate of Restoration Hardware, Inc. (the "Company"), and in accordance with the Proprietary Information and Inventions Agreement (the "Confidentiality Agreement") entered into between me and the Company, understand, agree and acknowledge that all information and materials relating to my work on the Company's development of new retail concepts, new merchandise programs and new brands (including without limitation all information and materials related to the development of new Company brands, logos and corporate identities), shall be treated as Proprietary Information (as that term is defined under the Confidentiality Agreement). Without limiting the generality of the foregoing, and for the avoidance of doubt, I hereby agree to hold all ideas, data, documents, drawings, notes, memoranda, and other information and materials regarding Company's new retail concepts, new merchandise programs and new brands including branding plans, brand development and branding strategy, in strictest confidence, and will not disclose, lecture upon or publish any such information or materials unless an officer of the Company expressly authorizes such in writing, and will not use such information and materials for any purpose other than in furtherance of the business of the Company as directed by the Company.

Because I may have access to and become acquainted with such information and materials, the Company shall have the right to enforce my duties of confidentiality by injunction, specific performance or other equitable relief, without bond, without prejudice to any other rights and remedies that the Company may have.

I HAVE READ THIS DOCUMENT CAREFULLY AND UNDERSTAND ITS TERMS.

Dated: _____

_____
Signature

Carlos Alberini
Associate Name

EXHIBIT D

Arbitration Agreement

Restoration Hardware, Inc. (the "Company"), Restoration Hardware Holdings, Inc. ("Holdings") and Carlos Alberini (the "Executive") hereby agree, effective as of , 2012, that, to the fullest extent permitted by law, any and all claims or controversies between them (or between the Executive and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) relating in any manner to the employment or the termination of employment of the Executive (including the awards to the Executive under the Restoration Hardware 2012 Equity Replacement Plan, the Restoration Hardware 2012 Stock Incentive Plan and the 2008 Team Resto Ownership Plan or the investment by the Executive in Holdings or Home Holdings, LLC) shall be resolved by final and binding arbitration. Except as specifically provided herein, any arbitration proceeding shall be conducted by the Judicial Arbitration and Mediation Services ("JAMS") under the JAMS Employment Arbitration Rules and Procedures then in effect (the "JAMS Rules").

Claims subject to arbitration shall include, without limitation: contract claims, tort claims, claims relating to compensation, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the California Fair Employment and Housing Act, equity purchases or repurchases, and any and all claims for any other compensation, wages and/or benefits of any type, including as such terms are used in the Executive's Employment Agreement with the Company. However, claims for unemployment benefits, workers' compensation claims, and claims under the National Labor Relations Act or any other statute that provides for claimants to be entitled to have claims heard at law or in equity shall not be subject to arbitration.

A neutral and impartial arbitrator shall be chosen by mutual agreement of the parties; however, if the parties are unable to agree upon an arbitrator within a reasonable period of time, then a neutral and impartial arbitrator shall be appointed in accordance with the arbitrator nomination and selection procedure set forth in the JAMS Rules. The arbitrator shall prepare a written decision containing the essential findings and conclusions on which the award is based so as to ensure meaningful judicial review of the decision. The arbitrator shall apply the same substantive law, with the same statutes of limitations and same remedies, that would apply if the claims were brought in a court of law.

Either the Company or the Executive may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Otherwise, neither party shall initiate or prosecute any lawsuit of claim in any way related to any arbitrable claim, including without limitation any claim as to the making, existence, validity, or enforceability of the agreement to arbitrate. Nothing in this Agreement, however, precludes a party from filing an administrative charge before an agency that has jurisdiction over an arbitrable claim. Moreover, nothing in this Agreement prohibits either party from seeking provisional relief pursuant to Section 1281.8 of the California Code of Civil Procedure.

All arbitration hearings under this Agreement shall be conducted in San Francisco, California, unless otherwise agreed by the parties. The arbitration provisions of this Arbitration Agreement shall be governed by the Federal Arbitration Act. In all other respects, this Arbitration Agreement shall be construed in accordance with the laws of the State of California, without reference to conflicts of law principles.

Each party shall pay its own costs and attorney's fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys' fees. In that case, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party as provided by law.

This Agreement does not alter the Executive's at-will employment status. Accordingly, the Executive understands that the Company may terminate the Executive's employment, as well as discipline or demote the Executive, at any time, with or without prior notice, and with or without cause. The parties also understand that the Executive is free to leave the Company at any time and for any reason, with or without cause and with or without advance notice. If any provision of this Agreement shall be held by a court or the arbitrator to be invalid, unenforceable, or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect. The parties' obligations under this Agreement shall survive the termination of the Executive's employment with the Company and the expiration of this Agreement.

The Company and the Executive understand and agree that this Arbitration Agreement contains a full and complete statement of any agreements and understandings regarding resolution of disputes between the parties, and the parties agree that this Arbitration Agreement supersedes all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this agreement. The parties also agree that the terms of this Arbitration Agreement cannot be revoked or modified except in a written document signed by both the Executive and an officer of the Company.

THE PARTIES ALSO UNDERSTAND AND AGREE THAT THIS AGREEMENT CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS AGREEMENT. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL.

THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.

RESTORATION HARDWARE, INC.

By: _____

RESTORATION HARDWARE HOLDINGS, INC.

By: _____

_____

Executive

Exhibit 10.20

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of the date last signed by the parties hereto the "Effective Date"), by and between Restoration Hardware, Inc., a Delaware corporation, with a business address of 15 Koch Road, Suite J, Corte Madera, CA 94925 (the "Company"), and Karen Boone, an individual (the "Executive").

1. Employment

(a) Title. The Executive shall serve as Chief Financial Officer of the Company, reporting to the Chief Executive Officer. The Executive agrees to perform her duties for the Company diligently, competently, and in a good faith manner.

(b) Exclusive Employment. While Executive is employed by the Company, the Executive shall devote her full business time to her duties and responsibilities to the Company, and may not, without the prior written consent of the Company's Board of Directors (the "Board") or its designee, operate, participate in the management, board of directors, operations or control of, or act as an employee, officer, consultant, agent or representative of, any type of business or service (other than as an employee of the Company); provided, however, that the Executive may (i) engage in civic and charitable activities and (ii) make and maintain outside personal investments, provided that none of the foregoing activities interfere with the Executive's performance of her duties hereunder or create a conflict of interest with the Company.

(c) Place of Employment. The Executive's primary workplace shall be the Company's offices in Corte Madera, California, except for usual and customary travel on the Company's business.

2. Compensation

(a) Base Salary. The Executive shall receive a base salary from the Company at the rate of Four Hundred and Seventy-Five Thousand Dollars ($475,000) per year ("Base Salary"). The Executive's Base Salary shall be reviewed from time to time in accordance with the Company's established procedures for adjusting salaries for similarly situated employees and may be adjusted in the Company's discretion.

(b) Bonus.

(i) The Executive will be eligible to participate in the Company's Leadership Incentive Program (the "Bonus Plan"), with a target bonus amount equivalent to fifty percent (50%) of her Base Salary. Actual bonus payments will be subject to achievement of performance objectives as determined in accordance with the Bonus Plan and will be prorated for a partial year of service.

(ii) The Executive will receive a one-time cash bonus equal to One Hundred Thousand Dollars ($100,000) to be paid within 10 days of the date on which Restoration Hardware Holdings, Inc. completes its firm commitment underwritten initial public offering (such date of completion, the "Effective Time").

(c) Equity Incentive Compensation. On the date hereof, the Executive will receive an option to purchase 230,000 shares of Restoration Hardware Holdings, Inc.'s common stock, at an exercise price equal to the initial public offering price of the shares sold in Restoration Hardware Holdings, Inc.'s initial public offering, pursuant to the terms and conditions of the Restoration Hardware Holdings, Inc. 2012 Stock Incentive Plan and a stock option agreement to be entered into by and between the Executive and the Company. Subject to the terms of the stock option agreement and the Restoration Hardware Holdings, Inc. 2012 Stock Incentive Plan, of the 230,000 shares subject to such stock option, (i) 206,000 of such shares shall be subject to long-term selling restrictions as set forth in the stock option agreement, which selling restrictions shall lapse as follows: the long-term selling restrictions on 33,500 of such shares shall lapse on the first anniversary of the date Executive commenced employment with the Company ("Employment Commencement Date"), and the long-term selling restrictions on the remaining 172,500 of such share shall lapse in equal installments of 57,500 shares each on the second, third and fourth anniversaries of the Employment Commencement Date; and (ii) the remaining 24,000 of such shares subject to such stock option shall not be subject to long-term selling restrictions.

3. Benefits

(a) Benefits. The Executive shall be eligible to participate in health and other employee benefits (including but not limited to 401(k), health, medical, dental, supplemental health, travel accident, life, long-term disability, and directors and officers insurance) on a basis comparable to the benefits provided by the Company from time to time to its other senior executives and commensurate with the Executive's position in the Company. The Executive shall be bound by all of the written policies and procedures established by the Company, as may be amended from time to time in the Company's sole discretion. The Executive shall also be eligible for the associate discount, including forty percent (40%) off regularly priced merchandise and twenty percent (20%) off sale priced items.

(b) Vacation. The Executive shall be eligible to accrue up to Four (4) weeks of paid vacation time per year, in accordance with the Company's vacation policy as may be amended from time to time in the Company's sole discretion.

(c) Reimbursement of Expenses. The Company shall promptly reimburse the Executive for all reasonable out of pocket travel, entertainment, and other expenses incurred or paid by the Executive in connection with, or related to, the performance of her responsibilities or services under this Agreement upon the submission of appropriate documentation pursuant to the Company's policies in effect from time to time.

(d) Automobile Allowance. The Executive shall be entitled to receive an automobile allowance of Nine Hundred Dollars ($900.00) per month, subject to customary Company policies for senior executives.

4. Termination

(a) At-Will Termination by the Company. The employment of the Executive shall be "at-will" at all times. The Company may terminate the Executive's employment with

the Company at any time without any advance notice (and the Executive may terminate her employment with the Company at any time upon providing thirty (30) days prior notice), in each case, for any reason or no reason at all, notwithstanding anything to the contrary contained in or arising from any statements, policies or practices of the Company relating to the employment, discipline or termination of its employees. Upon and after such termination, all obligations of the Company under this Agreement shall cease, except as otherwise provided below in this Section 4.

(b) Termination by the Company with Cause. Upon written notice to the Executive, the Company may terminate the Executive's employment for Cause (as defined below). In the event that the Executive's employment is terminated for Cause, (i) the Executive shall receive from the Company payments for (A) any and all earned and unpaid portion of her then effective Base Salary (on or before the first regular payroll date following the Date of Termination); (B) any and all accrued and unpaid vacation through the Date of Termination; (C) any and all unreimbursed business expenses (in accordance with the Company's reimbursement policy); and (D) any other benefits the Executive is entitled to receive as of the Date of Termination under the employee benefit plans of the Company, less standard withholdings for tax and social security purposes (items (A) through (D) are hereafter referred to as "Accrued Benefits"), and (ii) except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including severance or other compensation of any kind, on account of the Executive's termination of employment or to make any payment in lieu of notice to the Executive. Except as required by law, all benefits provided by the Company to the Executive under this Agreement or otherwise shall cease as of the Date of Termination.

(c) Termination by the Company Without Cause. The Company may, at any time and without prior written notice, terminate the Executive's employment without Cause. In the event that the Company terminates the Executive's employment without Cause, the Executive shall receive the Accrued Benefits. In addition, the Executive shall be eligible to receive from the Company the following severance benefits (collectively, the "Severance Benefits"):

(i)(A) if the termination occurs within one (1) year of the Effective Time, severance pay equivalent to Eighteen (18) months of the Executive's final Base Salary, less standard withholdings for tax and social security purposes, paid according to the Company's regular payroll schedule over the Eighteen (18) months following the Date of Termination; or (B) if the termination occurs more than one (1) year after the Effective Time, severance pay equivalent to Twelve (12) months of the Executive's final Base Salary, less standard withholdings for tax and social security purposes, paid according to the Company's regular payroll schedule over the Twelve (12) months following the Date of Termination (collectively, the "Severance Period"); and

(ii)(A) if the termination occurs within one (1) year of the Effective Time and subject to the Executive's timely election under COBRA, payment of a portion of the Executive's COBRA premiums for Eighteen (18) months following the Date of Termination (not to exceed the applicable continuation period) or, if earlier, until such time as the Executive becomes eligible for similar coverage through another employer, which benefits shall be paid for by the Company to the same extent that the Company paid for health insurance for the Executive

prior to termination; or (B) if the termination occurs more than one (1) year after the Effective Time and subject to the Executive's timely election under COBRA, payment of a portion of the Executive's COBRA premiums for Twelve (12) months following the Date of Termination (not to exceed the applicable continuation period) or, if earlier, until such time as the Executive becomes eligible for similar coverage through another employer, which benefits shall be paid for by the Company to the same extent that the Company paid for health insurance for the Executive prior to termination. The Executive will thereafter be responsible for the payment of COBRA premiums (including, without limitation, all administrative expenses) for any remaining COBRA period. Notwithstanding the foregoing, in the event that the Company determines, in its sole discretion, that the Company may be subject to a tax or penalty pursuant to Section 4980D of the Code as a result of providing some or all of the payments described in this Section 4(c)(ii), the Company may reduce or eliminate its obligations under this Section 4(c)(ii) to the extent it deems necessary, with no offset or other consideration required.

The Executive's entitlement to the Severance Benefits is conditioned on (x) the Executive's timely executing and delivering to the Company of a release of claims against the Company, in a form attached hereto as Exhibit A (the "Release"), and on such release becoming effective, (y) the Executive not engaging in Conflicting Activities (as defined below) while receiving Severance Benefits from the Company, and (z) the Executive's compliance with the Proprietary Information Agreements (as defined below).

To be timely, the Release must become effective and irrevocable no later than sixty (60) days following the Date of Termination (the "Release Deadline"). If the Release does not become effective and irrevocable by the Release Deadline, Executive will forfeit any rights to the severance benefits described in this Section 4(c). In no event will any severance benefits be paid under this Section 4(c) until the Release becomes effective and irrevocable. Subject to Section 8(c) below, severance benefits will commence or be provided once the Release becomes effective and irrevocable.

The Executive acknowledge that the Severance Benefits are being provided to assist in the Executive's transition to other employment. Accordingly, to the extent that the Executive begins to engage in Conflicting Activities during the Severance Period, the Executive shall be entitled to retain any severance payments received prior to the date she commences the Conflicting Activity but will cease to be eligible to receive any further severance payments or other severance benefits under the terms of this Agreement or otherwise, and the Executive shall have no further claims, rights or entitlements to any severance payments or benefits in any respect. The Executive agrees that the Company shall have a right of offset against all severance payments for amounts owed to the Company by the Executive (unless the amounts owed are subject to a good faith dispute) to the fullest extent not prohibited by law. The Severance Benefits shall be in lieu of any other severance payments, severance benefits and severance protections to which the Executive may be entitled under any severance or termination policy, plan, program, practice or arrangement of the Company and its affiliates. Except as specifically provided in this Section 4(c) or in another section of this Agreement, or except as required by law, all benefits provided by the Company to the Executive under this Agreement or otherwise shall cease as of the Date of Termination.

(d) Termination by the Executive for Good Reason. The Executive may voluntarily terminate her employment with the Company and receive the Severance Benefits detailed in Section 4(c) (subject to the same conditions set forth in Section 4(c)) following the occurrence of an event constituting Good Reason (as defined below), provided that the Executive has provided written notice to the Company of the existence of the event constituting Good Reason within sixty (60) days following such event, the Company has had a period of thirty (30) days to cure the Good Reason, the Company has failed to cure the Good Reason within that period, and the Executive terminates her employment within thirty (30) days following the expiration of such cure period.

(e) Voluntary Termination. If the Executive terminates employment with the Company without Good Reason, the Executive agrees to provide the Company with thirty (30) days' prior written notice. In the event that the Executive's employment is terminated under this Section 4(e), the Executive shall receive from the Company payment for all Accrued Benefits described in Section 4(b) above at the times specified in Section 4(b) above. Except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including severance or other compensation, of any kind, or provide any other benefits, to the Executive on account of the Executive's termination of employment.

(f) Termination Upon Death or Disability. If the Executive's employment is terminated as a result of death or Disability, the Executive (or Executive's estate, or other designated beneficiary(s) as shown in the records of the Company in the case of death) shall be entitled to receive from the Company payment for the Accrued Benefits described in Section 4(b) above at the times specified in Section 2(b) above. Except as required by law, after the Date of Termination, the Company shall have no obligation to make any other payment, including severance or other compensation, of any kind, or provide any other benefits, to the Executive (or the Executive's estate, or other designated beneficiary(s), as applicable) upon a termination of employment by death or Disability

(g) Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below.

(i) "Cause" shall mean

(A) the Executive has been convicted of (or has entered a plea of *nolo contendere* to) a felony involving fraud, dishonesty, or physical harm to any person;

(B) the Executive intentionally failed to substantially perform the Executive's material duties (other than a failure resulting from the Executive's incapacity due to physical or mental illness or from the Executive's assignment of duties that would constitute Good Reason), which failure lasted for a period of at least fifteen (15) days after a written notice of demand for substantial performance has been delivered to the Executive specifying the manner in which the Executive has failed substantially to perform;

(C) the Executive intentionally engaged in conduct which is demonstrably and materially injurious to the Company; or

(D) the Executive's fraud, embezzlement or other act of material dishonesty with respect to the Company.

For purposes of this Section 4(g)(i), no act, nor failure to act, on the Executive's part shall be considered "intentional" unless the Executive has acted, or failed to act, with a lack of reasonable belief that the Executive's action or failure to act was in the best interest of Company.

(ii) "Conflicting Activities" shall mean (a) directly or indirectly engaging or investing in, owning, managing, operating, financing, controlling or participating in the ownership, management, operation, financing, or control of, being employed by, associated with, or in any manner connected with, lending any credit to, or rendering services or advice to, any business, firm, corporation, partnership, association, joint venture or other entity that engages or conducts any competing business the same as or substantially similar to the business engaged in or proposed to be engaged in or conducted by the Company or described in a written strategic plan of the Company at any time that the Executive was employed with the Company, anywhere within the United States of America; provided, however, that "Conflicting Activities" shall exclude ownership of up to 5% of the outstanding shares of any class of securities of any enterprise (but without otherwise participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, and up to 5% of the voting stock or other securities of any privately-held company; (b) directly or indirectly soliciting the business of any material customers of or suppliers to the Company, or encouraging any person or entity which is a customer of the Company to cease, reduce, limit or otherwise alter in a manner adverse to the Company its existing business or contractual relationship with the Company; or (c) directly or indirectly soliciting, inducing, recruiting or encouraging any person employed or engaged by the Company to terminate her employment or engagement with the Company, provided, however, that general solicitations not targeted to Company employees shall not be deemed to violate this clause (iii).

(iii) "Date of Termination" shall mean (i) if the Executive is terminated by the Company for Disability, thirty (30) days after written notice of termination is given to the Executive (provided that the Executive shall not have returned to the performance of her duties on a full-time basis during such 30-day period); (ii) if the Executive's employment is terminated by the Company for any other reason, the date on which a written notice of termination is given; (iii) if the Executive terminates employment for Good Reason, the date of the Executive's resignation; provided that the notice and cure provisions in the definition of Good Reason have been complied with; (iv) if the Executive terminates employment for other than a Good Reason, the date specified in the Executive's notice in compliance with Section 4(e); or (v) in the event of Executive's death, the date of death.

(iv) "Disability" shall (i) have the meaning defined under the Company's then-current long-term disability insurance plan, policy, program or contract as entitles the Executive to payment of disability benefits thereunder, or (ii) if there shall be no such plan, policy, program or contract, mean permanent and total disability as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended.

(v) "Good Reason" shall mean the occurrence of any of the following events or conditions that occur without the Executive's consent:

(A) a material diminution in the Executive's authority, duties or responsibilities;provided that a change in the Executive's authority, duties or responsibilities due to the fact that the Company or its successor becomes a stand-alone division or subsidiary of a public or private company will not alone constitute Good Reason so long as the Executive continues as Chief Financial Officer of the Company (or successor or parent thereof, as the case may be) of such division or subsidiary; provided further, that if after the date hereof the Executive is no longer serving as the Company's "principal financial officer" and/or "principal accounting officer" within the meaning of Rule 16a-1 of the Securities Exchange Act of 1934, as amended, such change shall not alone constitute Good Reason hereunder;

(B) a material reduction in the Executive's then effective Base Salary, except if the base salaries of a significant number of other executives and members of senior management of the Company also are proportionately reduced, whether or not such reduction is voluntary on the part of the Executive or such other executives and senior management; and

(C) the Company's relocation of the Executive's primary work location outside a 40-mile radius of Corte Madera, California that increases the Executive's one-way driving distance by more than 40 miles.

(h) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive under this Section 4 (other than in the case of death) shall be communicated by a written notice (the "Notice of Termination") to the other party hereto, indicating the specific termination provision in this Agreement relied upon, and specifying a Date of Termination; provided, however, that the Company may pay to the Executive all Base Salary, benefits and other rights due to the Executive during any applicable notice period required under this Section 4 instead of employing the Executive during such Notice Period.

5. Other Covenants

(a) Proprietary and Confidential Information. The Executive has signed and agrees to be bound by the terms of the Proprietary Information and Inventions Agreement, a copy of which is attached hereto as Exhibit B, and the Confirmation of Confidential Information, a copy of which is attached hereto asExhibit C (collectively, the "Proprietary Information Agreements").

(b) Compliance with Company Policies. The Executive agrees that, during Executive's employment with the Company, she shall comply with the Company's employee manual and other policies and procedures reasonably established by the Company from time to time, including but not limited to policies addressing matters such as management, supervision, recruiting and diversity.

(c) Non-Solicitation. The obligations set forth in this Section 5(c) apply in addition to post-termination the obligations set forth in Section 4(c), if applicable. If both Section 4(c) and Section 5(c) are operative, and there is a conflict, then the obligations set forth in Section 4(c) will control.

(i) Definition. For purposes of this Section 5(c), "Post-Termination Period" means either:

(A) a period of Eighteen (18) months following the date of termination of Executive's employment for any reason if the termination occurs within one (1) year of the Effective Time; or

(B) a period of Twelve (12) months following the date of the termination of Executive's employment for any reason if the termination occurs more than one (1) year after the Effective Time.

(ii) Solicitation of Employees. During the Executive's employment with the Company and for the duration of the Post-Termination Period, the Executive shall not, directly or indirectly, individually, or together with or through any other person, firm, corporation or entity:

(A) solicit for hire any employee of the Company, provided, however, that general solicitations not targeted to Company employees shall not be deemed to violate this clause (A), or

(B) cause any of the employee of the Company to terminate his or her employment relationship with the Company.

(iii) Solicitation of Customers and Suppliers. During the Executive's employment with the Company and for the duration of the Post-Termination Period, the Executive shall not, directly or indirectly, individually, or together through any other person, firm, corporation or entity, use the Company's Proprietary Information (as defined in the Proprietary Information and Inventions Agreement attached hereto as Exhibit B):

(A) to solicit the business of any material customers of or suppliers to the Company, or

(B) to encourage any person or entity which is a customer of the Company to cease, reduce, limit or otherwise alter in a manner adverse to the Company its existing business or contractual relationship with the Company.

6. Termination Obligations

(a) Resignation and Cooperation. Upon termination of the Executive's employment, the Executive shall be deemed to have resigned from all offices and directorships then held with the Company. Following any termination of employment, the Executive shall cooperate with the Company in the winding up of pending work on behalf of the Company and the orderly transfer of work to other employees. The Executive shall also cooperate with the Company in the defense of any action brought by any third party against the Company that relates to Executive's employment by the Company.

(b) Return of Business Records and Equipment. Upon termination of the Executive's employment hereunder, the Executive shall promptly return to the Company: (i) all documents, records, procedures, books, notebooks, and any other documentation in any form whatsoever, including but not limited to written, audio, video or electronic, containing any information pertaining to the Company which includes Proprietary Information, including any and all copies of such documentation then in the Executive's possession or control regardless of whether such documentation was prepared or compiled by the Executive, Company, other employees of the Company, representatives, agents, or independent contractors, and (ii) all equipment or tangible personal property entrusted to the Executive by the Company. The Executive acknowledges that all such documentation, copies of such documentation, equipment, and tangible personal property are and shall at all times remain the sole and exclusive property of the Company.

7. Miscellaneous

(a) **Dispute Resolution; Forum Selection**

The Company and the Executive agree that, to the fullest extent permitted by law, any and all claims or controversies between them shall be resolved by final and binding arbitration pursuant to the Arbitration Agreement, which is attached as Exhibit D. Notwithstanding the foregoing, to the extent any claims or controversies between the Parties are not covered by and subject to arbitration according to the terms of the Arbitration Agreement in the form attached hereto as Exhibit D, the Company and the Executive mutually agree that any such claims shall be brought exclusively in a court in the city and county of San Francisco, California or, if federal jurisdiction exists, the United States District Count for the Northern District of California, and both parties submit and consent to jurisdiction of such courts and waive any objection to venue and/or any claim that the aforementioned forums are inconvenient.

(b) **Governing Law**

This Agreement and any disputes or controversies arising hereunder shall be construed and enforced in accordance with and governed by the internal laws of the State of California, without reference to principles of law that would apply the law of another jurisdiction.

(c) **Entire Agreement**

This Agreement, together with the Proprietary Information Agreements, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and supersedes and cancels any and all previous agreements, written and oral, regarding the subject matter hereof between the parties hereto. This Agreement shall not be changed, altered, modified or amended, except by a written agreement that (i) explicitly states the intent of both parties hereto to supplement this Agreement and (ii) is signed by both parties hereto. This Agreement replaces and supersedes the Offer Letter dated as of April 22, 2012 by and between the parties hereto.

(d) **Notices**

All notices, requests, demands and other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been sufficiently given if personally delivered or if sent by registered or certified mail, return receipt requested to the parties, their successors in interest, or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid, and shall be deemed received upon actual receipt:

(i) to the Company at:

Restoration Hardware, Inc.
15 Koch Road, Suite J
Corte Madera, CA 94925
Attention: Chief Executive Officer
Facsimile: (415) 927-7083

(ii) to the Executive at:

[ ]
[ ]

(e) **Severability**

If any term or provision of this Agreement, or the application thereof to any person or under any circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such terms to the persons or under circumstances other than those as to which it is invalid or unenforceable, shall be considered severable and shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(f) **Waiver**

The failure of any party to insist in any one instance or more upon strict performance of any of the terms and conditions hereof, or to exercise any right or privilege herein conferred, shall not be construed as a waiver of such terms, conditions, rights or privileges, but same shall continue to remain in full force and effect. Any waiver by any party of any violation of, breach of or default under any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or waiver of any other violation of, breach of or default under any other provision of this Agreement.

(g) **Exclusive Remedy**

The Executive's right to the compensation and benefits to which she may become entitled pursuant to this Agreement and pursuant to any other written agreement between the Executive and the Company shall be the Executive's sole and exclusive remedy for any termination of the Executive's employment.

(h) **Successors and Assigns**

The performance of Executive is personal hereunder, and Executive agrees that Executive shall have no right to assign and shall not assign or purport to assign any rights or obligations under this Agreement. This Agreement may be assigned or transferred by the Company; and nothing in this Agreement shall prevent the consolidation, merger or sale of the Company or a sale of any or all or substantially all of its assets.

(i) **Counterparts**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

(j) **Headings**

Headings in this Agreement are for reference only and shall not be deemed to have any substantive effect.

(k) **Opportunity to Seek Advice; Warranties and Representations**

The Executive acknowledges and confirms that she has had the opportunity to seek such legal, financial and other advice and representation as she has deemed appropriate in connection with this Agreement. The Executive hereby represents and warrants to the Company that she is not under any obligation of a contractual or quasi-contractual nature known to him that is inconsistent or in conflict with this Agreement or that would prevent, limit or impair the performance by the Executive of her obligations hereunder.

8. Taxes

(a) **Withholding and Payroll Practices**

All salary, severance payments, bonuses or benefits provided by the Company under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law and shall be paid in the ordinary course pursuant to the Company's then existing payroll practices or as otherwise specified in this Agreement.

(b) **Section 280G Excise Tax Matters**

(i) Golden Parachute Excise Tax Payments. In the event that any payment or benefit (within the meaning of Section 280G(b)(2) of the Code) to the Executive or for the Executive's benefit, paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, the Executive's employment with the Company or a change in control in the Company (a "Payment" or "Payments"), would be subject to the excise tax imposed by Code Section 4999, or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payment to be made or benefit to be provided to the Executive shall be subject to the Excise Tax (such reduced

amount is hereinafter referred to as the "Limited Payment Amount"). To effectuate the Limited Payment Amount, the Company shall reduce or eliminate the Payments by (i) first reducing or eliminating those payments or benefits which are payable in cash and (ii) then reducing or eliminating non-cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the furthest in time from the Determination (as hereinafter defined).

(ii) Initial Determination. An initial determination as to whether the Payments shall be reduced to the Limited Payment Amount and the amount of such Limited Payment Amount shall be made, at the Company's expense, by the accounting firm that is the Company's independent accounting firm as of the date of the change in control (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Executive within five (5) days after the Date of Termination, if applicable, or such other time as requested by the Company or by the Executive (provided the Executive reasonably believes that any of the Payments may be subject to the Excise Tax) and, if the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to a Payment or Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such Payment or Payments. Within ten (10) days after the delivery of the Determination to the Executive, the Executive shall have the right to dispute the Determination (the "Dispute"). If there is no Dispute, the Determination shall be binding, final and conclusive upon the Company and the Executive.

(iii) Underpayment. As a result of the uncertainty in the application of Sections 4999 and 280G of the Code, it is possible that the Payments to be made to, or provided for the benefit of, the Executive will be either greater (an "Excess Payment") or less (an "Underpayment") than the amounts provided for by the limitations contained in paragraph (1) above.

(A) If it is established, pursuant to a final determination of a court or an Internal Revenue Service (the "IRS") proceeding which has been finally and conclusively resolved, that an Excess Payment has been made, the Executive must repay such Excess Payment to the Company; provided that no Excess Payment will be repaid by the Executive to the Company unless, and only to the extent that, the repayment would either reduce the amount on which the Executive is subject to tax under Code Section 4999 or generate a refund of tax imposed under Code Section 4999.

(B) In the event that it is determined (i) by the Accounting Firm, the Company (which shall include the position taken by the Company, or together with its consolidated group, on its federal income tax return) or the IRS, (ii) pursuant to a determination by a court, or (iii) upon the resolution to the Executive's satisfaction of the Dispute, that an Underpayment has occurred, the Company shall pay an amount equal to the Underpayment to the Executive within ten (10) days after such determination or resolution, together with interest on such amount at the applicable federal rate under Code Section 7872(f)(2) from the date such amount would have been paid to the Executive until the date of payment.

(c) **Section 409A**

(i) Notwithstanding anything to the contrary in the Agreement, no severance pay or benefits to be paid or provided to the Executive, if any, pursuant to the Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations and any guidance promulgated thereunder ("Section 409A") (together, the "Deferred Payments") will be paid or otherwise provided until the Executive has had a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to the Executive, if any, that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until the Executive has had a "separation from service" within the meaning of Section 409A. Each payment and benefit payable under the Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(ii) Any severance payments or benefits under the Agreement that would be considered Deferred Payments will be paid or will commence on the sixtieth (60th) day following the Executive's separation from service (with the first payment equal to the unpaid amounts of severance that accrued during the sixty (60) days following the Date of Termination), or, if later, such time as required by the next paragraph.

(iii) Notwithstanding anything to the contrary in the Agreement, if the Executive is a "specified employee" within the meaning of Section 409A at the time of the Executive's termination (other than due to death), then the Deferred Payments that would otherwise have been payable within the first six (6) months following the Executive's separation from service, will be paid on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of the Executive's separation from service, but in no event later than seven months after the date of such separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if the Executive dies following the Executive's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of the Executive's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit.

(iv) Any amount paid under the Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments. Any amount paid under the Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) will not constituted Deferred Payments. For this purpose, the "Section 409A Limit" will mean two (2) times the lesser of: (i) the Executive's annualized compensation based upon the annual rate of pay paid to him during the Executive's taxable year preceding her taxable year of her separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code for the year in which the Executive's separation from service occurred.

(v) To the extent that the reimbursement of any expenses or the provision of any in-kind benefits pursuant to this Agreement is subject to Section 409A, (i) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided hereunder during any one calendar year shall not affect the amount of such expenses eligible for reimbursement or in-kind benefits to be provided hereunder in any other calendar year; (ii) all such expenses eligible for reimbursement hereunder shall be paid to the Executive as soon as administratively practicable after any documentation required for reimbursement for such expenses has been submitted, but in any event by no later than December 31 of the calendar year following the calendar year in which such expenses were incurred; and (iii) the Executive's right to receive any such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for any other benefit.

(vi) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Employer and the Executive agree to work together in good faith to consider amendments to the Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to the Executive under Section 409A.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

RESTORATION HARDWARE INC.,
a Delaware company

By: _____
Name:
Title:

Date: _____

KAREN BOONE

_____

Date: _____

Acknowledged and Agreed as of the Effective Date:

RESTORATION HARDWARE HOLDINGS INC.,
a Delaware company

By: _____
Name:
Title:

EXHIBIT A

Form of General Release

This Separation and General Release Agreement (the "Agreement") is entered into by and between Restoration Hardware, Inc. (the "Company") and Karen Boone (the "Executive") (collectively, "Parties").

RECITALS

WHEREAS, the Executive was employed by the Company on an at-will basis;

WHEREAS, the Company and the Executive have mutually agreed that the Executive will resign as of ("Resignation Date") in accordance with the terms of this Agreement; and

WHEREAS, capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Employment Agreement dated as of , 20 , by and between the Company and the Executive (the "Employment Agreement").

ACCORDINGLY, the Parties agree as follows:

1. Severance Benefit. The Company hereby agrees to provide the Executive with the payments and benefits set forth in Section 4(c) of the Employment Agreement with respect to a termination by the Company without Cause, on the terms and subject to the conditions set forth in such Section 4(c) of the Employment Agreement.

2. Resignation. The Executive hereby resigns from her employment with the Company and any other position held with the Company or any Affiliate, effective as of the Resignation Date. "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with the Company.

3. General Release. The Executive and her representatives, heirs, successors, and assigns do hereby completely release and forever discharge the Company, any Affiliate, and its and their present and former shareholders, officers, directors, agents, employees, attorneys, successors, and assigns (collectively, "Released Parties") from all claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character, known or unknown, which the Executive may have now or in the future arising from any act or omission or condition occurring on or prior to the Effective Date (including, without limitation, the future effects of such acts, omissions, or conditions), whether based on tort, contract (express or implied), or any federal, state, or local law, statute, or regulation (collectively, the "Released Claims"). By way of example and not in limitation of the foregoing, Released Claims shall include any claims arising under the Fair Labor Standards Act, the National Labor Relations Act, the Family and Medical Leave Act, the Executive Retirement Income Security Act of 1974, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, and the California Family Rights Act, as well as any claims asserting wrongful termination, breach of

contract, breach of the covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, defamation, invasion of privacy, and claims related to disability. Released Claims shall also include, but not be limited to, any claims for severance pay, bonuses, sick leave, vacation pay, life or health insurance, or any other benefit. The Executive likewise releases the Released Parties from any and all obligations for attorneys' fees incurred in regard to the above claims or otherwise. Notwithstanding the foregoing, Released Claims shall not include (i) any claims based on obligations created by or reaffirmed in this Agreement; (ii) any vested retirement benefits or vested stock option rights, or (iii) any claims which by law cannot be released, including without limitation unemployment compensation claims and workers' compensation claims (the settlement of which would require approval by the California Workers' Compensation Appeals Board), (iv) any claim for indemnification under the Employment Agreement, the Company's bylaws or certificate of incorporation, or any agreement providing for indemnification of the Executive.

4. Section 1542 Waiver. The Executive understands and agrees that the Released Claims include not only claims presently known to the Executive, but also include all unknown or unanticipated claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character that would otherwise come within the scope of the Released Claims as described in Section 3, above. The Executive understands that she may hereafter discover facts different from what she now believes to be true, which if known, could have materially affected this Agreement, but she nevertheless waives any claims or rights based on different or additional facts. The Executive knowingly and voluntarily waives any and all rights or benefits that she may now have, or in the future may have, under the terms of Section 1542 of the California Civil Code, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

5. Covenant Not to Sue. The Executive shall not bring a civil action in any court (or file an arbitration claim) against the Company or any other Released Party asserting claims pertaining in any manner to the Released Claims. The Executive understands that this Section 5 does not prevent the Executive from filing a charge with or participating in an investigation by a governmental administrative agency; provided, however, that Executive hereby waives any right to receive any monetary award resulting from such a charge or investigation.

6. Age Discrimination Claims. The Executive understands and agrees that, by entering into this Agreement, (i) she is waiving any rights or claims she might have under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act; (ii) she has received consideration beyond that to which she was previously entitled; (iii) she has been advised to consult with an attorney before signing this Agreement; and (iv) she has been offered the opportunity to evaluate the terms of this Agreement for not less than twenty-one (21) days prior to her execution of the Agreement. The Executive may revoke this Agreement

(by written notice to the Company's Chief Executive Officer at the Company's notice address set forth in the Employment Agreement) for a period of seven (7) days after her execution of the Agreement, and it shall become enforceable (and payment of the payments and benefits by the Company to the Executive in accordance with Section 1 above only shall be made) only upon the expiration of this revocation period without prior revocation by the Executive.

7. Confidentiality. The Parties understand and agree that this Agreement and each of its terms, and the negotiations surrounding it, are confidential and shall not be disclosed by the Executive without the prior written consent of the Company, unless required by law. Notwithstanding the foregoing, the Executive may disclose the terms of this Agreement to her spouse, and for legitimate business reasons, to legal, financial, and tax advisors, provided such individuals agree to maintain the confidentiality of such information.

8. Non-admission. The Parties understand and agree that the furnishing of the consideration for this Agreement shall not be deemed or construed at any time or for any purpose as an admission of liability by the Company. The liability for any and all claims is expressly denied by the Company.

9. Arbitration. Any and all disputes arising out of the terms of this Agreement, their interpretation, or any of the Released Claims shall be resolved by final binding arbitration in San Francisco, California, before the Judicial Arbitration and Mediation Services under the JAMS Employment Arbitration Rules and Procedures then in effect. Either party may bring an action in court to compel arbitration under this Agreement, to enforce an arbitration award, or to obtain temporary injunctive relief pending a judgment. Otherwise, neither party shall initiate or prosecute any legal action against the other. The prevailing party in the arbitration shall be entitled to recover its attorneys' fees and costs (at reasonable, regular hourly rates), in addition to any other relief to which it may be entitled by law.

10. Entire Agreement. This Agreement constitutes the complete, final and exclusive embodiment of the entire agreement among the Parties hereto with regard to the subject matter hereof and thereof. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained or referenced herein.

11. Amendments; Waivers. This Agreement may not be amended except by an instrument in writing, signed by each of the Parties. No failure to exercise and no delay in exercising any right, remedy, or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy, or power provided herein or by law or in equity.

12. Successors and Assigns. The Executive represents that she has not previously assigned or transferred any claims or rights released by him pursuant to this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, attorneys, and permitted assigns. This Agreement shall also inure to the benefit of any Released Party.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of California, without regard to conflict of laws provisions.

14. Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any Party. By way of example and not in limitation, this Agreement shall not be construed in favor of the Party receiving a benefit nor against the Party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement.

15. Representation by Counsel. The Parties acknowledge that (i) they have had the opportunity to consult counsel in regard to this Agreement; (ii) they have read and understand the Agreement and they are fully aware of its legal effect; and (iii) they are entering into this Agreement freely and voluntarily, and based on each Party's own judgment and not on any representations or promises made by the other Party, other than those contained in this Agreement.

16. Counterparts. This Agreement may be executed in counterparts. True copies of such executed counterparts may be used in lieu of an original for any purpose.

17. Effective Date. This Agreement shall become effective as of seven (7) days after the date executed by the Executive ("Effective Date"), but only if the Agreement is not revoked as provided in Section 6. If the Agreement is revoked, it shall be null and void.

The Parties have duly executed this Agreement as of the dates noted below.

_____ Date: _____
Executive

Restoration Hardware, Inc.

By: _____ Date: _____
Its: _____

EXHIBIT B

RESTORATION HARDWARE

Proprietary Information and Inventions Agreement

I am entering into this Proprietary Information and Inventions Agreement (the "Agreement") with Restoration Hardware, Inc. (the "Company") for the purpose of protecting the trade secrets of the Company and prohibiting the unauthorized use of confidential information by me.

In consideration of my employment or continued employment by the Company, and the compensation now and hereafter paid to me, I hereby agree as follows:

1) Recognition of Company's Rights: Nondisclosure, At all times during the term of my employment and thereafter, I will hold in strictest confidence and will not disclose, use, lecture upon or publish any of the Company's Proprietary Information (defined below), except as such disclosure, use or publication may be required in connection with my work for the Company, or unless an officer of the Company expressly authorizes such in writing. I hereby assign to the Company any rights I may have or acquire in such Proprietary Information and recognize that all Proprietary Information shall be the sole property of the Company and its assigns and that the Company and its assigns shall be the sole owner of all patent rights, copyrights, trade secret rights and all other rights throughout the world (collectively, "Proprietary Rights") in connection therewith.

   The term "Proprietary Information" shall mean trade secrets confidential knowledge, data or any other proprietary information of the Company. Proprietary Information includes, but is not limited to, (a) inventions, trade secrets, ideas, data, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques (hereinafter collectively referred to as "Inventions"); and (b) information regarding plans for research, development, new products, branding, marketing and selling business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers, details of contracts; and information regarding the skills and compensation of other associates of the Company.

2) Third Party Information, I understand, in addition, that the Company has received and in the future will receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of my employment and thereafter, I will hold Third Party Information in the strictest confidence and will not disclose (to anyone other than Company personnel who need to know such information in connection with their work for the Company) or use, except in connection with my work for the Company, Third Party Information unless expressly authorized by an officer of the Company in writing.

3) Assignment of Inventions I shall promptly disclose to the Company any and all inventions that I may conceive or develop, alone or with others, during the term of my employment, and I agree that all inventions belong to and be the exclusive property of the Company. I agree to assign, and upon their creation do hereby automatically assign, all of my right, title and interest (in the United States and other countries) in and to all Inventions (and all Proprietary Rights with respect thereto) whether or not patentable or registerable under copyright or similar statutes, made or conceived or reduced to practice or learned by me, either alone or jointly with others, during the period of my employment with the Company. I recognize that this Agreement does not require assignment of any invention which qualifies fully for protection under Section 2870 of the California Labor Code (hereinafter "Section 2870"), which provides as follows:

a) Any provision in an employment agreement which provides that an associate shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the associate developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

i) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer.

ii) Result from any work performed by the associate for the employer.

iii) To the extent a provision in an employment agreement purports to require an associate to assign an invention otherwise excluded from being required to be assigned under subdivision (I), the provision is against the public policy of this state and is unenforceable.

b) I also assign to or as directed by the Company all my right, title and interest in and to any and all Inventions, full title to which is required to be in the United States by a contract between the Company and the United States or any of its agencies.

c) I acknowledge that all original works of authorship which are made by me (solely or jointly with others) within the scope of my employment and which are protectable by copyright are "works made for hire", as that term is defined in the United States Copyright Act (17 U.S.C., Section 101). Inventions assigned to or as directed by the Company by this paragraph 3 are hereinafter referred to as "Company Inventions".

4) Prior Inventions, Inventions, if any patented or unpatented, which I made prior to the commencement of my employment with the Company are excluded form the scope of this Agreement. To preclude any possible uncertainty, I have set forth on Exhibit A attached hereto a complete list of all Inventions that I have, alone or jointly with others, conceived, developed or reduced to practice prior to commencement of my employment with the Company, that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement. If disclosure of any such Invention on Exhibit A would cause me to violate any prior confidentiality agreement, I understand that I am not to list such Inventions in Exhibit A but am to inform the Company that all Inventions have not been listed for that reason.

5) No Improper Use of materials, During my employment by the Company I will not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom I have an obligation of confidentiality, and I will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom I have an obligation of confidentiality unless consented to in writing by that former employer or person.

6) No Conflicting Obligation, I represent that my performance of all the terms of this Agreement and as an associate of the Company does not breach any agreement to keep in confidence information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any agreement either in written or oral in conflict herewith.

7) Right to Inspection, I agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. Prior to leaving, I will cooperate with the Company in completing and signing the Company's termination statement for technical and management personnel.

8) Legal and Equitable Remedies, Because my services are personal and unique and because I may have access to and become acquainted with the Proprietary Information of the Company, the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without bond, without prejudice to any other rights and remedies that the Company may have for a breach of this Agreement; provided that the limitations on such rights and remedies other stated in Executive's Employment Agreement executed concurrently herewith shall equally apply hereunder.

9) Notices, Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below or at such other address as the party shall specify in writing. Such notice shall be deemed given upon personal delivery to the appropriate address or if sent by certified or registered mail, three days after the date of mailing.

10) General Provisions,

a) Governing Law, This Agreement shall be governed by and construed in accordance with the laws of the State of California.

b) Entire Agreement, This Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter hereof and supersedes and merges all prior discussions between us. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement will be effective unless in writing signed by the party to be charged. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement. As used in this Agreement, the period of my employment includes any time during which I may be retained by the Company as a consultant.

c) Severability, If one or more of the provisions in this Agreement are deemed unenforceable by law, then the remaining provisions will continue in full force and effect.

d) Successors and Assigns, This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefit of the Company, its successors and assigns.

e) Survival, The provisions of the Agreement shall survive the termination of my employment and the assignment of this Agreement by the Company to any successor in interest or other assignee.

f) Employment, I agree and understand that nothing is this Agreement shall confer any right with respect to continuation of employment with the Company, nor shall it interfere in any way with my right or the Company's right to terminate my employment at any time, with or without cause.

g) Waiver, No waiver by the Company of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by the Company of any right under this Agreement shall be construed as a waiver of any other right. The Company shall not be required to give notice to enforce strict adherence to all terms of this Agreement.

I UNDERSTAND THAT THIS AGREEMENT AFFECTS MY RIGHTS TO INVENTIONS I MAKE DURING MY EMPLOYMENT, AND RESTRICTS MY RIGHT TO DISCLOSE OR USE THE COMPANY'S PROPRIETARY INFORMATION DURING OR SUBSEQUENT TO MY EMPLOYMENT.

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY FILLED OUT EXHIBIT A TO THIS AGREEMENT.

Dated as of , 2012

Signature

Name of Associate

Address

ACCEPTED AND AGREED TO:

Restoration Hardware, Inc.

By:

Name:
Title:

Exhibit A to Proprietary Information and Inventions Agreement

Schedule of Inventions

EXHIBIT C

RESTORATION HARDWARE

Confirmation of Confidential Treatment

This shall confirm that as an associate of Restoration Hardware, Inc. (the "Company"), and in accordance with the Proprietary Information and Inventions Agreement (the "Confidentiality Agreement") entered into between me and the Company, understand, agree and acknowledge that all information and materials relating to my work on the Company's development of new retail concepts, new merchandise programs and new brands (including without limitation all information and materials related to the development of new Company brands, logos and corporate identities), shall be treated as Proprietary Information (as that term is defined under the Confidentiality Agreement). Without limiting the generality of the foregoing, and for the avoidance of doubt, I hereby agree to hold all ideas, data, documents, drawings, notes, memoranda, and other information and materials regarding Company's new retail concepts, new merchandise programs and new brands including branding plans, brand development and branding strategy, in strictest confidence, and will not disclose, lecture upon or publish any such information or materials unless an officer of the Company expressly authorizes such in writing, and will not use such information and materials for any purpose other than in furtherance of the business of the Company as directed by the Company.

Because I may have access to and become acquainted with such information and materials, the Company shall have the right to enforce my duties of confidentiality by injunction, specific performance or other equitable relief, without bond, without prejudice to any other rights and remedies that the Company may have.

I HAVE READ THIS DOCUMENT CAREFULLY AND UNDERSTAND ITS TERMS.

Dated: _____

_____
Signature

_____
Associate Name

EXHIBIT D

Arbitration Agreement

Restoration Hardware, Inc. (the "Company") and Karen Boone (the "Executive") hereby agree, effective as of , 2012, that, to the fullest extent permitted by law, any and all claims or controversies between them (or between the Executive and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) relating in any manner to the employment or the termination of employment of the Executive shall be resolved by final and binding arbitration. Except as specifically provided herein, any arbitration proceeding shall be conducted by the Judicial Arbitration and Mediation Services ("JAMS") under the JAMS Employment Arbitration Rules and Procedures then in effect (the "JAMS Rules").

Claims subject to arbitration shall include, without limitation: contract claims, tort claims, claims relating to compensation, as well as claims based on any federal, state, or local law, statute, or regulation, including but not limited to any claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the California Fair Employment and Housing Act, equity purchases or repurchases, and any and all claims for any other compensation, wages and/or benefits of any type, including any claims arising from the Executive's Employment Agreement with the Company. However, claims for unemployment benefits, workers' compensation claims, and claims under the National Labor Relations Act shall not be subject to arbitration.

A neutral and impartial arbitrator shall be chosen by mutual agreement of the parties; however, if the parties are unable to agree upon an arbitrator within a reasonable period of time, then a neutral and impartial arbitrator shall be appointed in accordance with the arbitrator nomination and selection procedure set forth in the JAMS Rules. The arbitrator shall prepare a written decision containing the essential findings and conclusions on which the award is based so as to ensure meaningful judicial review of the decision. The arbitrator shall apply the same substantive law, with the same statutes of limitations and same remedies, that would apply if the claims were brought in a court of law.

Either the Company or the Executive may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Otherwise, neither party shall initiate or prosecute any lawsuit of claim in any way related to any arbitrable claim, including without limitation any claim as to the making, existence, validity, or enforceability of the agreement to arbitrate. Nothing in this Agreement, however, precludes a party from filing an administrative charge before an agency that has jurisdiction over an arbitrable claim. Moreover, nothing in this Agreement prohibits either party from seeking provisional relief pursuant to Section 1281.8 of the California Code of Civil Procedure.

All arbitration hearings under this Agreement shall be conducted in San Francisco, California, unless otherwise agreed by the parties. The arbitration provisions of this Arbitration Agreement shall be governed by the Federal Arbitration Act. In all other respects, this Arbitration Agreement shall be construed in accordance with the laws of the State of California, without reference to conflicts of law principles.

Each party shall pay its own costs and attorney's fees, unless a party prevails on a statutory claim, and the statute provides that the prevailing party is entitled to payment of its attorneys' fees. In that case, the arbitrator may award reasonable attorneys' fees and costs to the prevailing party as provided by law.

This Agreement does not alter the Executive's at-will employment status. Accordingly, the Executive understands that the Company may terminate the Executive's employment, as well as discipline or demote the Executive, at any time, with or without prior notice, and with or without cause. The parties also understand that the Executive is free to leave the Company at any time and for any reason, with or without cause and with or without advance notice. If any provision of this Agreement shall be held by a court or the arbitrator to be invalid, unenforceable, or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect. The parties' obligations under this Agreement shall survive the termination of the Executive's employment with the Company and the expiration of this Agreement.

The Company and the Executive understand and agree that this Arbitration Agreement contains a full and complete statement of any agreements and understandings regarding resolution of disputes between the parties, and the parties agree that this Arbitration Agreement supersedes all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this agreement. The parties also agree that the terms of this Arbitration Agreement cannot be revoked or modified except in a written document signed by both the Executive and an officer of the Company.

THE PARTIES ALSO UNDERSTAND AND AGREE THAT THIS AGREEMENT CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS AGREEMENT. THE PARTIES AGREE THAT NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL.

THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH THEIR LEGAL COUNSEL AND HAVE AVAILED THEMSELVES OF THAT OPPORTUNITY TO THE EXTENT THEY WISH TO DO SO.

RESTORATION HARDWARE, INC.

By: _____

_____

Karen Boone