

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

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended October 1, 2022
- or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission file number: 1-16153

Tapestry, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or organization)

52-2242751
(I.R.S. Employer Identification No.)

10 Hudson Yards, New York, NY 10001
(Address of principal executive offices); (Zip Code)

(212) 946-8400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on which Registered</u>
Common Stock, par value \$.01 per share	TPR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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 definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

On October 28, 2022, the Registrant had 240,961,301 outstanding shares of common stock, which is the Registrant's only class of common stock.

TAPESTRY, INC.
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In this Form 10-Q, references to "we," "our," "us," "Tapestry" and the "Company" refer to Tapestry, Inc., including consolidated subsidiaries. References to "Coach," "Kate Spade," "kate spade new york" or "Stuart Weitzman" refer only to the referenced brand.

SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

This document, and the documents incorporated by reference in this document, our press releases and oral statements made from time to time by us or on our behalf, may contain certain "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are based on management's current expectations, that involve risks and uncertainties that could cause our actual results to differ materially from our current expectations. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "may," "can," "continue," "project," "assumption," "should," "expect," "confidence," "trends," "anticipate," "intend," "estimate," "on track," "well positioned to," "plan," "potential," "position," "believe," "seek," "see," "will," "would," "target," similar expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Such statements involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of Tapestry, Inc. and its consolidated subsidiaries could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Tapestry, Inc. assumes no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

Tapestry, Inc.'s actual results could differ materially from the results contemplated by these forward-looking statements and are subject to a number of risks, uncertainties, estimates and assumptions that may cause actual results to differ materially from current expectations due to a number of factors, including, but not limited to: (i) the impact of the novel coronavirus ("Covid-19") global pandemic on our business and financial results, including impacts on our supply chain due to temporary closures of our manufacturing partners and shipping and fulfillment constraints; (ii) our ability to successfully execute our multi-year growth agenda; (iii) the impact of economic conditions; (iv) our ability to control costs; (v) our exposure to international risks, including currency fluctuations and changes in economic or political conditions in the markets where we sell or source our products; (vi) the risk of cyber security threats and privacy or data security breaches; (vii) the effect of existing and new competition in the marketplace; (viii) our ability to retain the value of our brands and to respond to changing fashion and retail trends in a timely manner, including our ability to execute on our e-commerce and digital strategies; (ix) the effect of seasonal and quarterly fluctuations on our sales or operating results; (x) our ability to protect against infringement of our trademarks and other proprietary rights; (xi) the impact of legislation, including tax and trade legislation; (xii) our ability to achieve intended benefits, cost savings and synergies from acquisitions; (xiii) the risks associated with potential changes to international trade agreements and the imposition of additional duties on importing our products; (xiv) the impact of pending and potential future legal proceedings; and (xv) the risks associated with climate change and other corporate responsibility issues and (xvi) such other risk factors as set forth in Part II, Item 1A. "Risk Factors" and elsewhere in this report and in the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2022. These factors are not necessarily all of the factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements.

WHERE YOU CAN FIND MORE INFORMATION

Tapestry's quarterly financial results and other important information are available by calling the Investor Relations Department at (212) 629-2618.

Tapestry maintains its website at www.tapestry.com where investors and other interested parties may obtain, free of charge, press releases and other information as well as gain access to our periodic filings with the SEC.

TAPESTRY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	October 1, 2022	July 2, 2022
	(millions) (unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 526.5	\$ 789.8
Short-term investments	30.6	163.4
Trade accounts receivable, less allowances for credit losses of \$3.3 and \$3.7, respectively	269.6	252.3
Inventories	1,139.8	994.2
Income tax receivable	227.6	217.2
Prepaid expenses	144.7	105.2
Other current assets	48.6	51.7
Total current assets	2,387.4	2,573.8
Property and equipment, net	526.3	544.4
Operating lease right-of-use assets	1,281.6	1,281.6
Goodwill	1,221.3	1,241.5
Intangible assets	1,364.9	1,366.6
Deferred income taxes	45.1	47.9
Other assets	253.4	209.5
Total assets	\$ 7,080.0	\$ 7,265.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 510.9	\$ 520.7
Accrued liabilities	489.8	628.2
Current portion of operating lease liabilities	282.7	288.7
Current debt	25.0	31.2
Total current liabilities	1,308.4	1,468.8
Long-term debt	1,653.4	1,659.2
Long-term operating lease liabilities	1,273.3	1,282.3
Deferred income taxes	207.7	221.7
Long-term income taxes payable	84.7	95.3
Other liabilities	297.1	252.5
Total liabilities	4,824.6	4,979.8
See Note 14 on commitments and contingencies		
Stockholders' Equity:		
Preferred stock: (authorized 25.0 million shares; \$0.01 par value per share) none issued	—	—
Common stock: (authorized 1.0 billion shares; \$0.01 par value per share) issued and outstanding - 240.9 million and 241.2 million shares, respectively	2.4	2.4
Additional paid-in-capital	3,589.5	3,620.2
Retained earnings (accumulated deficit)	(1,143.6)	(1,166.2)
Accumulated other comprehensive income (loss)	(192.9)	(170.9)
Total stockholders' equity	2,255.4	2,285.5
Total liabilities and stockholders' equity	\$ 7,080.0	\$ 7,265.3

See accompanying Notes.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended	
	October 1, 2022	October 2, 2021
	(millions, except per share data) (unaudited)	
Net sales	\$ 1,506.5	\$ 1,480.9
Cost of sales	451.9	412.2
Gross profit	1,054.6	1,068.7
Selling, general and administrative expenses	800.3	773.7
Operating income (loss)	254.3	295.0
Interest expense, net	7.4	16.1
Other expense (income)	10.7	2.2
Income (loss) before provision for income taxes	236.2	276.7
Provision (benefit) for income taxes	40.9	49.8
Net income (loss)	\$ 195.3	\$ 226.9
Net income (loss) per share:		
Basic	\$ 0.81	\$ 0.82
Diluted	\$ 0.79	\$ 0.80
Shares used in computing net income (loss) per share:		
Basic	241.5	278.2
Diluted	246.8	285.2

See accompanying Notes.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (LOSS)

	Three Months Ended	
	October 1, 2022	October 2, 2021
	(millions)	
	(unaudited)	
Net income (loss)	\$ 195.3	\$ 226.9
Other comprehensive income (loss), net of tax:		
Unrealized gains (losses) on cash flow hedging derivatives, net	7.7	(0.4)
Unrealized gains (losses) on available-for-sale investments, net	0.5	(0.2)
Foreign currency translation adjustments	(30.2)	(9.5)
Other comprehensive income (loss), net of tax	(22.0)	(10.1)
Comprehensive income (loss)	\$ 173.3	\$ 216.8

See accompanying Notes.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	October 1, 2022	October 2, 2021
	(millions) (unaudited)	
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net income (loss)	\$ 195.3	\$ 226.9
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	43.8	50.8
Provision for bad debt	0.4	5.0
Share-based compensation	15.1	14.9
Acceleration Program charges	—	5.0
Changes to lease related balances, net	(12.8)	(10.0)
Deferred income taxes	(3.2)	(12.4)
Other non-cash charges, net	(9.5)	1.2
Changes in operating assets and liabilities:		
Trade accounts receivable	(15.8)	(40.3)
Inventories	(181.9)	(84.8)
Accounts payable	0.9	(32.7)
Accrued liabilities	(134.0)	(140.3)
Other liabilities	42.9	(10.0)
Other assets	(111.6)	48.5
Net cash provided by (used in) operating activities	(170.4)	21.8
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Purchases of investments	(4.0)	(402.9)
Proceeds from maturities and sales of investments	136.2	7.9
Purchases of property and equipment	(27.3)	(33.4)
Settlement of net investment hedge	41.9	—
Net cash provided by (used in) investing activities	146.8	(428.4)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Payment of dividends	(72.7)	(69.6)
Repurchase of common stock	(94.9)	(250.0)
Proceeds from share-based awards	6.1	3.7
Repayment of debt	(12.5)	—
Taxes paid to net settle share-based awards	(51.9)	(30.1)
Payments of finance lease liabilities	(0.3)	(0.2)
Net cash provided by (used in) financing activities	(226.2)	(346.2)
Effect of exchange rate changes on cash and cash equivalents	(13.5)	(2.3)
Net (decrease) increase in cash and cash equivalents	(263.3)	(755.1)
Cash and cash equivalents at beginning of period	789.8	2,007.7
Cash and cash equivalents at end of period	\$ 526.5	\$ 1,252.6
Supplemental information:		
Cash paid for income taxes, net	\$ 83.0	\$ 21.5
Cash paid for interest	\$ 26.1	\$ 31.4
Noncash investing activity - property and equipment obligations	\$ 10.5	\$ 9.0

See accompanying Notes.

**Notes to Condensed Consolidated Financial Statements
(Unaudited)****1. NATURE OF OPERATIONS**

Tapestry, Inc. (the "Company") is a leading New York-based house of iconic accessories and lifestyle brands. Our global house of brands unites the magic of Coach, kate spade new york and Stuart Weitzman. Each of our brands are unique and independent, while sharing a commitment to innovation and authenticity defined by distinctive products and differentiated customer experiences across channels and geographies. We use our collective strengths to move our customers and empower our communities, to make the fashion industry more sustainable, and to build a company that's equitable, inclusive, and diverse. Individually, our brands are iconic. Together, we can stretch what's possible.

The Coach segment includes global sales of Coach products to customers through Coach operated stores, including e-commerce sites and concession shop-in-shops, sales to wholesale customers and through independent third party distributors.

The Kate Spade segment includes global sales primarily of kate spade new york brand products to customers through Kate Spade operated stores, including e-commerce sites and concession shop-in-shops, sales to wholesale customers and through independent third party distributors.

The Stuart Weitzman segment includes global sales of Stuart Weitzman brand products primarily through Stuart Weitzman operated stores, sales to wholesale customers, through e-commerce sites and through independent third party distributors.

2. BASIS OF PRESENTATION AND ORGANIZATION***Interim Financial Statements***

These unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and are unaudited. In the opinion of management, such condensed consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the condensed consolidated financial position, results of operations, comprehensive income (loss) and cash flows of the Company for the interim periods presented. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") have been condensed or omitted from this report as is permitted by the SEC's rules and regulations. However, the Company believes that the disclosures provided herein are adequate to prevent the information presented from being misleading. This report should be read in conjunction with the audited consolidated financial statements and notes thereto, included in the Company's Annual Report on Form 10-K for the year ended July 2, 2022 ("fiscal 2022") and other filings filed with the SEC.

The results of operations, cash flows and comprehensive income for the three months ended October 1, 2022 are not necessarily indicative of results to be expected for the entire fiscal year, which will end on July 1, 2023 ("fiscal 2023").

Fiscal Periods

The Company utilizes a 52-53 week fiscal year ending on the Saturday closest to June 30. Fiscal 2023 will be a 52-week period. Fiscal 2022, ended on July 2, 2022, was also a 52-week period. The first quarter of fiscal 2023 ended on October 1, 2022 and the first quarter of fiscal 2022 ended on October 2, 2021, both of which were 13-week periods.

Covid-19 Pandemic

The ongoing Covid-19 pandemic continues to impact a significant majority of the regions in which we operate, resulting in significant global business disruptions. The widespread impact of Covid-19 resulted in temporary closures of directly operated stores globally, as well as at our wholesale and licensing partners starting in fiscal 2020. Since then, certain directly operated stores and the stores of our wholesale and licensing partners have experienced temporary re-closures or are operating under tighter restrictions in compliance with local government regulation. Covid-19 has also resulted in ongoing supply chain challenges, such as logistic constraints, the temporary closure of certain third-party manufacturers and increased freight costs.

Notes to Condensed Consolidated Financial Statements (continued)

The global Covid-19 pandemic is continuously evolving and the extent to which this impacts the Company - including unforeseen increased costs to the Company's business - will depend on future developments, which cannot be predicted, including the ultimate duration, severity and continued geographic resurgence of the virus and the success of actions to contain the virus, including variants of the novel strain, or treat its impact, among others. As the full magnitude of the effects on the Company's business is difficult to predict, the Covid-19 pandemic has and may continue to have a material adverse impact on the Company's business, financial condition, results of operations and cash flows for the foreseeable future. The Company believes that cash flows from operations, access to the credit and capital markets and our credit lines, on-hand cash and cash equivalents and our investments provide adequate funds to support our operating, capital, and debt service requirements. There can be no assurance, however, that any such capital will be available to the Company on acceptable terms or at all. The Company could experience other potential adverse impacts as a result of the Covid-19 pandemic, including, but not limited to, further charges from adjustments to the carrying amount of goodwill and other intangible assets, long-lived asset impairment charges, reserves for uncollectible accounts receivable and reserves for the realizability of inventory.

In response to the Covid-19 pandemic, the Company took actions to reinforce its liquidity and financial flexibility. If stores are required to close again for an extended period of time due to a resurgence of increased infections, the Company's liquidity may be negatively impacted.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and footnotes thereto. Actual results could differ from estimates in amounts that may be material to the financial statements.

Significant estimates inherent in the preparation of the condensed consolidated financial statements include reserves for the realizability of inventory; asset retirement obligations; customer returns, end-of-season markdowns and operational chargebacks; useful lives and impairments of long-lived tangible and intangible assets; accounting for income taxes and related uncertain tax positions; accounting for business combinations; the valuation of stock-based compensation awards and related expected forfeiture rates; reserves for restructuring; and reserves for litigation and other contingencies, amongst others.

Principles of Consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and all 100% owned and controlled subsidiaries. All intercompany transactions and balances are eliminated in consolidation.

Share Repurchases

The Company accounts for stock repurchases by allocating the repurchase price to common stock and retained earnings. Under Maryland law, the Company's state of incorporation, there are no treasury shares. All repurchased shares are authorized but unissued shares and these shares may be issued in the future for general corporate and other purposes. The Company may terminate or limit the stock repurchase program at any time. The Company accrues for the shares purchased under the share repurchase plan based on the trade date. Purchases of the Company's common stock are executed through open market purchases, including through purchase agreements under Rule 10b5-1.

3. RECENT ACCOUNTING PRONOUNCEMENTS***Recently Issued Accounting Pronouncements***

In September 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2022-04, "Liabilities—Supplier Finance Programs (Subtopic 405-50)", which is intended to enhance the transparency of supplier finance programs. The ASU requires the buyer in a supplier finance program to disclose sufficient information about the program in order to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The requirements of the new standard will be effective for annual reporting periods beginning after December 15, 2022, and interim periods within those annual periods, which for the Company is the first quarter of fiscal 2024. Early adoption is permitted. The Company is currently in the process of evaluating the impact that adopting ASU 2022-04 will have on its condensed consolidated financial statements and notes thereto.

Notes to Condensed Consolidated Financial Statements (continued)

4. REVENUE

The Company recognizes revenue primarily from sales of the products of its brands through retail and wholesale channels, including e-commerce sites. The Company also generates revenue from royalties related to licensing its trademarks, as well as sales in ancillary channels. In all cases, revenue is recognized upon the transfer of control of the promised products or services to the customer, which may be at a point in time or over time. Control is transferred when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products or services. The amount of revenue recognized is the amount of consideration to which the Company expects to be entitled, including estimation of sale terms that may create variability in the consideration. Revenue subject to variability is constrained to an amount which will not result in a significant reversal in future periods when the contingency that creates variability is resolved.

The Company recognizes revenue in its retail stores, including concession shop-in-shops, at the point-of-sale when the customer obtains physical possession of the products. Digital revenue from sales of products ordered through the Company's e-commerce sites is recognized upon delivery and receipt of the shipment by its customers and includes shipping and handling charges paid by customers. Retail and digital revenues are recorded net of estimated returns, which are estimated by developing an expected value based on historical experience. Payment is due at the point of sale.

Gift cards issued by the Company are recorded as a liability until redeemed by the customer, at which point revenue is recognized. The Company also uses historical information to estimate the amount of gift card balances that will never be redeemed and recognizes that amount as revenue over time in proportion to actual customer redemptions if the Company does not have a legal obligation to remit unredeemed gift cards to any jurisdiction as unclaimed property.

Certain of the Company's retail operations use sales incentive programs, such as customer loyalty programs and the issuance of coupons. Loyalty programs provide the customer a material right to acquire additional products and give rise to the Company having a separate performance obligation. Additionally, certain products sold by the Company include an assurance warranty that is not considered a separate performance obligation. These programs are immaterial individually and in the aggregate.

The Company recognizes revenue within the wholesale channel at the time title passes and risk of loss is transferred to customers, which is generally at the point of shipment of products but may occur upon receipt of the shipment by the customer in certain cases. Payment is generally due 30 to 90 days after shipment. Wholesale revenue is recorded net of estimates for returns, discounts, end-of-season markdowns, cooperative advertising allowances and other consideration provided to the customer. Discounts are based on contract terms with the customer, while cooperative advertising allowances and other consideration may be based on contract terms or negotiated on a case-by-case basis. Returns and markdowns generally require approval from the Company and are estimated based on historical trends, current season results and inventory positions at the wholesale locations, current market and economic conditions as well as, in select cases, contractual terms. The Company's historical estimates of these variable amounts have not differed materially from actual results.

The Company recognizes licensing revenue over time during the contract period in which licensees are granted access to the Company's trademarks. These arrangements require licensees to pay a sales-based royalty and may include a contractually guaranteed minimum royalty amount. Revenue for contractually guaranteed minimum royalty amounts is recognized ratably over the license year and any excess sales-based royalties are recognized as earned once the minimum royalty threshold is achieved. Payments from the customer are generally due quarterly in an amount based on the licensee's sales of goods bearing the licensed trademarks during the period, which may differ from the amount of revenue recorded during the period thereby generating a contract asset or liability. Contract assets and liabilities and contract costs related to the licensing arrangements are immaterial as the licensing business represents approximately 1% of total net sales in the three months ended October 1, 2022.

The Company has elected a practical expedient not to disclose the remaining performance obligations that are unsatisfied as of the end of the period related to contracts with an original duration of one year or less or variable consideration related to sales-based royalty arrangements. There are no other contracts with transaction price allocated to remaining performance obligations other than future minimum royalties as discussed above, which are not material.

Other practical expedients elected by the Company include (i) assuming no significant financing component exists for any contract with a duration of one year or less, (ii) accounting for shipping and handling as a fulfillment activity within SG&A expense regardless of the timing of the shipment in relation to the transfer of control and (iii) excluding sales and value added tax from the transaction price.

Notes to Condensed Consolidated Financial Statements (continued)

Disaggregated Net Sales

The following table disaggregates the Company's net sales into geographies that depict how economic factors may impact the revenues and cash flows for the periods presented. Each geography presented includes net sales related to the Company's directly operated channels, global travel retail business and to wholesale customers, including distributors, in locations within the specified geographic area.

	North America	Greater China ⁽¹⁾	Other Asia ⁽²⁾	Other ⁽³⁾	Total
	(millions)				
Three Months Ended October 1, 2022					
Coach	\$ 669.1	\$ 209.8	\$ 167.9	\$ 72.5	\$ 1,119.3
Kate Spade	254.6	11.0	31.6	24.7	321.9
Stuart Weitzman	42.2	15.1	0.2	7.8	65.3
Total	\$ 965.9	\$ 235.9	\$ 199.7	\$ 105.0	\$ 1,506.5
Three Months Ended October 2, 2021					
Coach	\$ 681.7	\$ 242.0	\$ 136.9	\$ 54.3	\$ 1,114.9
Kate Spade	232.2	11.7	26.8	28.8	299.5
Stuart Weitzman	35.7	22.7	0.3	7.8	66.5
Total	\$ 949.6	\$ 276.4	\$ 164.0	\$ 90.9	\$ 1,480.9

⁽¹⁾ Greater China includes mainland China, Taiwan, Hong Kong SAR and Macao SAR.

⁽²⁾ Other Asia includes Japan, Malaysia, Australia, New Zealand, South Korea, Singapore and other countries within Asia.

⁽³⁾ Other sales primarily represents sales in Europe, the Middle East and royalties earned from the Company's licensing partners.

Deferred Revenue

Deferred revenue results from cash payments received or receivable from customers prior to the transfer of the promised goods or services, and is generally comprised of unredeemed gift cards, net of breakage which has been recognized. Additional deferred revenue may result from sales-based royalty payments received or receivable which exceed the revenue recognized during the contractual period. The balance of such amounts as of October 1, 2022 and July 2, 2022 was \$36.0 million and \$41.5 million, respectively, which were primarily recorded within Accrued liabilities on the Company's Condensed Consolidated Balance Sheets and are generally expected to be recognized as revenue within a year. For the three months ended October 1, 2022, net sales of \$11.5 million were recognized from amounts recorded as deferred revenue as of July 2, 2022. For the three months ended October 2, 2021, net sales of \$3.6 million were recognized from amounts recorded as deferred revenue as of July 3, 2021.

Notes to Condensed Consolidated Financial Statements (continued)

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The change in the carrying amount of the Company's goodwill by segment is as follows:

	Coach		Kate Spade		Stuart Weitzman ⁽¹⁾		Total
	(millions)						
Balance at July 2, 2022	\$	609.1	\$	632.4	\$	—	\$ 1,241.5
Foreign exchange impact		(16.1)		(4.1)		—	(20.2)
Balance at October 1, 2022	\$	593.0	\$	628.3	\$	—	\$ 1,221.3

⁽¹⁾ Amount is net of accumulated goodwill impairment charges of \$210.7 million as of October 1, 2022 and July 2, 2022.

Intangible Assets

Intangible assets consist of the following:

	October 1, 2022			July 2, 2022		
	Gross Carrying Amount	Accum. Amort.	Net	Gross Carrying Amount	Accum. Amort.	Net
	(millions)					
Intangible assets subject to amortization:						
Customer relationships	\$ 100.3	\$ (45.2)	\$ 55.1	\$ 100.3	\$ (43.5)	\$ 56.8
Intangible assets not subject to amortization:						
Trademarks and trade names	1,309.8	—	1,309.8	1,309.8	—	1,309.8
Total intangible assets	\$ 1,410.1	\$ (45.2)	\$ 1,364.9	\$ 1,410.1	\$ (43.5)	\$ 1,366.6

As of October 1, 2022, the expected amortization expense for intangible assets is as follows:

	Amortization Expense	
	(millions)	
Remainder of fiscal 2023	\$	4.9
Fiscal 2024		6.5
Fiscal 2025		6.5
Fiscal 2026		6.5
Fiscal 2027		6.5
Thereafter		24.2
Total	\$	55.1

The expected amortization expense above reflects remaining useful lives ranging from approximately 7.6 to 9.8 years for customer relationships.

Notes to Condensed Consolidated Financial Statements (continued)

6. STOCKHOLDERS' EQUITY

A reconciliation of stockholders' equity is presented below:

	Shares of Common Stock	Common Stock	Additional Paid-in- Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
(millions, except per share data)						
Balance at July 3, 2021	279.5	\$ 2.8	\$ 3,487.0	\$ (158.5)	\$ (72.0)	\$ 3,259.3
Net income (loss)	—	—	—	226.9	—	226.9
Other comprehensive income (loss)	—	—	—	—	(10.1)	(10.1)
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	1.6	—	(26.4)	—	—	(26.4)
Share-based compensation	—	—	19.9	—	—	19.9
Repurchase of common stock	(6.1)	—	—	(250.0)	—	(250.0)
Dividends declared (\$0.25 per share)	—	—	—	(69.6)	—	(69.6)
Balance at October 2, 2021	<u>275.0</u>	<u>\$ 2.8</u>	<u>\$ 3,480.5</u>	<u>\$ (251.2)</u>	<u>\$ (82.1)</u>	<u>\$ 3,150.0</u>

	Shares of Common Stock	Common Stock	Additional Paid-in- Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
(millions, except per share data)						
Balance at July 2, 2022	241.2	\$ 2.4	\$ 3,620.2	\$ (1,166.2)	\$ (170.9)	\$ 2,285.5
Net income (loss)	—	—	—	195.3	—	195.3
Other comprehensive income	—	—	—	—	(22.0)	(22.0)
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	2.7	—	(45.8)	—	—	(45.8)
Share-based compensation	—	—	15.1	—	—	15.1
Repurchase of common stock	(3.0)	—	—	(100.0)	—	(100.0)
Dividends declared (\$0.30 per share)	—	—	—	(72.7)	—	(72.7)
Balance at October 1, 2022	<u>240.9</u>	<u>\$ 2.4</u>	<u>\$ 3,589.5</u>	<u>\$ (1,143.6)</u>	<u>\$ (192.9)</u>	<u>\$ 2,255.4</u>

Notes to Condensed Consolidated Financial Statements (continued)

The components of accumulated other comprehensive income (loss) ("AOCI"), as of the dates indicated, are as follows:

	Unrealized Gains (Losses) on Cash Flow Hedging Derivatives ⁽¹⁾	Unrealized Gains (Losses) on Available- for-Sale Investments	Cumulative Translation Adjustment ⁽²⁾	Total
	(millions)			
Balances at July 3, 2021	\$ (0.7)	\$ —	\$ (71.3)	\$ (72.0)
Other comprehensive income (loss) before reclassifications	(0.9)	(0.2)	(9.5)	(10.6)
Less: amounts reclassified from accumulated other comprehensive income to earnings	(0.5)	—	—	(0.5)
Net current-period other comprehensive income (loss)	(0.4)	(0.2)	(9.5)	(10.1)
Balances at October 2, 2021	\$ (1.1)	\$ (0.2)	\$ (80.8)	\$ (82.1)
Balances at July 2, 2022	\$ (2.3)	\$ (0.5)	\$ (168.1)	\$ (170.9)
Other comprehensive income (loss) before reclassifications	6.6	0.5	(30.2)	(23.1)
Less: amounts reclassified from accumulated other comprehensive income to earnings	(1.1)	—	—	(1.1)
Net current-period other comprehensive income (loss)	7.7	0.5	(30.2)	(22.0)
Balances at October 1, 2022	\$ 5.4	\$ —	\$ (198.3)	\$ (192.9)

⁽¹⁾ The ending balances of AOCI related to cash flow hedges are net of tax of \$0.7 million and \$0.5 million as of October 1, 2022 and October 2, 2021, respectively. The amounts reclassified from AOCI are net of tax of \$0.4 million and \$0.1 million as of October 1, 2022 and October 2, 2021, respectively.

⁽²⁾ The ending balances of AOCI related to foreign currency translation adjustments includes a loss of \$1.8 million, net of tax of \$(22.4) million, as of October 1, 2022, related to changes in the fair values of instruments designated as hedges of the Company's net investment in certain foreign operations. As the Company began entering into net investment hedges in the fourth quarter of Fiscal 2022, there was no balance as of October 2, 2021.

7. LEASES

The Company leases retail space, office space, warehouse facilities, fulfillment centers, storage space, machinery, equipment and certain other items under operating leases. The Company's leases have initial terms ranging from 1 to 20 years and may have renewal or early termination options ranging from 1 to 10 years. These leases may also include rent escalation clauses or lease incentives. In determining the lease term used in the lease right-of-use ("ROU") asset and lease liability calculations, the Company considers various factors such as market conditions and the terms of any renewal or termination options that may exist. When deemed reasonably certain, the renewal and termination options are included in the determination of the lease term and calculation of the lease ROU asset and lease liability. The Company is typically required to make fixed minimum rent payments, variable rent payments primarily based on performance (i.e., percentage-of-sales-based payments), or a combination thereof, directly related to its ROU asset. The Company is also often required, by the lease, to pay for certain other costs including real estate taxes, insurance, common area maintenance fees, and/or certain other costs, which may be fixed or variable, depending upon the terms of the respective lease agreement. To the extent these payments are fixed, the Company has included them in calculating the lease ROU assets and lease liabilities.

The Company calculates lease ROU assets and lease liabilities as the present value of fixed lease payments over the reasonably certain lease term beginning at the commencement date. The Company is required to use the implicit rate to determine the present value of lease payments. As the rate implicit in the Company's leases is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the lease commencement date, including the

Notes to Condensed Consolidated Financial Statements (continued)

Company's credit rating, credit spread and adjustments for the impact of collateral, lease tenors, economic environment and currency.

For operating leases, fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. For finance leases and impaired operating leases, the ROU asset is depreciated on a straight-line basis over the remaining lease term, along with recognition of interest expense associated with accretion of the lease liability. For leases with a lease term of 12 months or less ("short-term lease"), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the Condensed Consolidated Balance Sheets. Variable lease cost for both operating and finance leases, if any, is recognized as incurred.

The Company acts as sublessor in certain leasing arrangements, primarily related to a sublease of a portion of the Company's leased headquarters space as well as certain retail locations. Fixed sublease payments received are recognized on a straight-line basis over the sublease term.

ROU assets, along with any other related long-lived assets, are periodically evaluated for impairment.

The following table summarizes the ROU assets and lease liabilities recorded on the Company's Condensed Consolidated Balance Sheets as of October 1, 2022 and July 2, 2022:

	October 1, 2022	July 2, 2022	Location Recorded on Balance Sheet
	(millions)		
Assets:			
Operating leases	\$ 1,281.6	\$ 1,281.6	Operating lease right-of-use assets
Finance leases	1.7	1.9	Property and equipment, net
Total lease assets	<u>\$ 1,283.3</u>	<u>\$ 1,283.5</u>	
Liabilities:			
<u>Operating leases:</u>			
Current lease liabilities	\$ 282.7	\$ 288.7	Current lease liabilities
Long-term lease liabilities	1,273.3	1,282.3	Long-term lease liabilities
Total operating lease liabilities	<u>\$ 1,556.0</u>	<u>\$ 1,571.0</u>	
<u>Finance leases:</u>			
Current lease liabilities	\$ 1.1	\$ 1.1	Accrued liabilities
Long-term lease liabilities	2.1	2.4	Other liabilities
Total finance lease liabilities	<u>\$ 3.2</u>	<u>\$ 3.5</u>	
Total lease liabilities	<u>\$ 1,559.2</u>	<u>\$ 1,574.5</u>	

The following table summarizes the composition of net lease costs, primarily recorded within SG&A expenses on the Company's Condensed Consolidated Statements of Operations for the three months ended October 1, 2022 and October 2, 2021:

Notes to Condensed Consolidated Financial Statements (continued)

	Three Months Ended	
	October 1, 2022	October 2, 2021
	(millions)	
Finance lease cost:		
Amortization of right-of-use assets	\$ 0.3	\$ 0.2
Interest on lease liabilities ⁽¹⁾	0.1	0.1
Total finance lease cost	0.4	0.3
Operating lease cost		
Short-term lease cost	7.8	4.5
Variable lease cost ⁽²⁾	49.5	43.6
Less: sublease income	(4.9)	(4.9)
Total net lease cost	\$ 132.1	\$ 128.4

⁽¹⁾ Interest on lease liabilities is recorded within Interest expense, net on the Company's Condensed Consolidated Statement of Operations.

⁽²⁾ Rent concessions negotiated related to Covid-19 are recorded in variable lease expense.

The following table summarizes certain cash flow information related to the Company's leases for the three months ended October 1, 2022 and October 2, 2021:

	Three Months Ended	
	October 1, 2022	October 2, 2021
	(millions)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 98.0	\$ 104.5
Operating cash flows from finance leases	0.1	0.1
Financing cash flows from finance leases	0.3	0.2
Non-cash transactions:		
Right-of-use assets obtained in exchange for operating lease liabilities	87.0	32.2

Additionally, the Company had approximately \$140.2 million of future payment obligations related to executed lease agreements for which the related lease had not yet commenced as of October 1, 2022. This obligation primarily relates to a lease agreement for a fulfillment center to be located in Las Vegas, Nevada.

8. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The majority of the Company's purchases of finished goods are denominated in U.S. dollars, which limits the Company's exposure to the transactional effects of foreign currency exchange rate fluctuations. However, the Company is exposed to foreign currency exchange risk related to its sale of U.S. dollar inventory to foreign operating subsidiaries in local currency, as well as risk related to various cross-currency intercompany loans and payables, and translation risk. The Company is also exposed to foreign currency risk related to changes in the U.S. dollar value of its net investment in foreign subsidiaries. The Company uses derivative financial instruments to manage these risks. These derivative transactions are in accordance with the Company's risk management policies. The Company does not enter into derivative transactions for speculative or trading purposes.

The Company records all derivative contracts at fair value on the Condensed Consolidated Balance Sheets. The fair values of foreign currency derivatives are based on the forward curves of the specific indices upon which settlement is based and include an adjustment for the Company's credit risk. Judgment is required of management in developing estimates of fair value. The use of different market assumptions or methodologies could affect the estimated fair value.

For derivative instruments that qualify for hedge accounting, the changes in the fair value of these instruments are either (i) offset against the changes in fair value of the hedged assets or liabilities through earnings or (ii) recognized as a component of

Notes to Condensed Consolidated Financial Statements (continued)

Accumulated other comprehensive income (loss) ("AOCI") until the hedged item is recognized in earnings, depending on whether the derivative is being used to hedge changes in fair value or cash flows. For derivative instruments that are designated as a net investment hedge, the changes in the fair value of the instruments are recognized as a component of AOCI, and upon discontinuation of the hedge remain in AOCI until the net investment is sold or liquidated.

Each derivative instrument entered into by the Company that qualifies for hedge accounting is expected to be highly effective at reducing the risk associated with the exposure being hedged. For each derivative that is designated as a hedge, the Company documents the related risk management objective and strategy, including identification of the hedging instrument, the hedged item and the risk exposure, as well as how hedge effectiveness will be assessed over the term of the instrument. The extent to which a hedging instrument has been and is expected to remain highly effective in achieving offsetting changes in fair value or cash flows is assessed and documented by the Company on at least a quarterly basis.

If it is determined that a derivative instrument has not been highly effective, and will continue not to be highly effective in hedging the designated exposure, hedge accounting is discontinued and further gains (losses) are recognized in earnings within foreign currency gains (losses). Upon discontinuance of hedge accounting, the cumulative change in fair value of cash flow derivatives previously recorded in AOCI is recognized in earnings when the related hedged item affects earnings, consistent with the original hedging strategy, unless the forecasted transaction is no longer probable of occurring, in which case the accumulated amount is immediately recognized in earnings within foreign currency gains (losses).

As a result of the use of derivative instruments, the Company may be exposed to the risk that the counterparties to such contracts will fail to meet their contractual obligations. To mitigate this counterparty credit risk, the Company has a policy of only entering into contracts with carefully selected financial institutions based upon an evaluation of their credit ratings, among other factors.

The fair values of the Company's derivative instruments are recorded on its Condensed Consolidated Balance Sheets on a gross basis. For cash flow reporting purposes, the Company classifies proceeds received or amounts paid upon the settlement of a derivative instrument in the same manner as the related item being hedged, primarily within cash from operating activities.

Hedging Portfolio

The Company enters into forward currency contracts primarily to reduce its risks related to exchange rate fluctuations on foreign currency denominated inventory transactions, as well as various cross-currency intercompany loans and payables. To the extent its derivative contracts designated as cash flow hedges are highly effective in offsetting changes in the value of the hedged items, the related gains (losses) are initially deferred in AOCI and subsequently recognized in the Consolidated Statements of Operations as part of the cost of the inventory purchases being hedged within Cost of sales, when the related inventory is sold to a third party. Current maturity dates range from October 2022 to June 2024. Forward foreign currency exchange contracts designated as fair value hedges and associated with intercompany and other contractual obligations are recognized within foreign currency gains (losses) generally in the period in which the related balances being hedged are revalued. The maturity date of most instruments held as of October 1, 2022 are in November 2022, and such contracts are typically renewed upon maturity if the related balance has not been settled. The Company also enters into cross-currency swaps to reduce its risks related to exchange rate fluctuations on net investments in foreign subsidiaries. The related gains (losses) are deferred in AOCI until the net investment is sold or liquidated, and current maturity dates range from April 2025 to March 2032.

Notes to Condensed Consolidated Financial Statements (continued)

The following tables provide information related to the Company's derivative instruments recorded on the Company's Condensed Consolidated Balance Sheets as of October 1, 2022 and July 2, 2022

Designated Derivative Hedging Instruments	Notional Value		Balance Sheet Classification	Derivative Assets		Balance Sheet Classification	Derivative Liabilities	
	October 1, 2022	July 2, 2022		Fair Value			Fair Value	
				October 1, 2022	July 2, 2022		October 1, 2022	July 2, 2022
				(millions)				
FC - Inventory purchases ⁽¹⁾	\$ 293.2	\$ 41.5	Other Current Assets	\$ 9.0	\$ —	Accrued Liabilities	\$ 3.3	\$ 2.7
FC - Intercompany liabilities and loans ⁽²⁾	437.6	274.1	Other Current Assets	0.4	0.4	Accrued Liabilities	6.5	0.5
CCS - Net investment hedges ⁽³⁾	1,200.0	1,200.0	Other Assets	70.7	47.8	Other Liabilities	87.3	44.0
Total Hedges	\$ 1,930.8	\$ 1,515.6		\$ 80.1	\$ 48.2		\$ 97.1	\$ 47.2

⁽¹⁾ Represents forward foreign currency exchange contracts ("FC") designated as derivative instruments in cash flow hedging relationships.

⁽²⁾ Represents forward foreign currency exchange contracts ("FC") designated as derivative instruments in fair value hedging relationships.

⁽³⁾ Represents cross currency swap contracts ("CCS") designated as derivative instruments in net investment hedging relationships.

Notes to Condensed Consolidated Financial Statements (continued)

The following tables provides the pretax impact of gains and losses from the Company's designated derivative instruments on its Condensed Consolidated Financial Statements as of October 1, 2022 and October 2, 2021:

	Amount of Gain (Loss) Recognized in OCI on Derivatives	
	Three Months Ended	
	October 1, 2022	October 2, 2021
	(millions)	
Cash flow hedges:		
Inventory purchases ⁽¹⁾	\$ 6.4	\$ (1.2)
Cash flow hedges, total	\$ 6.4	\$ (1.2)
Other:		
Net investment hedges	16.8	—
Other, total	\$ 16.8	\$ —
Total hedges	\$ 23.2	\$ (1.2)

	Statement of Operations Classification	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income	
		Three Months Ended	
		October 1, 2022	October 2, 2021
		(millions)	
Cash flow hedges:			
Inventory purchases ⁽¹⁾	Cost of Sales	\$ (1.5)	\$ (0.6)
Total hedges		\$ (1.5)	\$ (0.6)

For forward foreign currency exchange contracts that are designated as fair value hedges, both the gain (loss) on the derivative as well as the offsetting gain (loss) on the hedged item attributable to the hedged risk are recorded within Other expense (income) on the Company's Condensed Consolidated Statement of Operations.

The Company expects that \$0.4 million of net derivative gain included in Accumulated other comprehensive income at October 1, 2022 will be reclassified into earnings within the next 12 months. This amount will vary due to fluctuations in foreign currency exchange rates.

The Company assesses the cross-currency swaps used as a net investment hedges under the spot method. This results in the cross-currency basis spread being excluded from the assessment of hedge effectiveness, and recorded as incurred as a reduction in interest expense in the Company's consolidated statements of operations. Accordingly, the Company recorded net interest income of \$6.4 million and \$0.0 million during three months ended October 1, 2022 and October 2, 2021, respectively.

9. EARNINGS PER SHARE

Basic net income per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period. Diluted net income per share is calculated similarly but includes potential dilution from the exercise of stock options and restricted stock units and any other potentially dilutive instruments, only in the periods in which such effects are dilutive under the treasury stock method.

Notes to Condensed Consolidated Financial Statements (continued)

The following is a reconciliation of the weighted-average shares outstanding and calculation of basic and diluted earnings per share:

	Three Months Ended	
	October 1, 2022	October 2, 2021
(millions, except per share data)		
Net income (loss)	\$ 195.3	\$ 226.9
Weighted-average basic shares	241.5	278.2
Dilutive securities:		
Effect of dilutive securities	5.3	7.0
Weighted-average diluted shares	246.8	285.2
Net income (loss) per share:		
Basic	\$ 0.81	\$ 0.82
Diluted	\$ 0.79	\$ 0.80

Earnings per share amounts have been calculated based on unrounded numbers. Options to purchase shares of the Company's common stock at an exercise price greater than the average market price of the common stock during the reporting period are anti-dilutive and therefore not included in the computation of diluted net income (loss) per common share. In addition, the Company has outstanding restricted stock unit awards that are issuable only upon the achievement of certain performance goals. Performance-based restricted stock unit awards are included in the computation of diluted shares only to the extent that the underlying performance conditions and any applicable market condition modifiers (i) are satisfied as of the end of the reporting period or (ii) would be considered satisfied if the end of the reporting period were the end of the related contingency period and the result would be dilutive under the treasury stock method. As of October 1, 2022 and October 2, 2021, there were 6.2 million and 5.2 million, respectively, of additional shares issuable upon exercise of anti-dilutive options and contingent vesting of performance-based restricted stock unit awards, which were excluded from the diluted share calculations.

10. SHARE-BASED COMPENSATION

The following table shows the share-based compensation expense and the related tax benefits recognized in the Company's Condensed Consolidated Statements of Operations for the periods indicated:

	Three Months Ended	
	October 1, 2022	October 2, 2021
(millions)		
Share-based compensation expense ⁽¹⁾	\$ 15.1	\$ 19.9
Income tax benefit related to share-based compensation expense	3.0	3.8

⁽¹⁾ There was no share-based compensation expense under the Acceleration program during three months ended October 1, 2022. During the three months ended October 2, 2021, the company incurred \$5.0 million of share-based compensation expense related to its Acceleration Program.

Notes to Condensed Consolidated Financial Statements (continued)

Stock Options

A summary of stock option activity during the three months ended October 1, 2022 is as follows:

	Number of Options Outstanding
	(millions)
Outstanding at July 2, 2022	10.0
Granted	1.1
Exercised	(0.3)
Forfeited or expired	(0.8)
Outstanding at October 1, 2022	10.0

The weighted-average grant-date fair value of options granted during the three months ended October 1, 2022 and October 2, 2021 was \$12.00 and \$13.96, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model and the following weighted-average assumptions:

	October 1, 2022	October 2, 2021
Expected term (years)	4.8	4.9
Expected volatility	48.7 %	47.1 %
Risk-free interest rate	3.2 %	0.7 %
Dividend yield	3.4 %	2.4 %

Service-based Restricted Stock Unit Awards ("RSUs")

A summary of service-based RSU activity during the three months ended October 1, 2022 is as follows:

	Number of Non-vested RSUs
	(millions)
Non-vested at July 2, 2022	6.4
Granted	2.3
Vested	(2.3)
Forfeited	(0.1)
Non-vested at October 1, 2022	6.3

The weighted-average grant-date fair value of share awards granted during the three months ended October 1, 2022 and October 2, 2021 was \$35.22 and \$42.22, respectively.

Notes to Condensed Consolidated Financial Statements (continued)

Performance-based Restricted Stock Unit Awards ("PRUs")

A summary of PRU activity during the three months ended October 1, 2022 is as follows:

	Number of Non-vested PRUs (millions)
Non-vested at July 2, 2022	1.2
Granted	0.4
Change due to performance condition achievement	0.8
Vested	(1.5)
Forfeited	—
Non-vested at October 1, 2022	0.9

The PRU awards included in the non-vested amount are based on certain Company-specific financial metrics. The effect of the change due to performance condition on the non-vested amount is recognized at the conclusion of the performance period, which may differ from the date on which the award vests.

The weighted-average grant-date fair value per share of PRU awards granted during the three months ended October 1, 2022 and October 2, 2021 was \$35.27 and \$42.25, respectively.

11. DEBT

The following table summarizes the components of the Company's outstanding debt:

	October 1, 2022	July 2, 2022
	(millions)	
Current debt:		
Term Loan	\$ 25.0	\$ 31.2
Total current debt	\$ 25.0	\$ 31.2
Long-term debt:		
Term Loan	462.5	\$ 468.8
3.050% Senior Notes due 2032	500.0	500.0
4.125% Senior Notes due 2027	396.6	396.6
4.250% Senior Notes due 2025	303.4	303.4
Total long-term debt	1,662.5	1,668.8
Less: Unamortized discount and debt issuance costs on Senior Notes	(9.1)	(9.6)
Total long-term debt, net	\$ 1,653.4	\$ 1,659.2

During the three months ended October 1, 2022 and October 2, 2021, the Company recognized interest expense related to its debt of \$16.3 million and \$16.8 million, respectively.

\$1.25 Billion Revolving Credit Facility and \$500.0 Million Term Loan

On May 11, 2022, the Company entered into a definitive credit agreement whereby Bank of America, N.A., as administrative agent, the other agents party thereto, and a syndicate of banks and financial institutions have made available to the Company a \$1.25 billion revolving credit facility (the "\$1.25 Billion Revolving Credit Facility") and an unsecured \$500.0 million Term Loan (the "Term Loan"). Both the \$1.25 Billion Revolving Credit Facility and Term Loan (collectively, the "Credit Facilities") will mature on May 11, 2027. The Company and its subsidiaries must comply on a quarterly basis with a maximum 4.0 to 1.0 ratio of (a) consolidated debt minus unrestricted cash and cash equivalents in excess of \$300 million to (b) consolidated EBITDAR.

Borrowings under the \$1.25 Billion Revolving Credit Facility bear interest at a rate per annum equal to, at the Company's option, (i) for borrowings in U.S. Dollars, either (a) an alternate base rate or (b) a term secured overnight financing rate, (ii) for

Notes to Condensed Consolidated Financial Statements (continued)

borrowings in Euros, the Euro Interbank Offered Rate, (iii) for borrowings in Pounds Sterling, the Sterling Overnight Index Average Reference Rate and (iv) for borrowings in Japanese Yen, the Tokyo Interbank Offer Rate, plus, in each case, an applicable margin. The applicable margin will be adjusted by reference to a grid (the "Pricing Grid") based on the ratio of (a) consolidated debt to (b) consolidated EBITDAR (the "Gross Leverage Ratio"). Additionally, the Company will pay facility fees, calculated at a rate per annum determined in accordance with the Pricing Grid, on the full amount of the \$1.25 Billion Revolving Credit Facility, payable quarterly in arrears, and certain fees with respect to letters of credit that are issued. The \$1.25 Billion Revolving Credit Facility may be used to finance the working capital needs, capital expenditures, permitted investments, share purchases, dividends and other general corporate purposes of the Company and its subsidiaries (which may include commercial paper backup). There were no outstanding borrowings on the \$1.25 Billion Revolving Credit Facility as of October 1, 2022.

The Term Loan includes up to a two-month delayed draw period from the closing date. In the fourth quarter of fiscal 2022 the Company drew down on the Term Loan to satisfy the Company's remaining obligations under the 3.000% senior unsecured notes due 2022 and for general corporate purposes. The Term Loan amortizes in an amount equal to 5.00% per annum, with payments made quarterly. Borrowings under the Term Loan bear interest at a rate per annum equal to, at the Company's option, either (i) an alternate base rate or (ii) a term secured overnight financing rate plus, in each case, an applicable margin. The applicable margin will be adjusted by reference to a pricing grid based on the Gross Leverage Ratio. Additionally, the Company will pay a ticking fee on the undrawn amount of the Term Loan.

3.050% Senior Notes due 2032

On December 1, 2021, the Company issued \$500.0 million aggregate principal amount of 3.050% senior unsecured notes due March 15, 2032 at 99.705% of par (the "2032 Senior Notes"). Interest is payable semi-annually on March 15 and September 15 beginning March 15, 2022. Prior to December 15, 2031 (the date that is three months prior to the scheduled maturity date), the Company may redeem the 2032 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2032 Senior Notes to be redeemed or (2) as determined by a Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon that would have been payable in respect of the 2032 Senior Notes calculated as if the maturity date of the 2032 Senior Notes was December 15, 2031 (not including any portion of payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined in the Prospectus Supplement) plus 25 basis points, plus, in the case of each of (1) and (2), accrued and unpaid interest to the redemption date.

Cash Tender Offer

On December 1, 2021, the proceeds from the 2032 Senior Notes were utilized to complete a cash tender offer of \$203.4 million and \$296.6 million of the outstanding aggregate principal amount of the Company's 2027 Senior Notes (defined below under "4.125% Senior Notes due 2027") and 2025 Senior Notes (defined below under "4.250% Senior Notes due 2025"), respectively. As a result of these cash tender offers completed prior to their scheduled maturities, the transactions were subject to a premium of \$22.4 million and \$26.8 million for the 2027 Senior Notes and 2025 Senior Notes, respectively. Additionally, the Company recognized \$4.5 million of debt issuance costs, tender fees, and unamortized original discount in connection with the transaction. These premiums and costs, which totaled \$53.7 million, were recorded as a pre-tax debt extinguishment charge during the second quarter of fiscal 2022.

4.125% Senior Notes due 2027

On June 20, 2017, the Company issued \$600.0 million aggregate principal amount of 4.125% senior unsecured notes due July 15, 2027 at 99.858% of par (the "2027 Senior Notes"). Interest is payable semi-annually on January 15 and July 15 beginning January 15, 2018. Prior to April 15, 2027 (the date that is three month prior to the scheduled maturity date), the Company may redeem the 2027 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2027 Senior Notes to be redeemed or (2) as determined by a Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon that would have been payable in respect of the 2027 Senior Notes calculated as if the maturity date of the 2027 Senior Notes was April 15, 2027 (not including any portion of payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined in the Prospectus Supplement) plus 30 basis points, plus, in the case of each of (1) and (2), accrued and unpaid interest to the redemption date. On December 1, 2021, the Company completed a cash tender offer for \$203.4 million of the outstanding aggregate principal amount of its 2027 Senior Notes.

Notes to Condensed Consolidated Financial Statements (continued)

4.250% Senior Notes due 2025

On March 2, 2015, the Company issued \$600.0 million aggregate principal amount of 4.250% senior unsecured notes due April 1, 2025 at 99.445% of par (the "2025 Senior Notes"). Interest is payable semi-annually on April 1 and October 1 beginning October 1, 2015. Prior to January 1, 2025 (90 days prior to the scheduled maturity date), the Company may redeem the 2025 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2025 Senior Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would have been payable in respect of the 2025 Senior Notes calculated as if the maturity date of the 2025 Senior Notes was January 1, 2025 (not including any portion of payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate (as defined in the indenture for the 2025 Senior Notes) plus 35 basis points, plus, in the case of each of (1) and (2), accrued and unpaid interest to the redemption date. On and after January 1, 2025 (90 days prior to the scheduled maturity date), the Company may redeem the 2025 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to 100% of the principal amount of the 2025 Senior Notes to be redeemed, plus accrued and unpaid interest to the redemption date. On December 1, 2021, the Company completed a cash tender offer for \$296.6 million of the outstanding aggregate principal amount of its 2025 Senior Notes.

At October 1, 2022 the fair value of the 2032, 2027, and 2025 Senior Notes was approximately \$376.7 million, \$362.5 million and \$299.8 million, respectively, based on external pricing data, including available quoted market prices of these instruments, and consideration of comparable debt instruments with similar interest rates and trading frequency, among other factors, and is classified as Level 2 measurements within the fair value hierarchy. At July 2, 2022, the fair value of the 2032, 2027 and 2025 Senior Notes was approximately \$409.0 million, \$383.0 million and \$304.1 million, respectively.

12. FAIR VALUE MEASUREMENTS

The Company categorizes its assets and liabilities, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as set forth below. The three levels of the hierarchy are defined as follows:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than quoted prices included in Level 1. Level 2 inputs include quoted prices for identical assets or liabilities in non-active markets, quoted prices for similar assets or liabilities in active markets, and inputs other than quoted prices that are observable for substantially the full term of the asset or liability.

Level 3 — Unobservable inputs reflecting management's own assumptions about the input used in pricing the asset or liability. The Company does not have any Level 3 investments.

Notes to Condensed Consolidated Financial Statements (continued)

The following table shows the fair value measurements of the Company's financial assets and liabilities at October 1, 2022 and July 2, 2022:

	Level 1		Level 2	
	October 1, 2022	July 2, 2022	October 1, 2022	July 2, 2022
(millions)				
Assets:				
Cash equivalents ⁽¹⁾	\$ 106.9	\$ 99.1	\$ 0.4	\$ 10.9
Short-term investments:				
Time deposits ⁽²⁾	—	—	0.6	0.6
Commercial paper ⁽²⁾	—	—	7.7	59.6
Government securities - U.S. ⁽²⁾	5.5	39.4	—	—
Corporate debt securities - U.S. ⁽²⁾	—	—	5.0	55.2
Other	—	—	11.8	8.6
Long-term investments:				
Other	—	—	0.1	0.1
Derivative assets:				
Inventory-related instruments ⁽³⁾	—	—	9.0	—
Net investment hedges ⁽³⁾	—	—	70.7	47.8
Intercompany loans and payables ⁽³⁾	—	—	0.4	0.4
Liabilities:				
Derivative liabilities:				
Inventory-related instruments ⁽³⁾	—	—	3.3	2.7
Net investment hedges ⁽³⁾	—	—	87.3	44.0
Intercompany loans and payables ⁽³⁾	—	—	6.5	0.5

⁽¹⁾ Cash equivalents consist of money market funds and time deposits with maturities of three months or less at the date of purchase. Due to their short-term maturity, management believes that their carrying value approximates fair value.

⁽²⁾ Short-term investments are recorded at fair value, which approximates their carrying value, and are primarily based upon quoted vendor or broker priced securities in active markets.

⁽³⁾ The fair value of these hedges is primarily based on the forward curves of the specific indices upon which settlement is based and includes an adjustment for the counterparty's or Company's credit risk.

Refer to Note 11, "Debt," for the fair value of the Company's outstanding debt instruments.

Non-Financial Assets and Liabilities

The Company's non-financial instruments, which primarily consist of goodwill, intangible assets, right-of-use assets and property and equipment, are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, on a periodic basis whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), non-financial instruments are assessed for impairment and, if applicable, written-down to and recorded at fair value, considering market participant assumptions. There were no impairment charges recorded during the three months ended October 1, 2022 or the three months ended October 2, 2021.

Notes to Condensed Consolidated Financial Statements (continued)

13. INVESTMENTS

The following table summarizes the Company's U.S. dollar-denominated investments, recorded within the Company's Condensed Consolidated Balance Sheets as of October 1, 2022 and July 2, 2022:

	October 1, 2022			July 2, 2022		
	Short-term	Long-term ⁽³⁾	Total	Short-term	Long-term ⁽³⁾	Total
(millions)						
Available-for-sale investments:						
Commercial paper ⁽¹⁾	\$ 7.7	\$ —	\$ 7.7	\$ 59.6	\$ —	\$ 59.6
Government securities - U.S. ⁽²⁾	5.5	—	5.5	39.4	—	39.4
Corporate debt securities - U.S. ⁽²⁾	5.0	—	5.0	55.2	—	55.2
Available-for-sale investments, total	\$ 18.2	\$ —	\$ 18.2	\$ 154.2	\$ —	\$ 154.2
Other:						
Time deposits ⁽¹⁾	\$ 0.6	\$ —	\$ 0.6	\$ 0.6	\$ —	\$ 0.6
Other	11.8	0.1	11.9	8.6	0.1	8.7
Total Investments	\$ 30.6	\$ 0.1	\$ 30.7	\$ 163.4	\$ 0.1	\$ 163.5

⁽¹⁾ These securities have original maturities greater than three months and are recorded at fair value.

⁽²⁾ These securities as of October 1, 2022 have maturity dates during fiscal 2023 and are recorded at fair value.

⁽³⁾ Long-term investments are presented within Other assets on the Condensed Consolidated Balance Sheets.

There were no material gross realized and unrealized gains or losses on available-for-sale investments as of the periods ended October 1, 2022 and July 2, 2022.

14. COMMITMENTS AND CONTINGENCIES

Letters of Credit

The Company had standby letters of credit, surety bonds and bank guarantees totaling \$37.3 million and \$37.8 million outstanding at October 1, 2022 and July 2, 2022, respectively. The agreements, which expire at various dates through fiscal year 2028, primarily collateralize the Company's obligation to third parties for duty, leases, insurance claims and materials used in product manufacturing. The Company pays certain fees with respect to these instruments that are issued.

Other

The Company had other contractual cash obligations as of October 1, 2022 related to debt repayments. Refer to Note 11, "Debt," for further information. Additionally, the Company had future payment obligations related to executed lease agreements for which the related lease had not yet commenced. Refer to Note 7, "Leases," for further information.

The Company is involved in various routine legal proceedings as both plaintiff and defendant incident to the ordinary course of its business, including proceedings to protect Tapestry's intellectual property rights, litigation instituted by persons alleged to have been injured by advertising claims or upon premises within the Company's control, contractual disputes, insurance claims and litigation with present or former employees.

As part of Tapestry's policing program for its intellectual property rights, from time to time, the Company files lawsuits in the U.S. and abroad alleging acts of trademark counterfeiting, trademark infringement, patent infringement, trade dress infringement, copyright infringement, unfair competition, trademark dilution and/or state or foreign law claims. At any given point in time, Tapestry may have a number of such actions pending. These actions often result in seizure of counterfeit merchandise and/or out of court settlements with defendants. From time to time, defendants will raise, either as affirmative defenses or as counterclaims, the invalidity or unenforceability of certain of Tapestry's intellectual properties.

Although the Company's litigation as described above is routine and incidental to the conduct of Tapestry's business, such litigation can result in large monetary awards, such as when a civil jury is allowed to determine compensatory and/or punitive damages.

Notes to Condensed Consolidated Financial Statements (continued)

The Company believes that the outcome of all pending legal proceedings in the aggregate will not have a material effect on the Company's business or condensed consolidated financial statements.

15. SEGMENT INFORMATION

The Company has three reportable segments:

- *Coach* - Includes global sales of Coach products to customers through Coach operated stores, including e-commerce sites and concession shop-in-shops, sales to wholesale customers and through independent third party distributors.
- *Kate Spade* - Includes global sales primarily of kate spade new york brand products to customers through Kate Spade operated stores, including e-commerce sites and concession shop-in-shops, sales to wholesale customers, and through independent third party distributors.
- *Stuart Weitzman* - Includes global sales of Stuart Weitzman brand products primarily through Stuart Weitzman operated stores, sales to wholesale customers, through e-commerce sites and through independent third party distributors.

In deciding how to allocate resources and assess performance, the Company's chief operating decision maker regularly evaluates the sales and operating income of these segments. Operating income is the gross margin of the segment less direct expenses of the segment.

The following table summarizes segment performance for the three months ended October 1, 2022 and October 2, 2021:

	Coach	Kate Spade	Stuart Weitzman	Corporate ⁽¹⁾	Total
	(millions)				
Three Months Ended October 1, 2022					
Net sales	\$ 1,119.3	\$ 321.9	\$ 65.3	\$ —	\$ 1,506.5
Gross profit	808.9	207.8	37.9	—	1,054.6
Operating income (loss)	339.2	23.2	(5.1)	(103.0)	254.3
Income (loss) before provision for income taxes	339.2	23.2	(5.1)	(121.1)	236.2
Depreciation and amortization expense ⁽²⁾	22.3	11.1	2.4	8.0	43.8
Three Months Ended October 2, 2021					
Net sales	\$ 1,114.9	\$ 299.5	\$ 66.5	\$ —	\$ 1,480.9
Gross profit	831.0	199.2	38.5	—	1,068.7
Operating income (loss)	365.7	37.2	(1.5)	(106.4)	295.0
Income (loss) before provision for income taxes	365.7	37.2	(1.5)	(124.7)	276.7
Depreciation and amortization expense ⁽²⁾	20.7	10.8	2.2	17.1	50.8

⁽¹⁾ Corporate, which is not a reportable segment, represents certain costs that are not directly attributable to a brand. These costs primarily include administration and certain costs for information systems.

⁽²⁾ Depreciation and amortization expense for the segments includes an allocation of expense related to assets which support multiple segments.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial condition and results of operations should be read together with the Company's condensed consolidated financial statements and notes to those financial statements included elsewhere in this document. When used herein, the terms "the Company," "Tapestry," "we," "us" and "our" refer to Tapestry, Inc., including consolidated subsidiaries. References to "Coach," "Stuart Weitzman," "Kate Spade" or "kate spade new york" refer only to the referenced brand.

INTRODUCTION

Management's discussion and analysis of financial condition and results of operations ("MD&A") is provided as a supplement to the accompanying condensed consolidated financial statements and notes thereto to help provide an understanding of our results of operations, financial condition, and liquidity. MD&A is organized as follows:

- *Overview.* This section provides a general description of the business and brands as well as the Company's growth strategy.
- *Global Economic Conditions and Industry Trends.* This section includes a discussion on global economic conditions and industry trends that affect comparability that are important in understanding results of operations and financial conditions, and in anticipating future trends.
- *Results of operations.* An analysis of our results of operations in the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022.
- *Non-GAAP measures.* This section includes non-GAAP measures that are useful to investors and others in evaluating the Company's ongoing operating and financial results in a manner that is consistent with management's evaluation of business performance and understanding how such results compare with the Company's historical performance.
- *Liquidity and capital resources.* This section includes a discussion on liquidity and capital resources including an analysis of changes in cash flow as well as working capital and capital expenditures.
- *Critical Accounting policies and estimates.* This section includes any material changes or updates to critical accounting policies or estimates since the Annual Report on Form 10-K for fiscal 2022.

OVERVIEW

Tapestry, Inc. (the "Company") is a leading New York-based house of iconic accessories and lifestyle brands. Our global house of brands unites the magic of Coach, kate spade new york and Stuart Weitzman. Each of our brands are unique and independent, while sharing a commitment to innovation and authenticity defined by distinctive products and differentiated customer experiences across channels and geographies. We use our collective strengths to move our customers and empower our communities, to make the fashion industry more sustainable, and to build a company that's equitable, inclusive, and diverse. Individually, our brands are iconic. Together, we can stretch what's possible.

The Company has three reportable segments:

- *Coach* - Includes global sales of Coach products to customers through Coach operated stores, including e-commerce sites and concession shop-in-shops, sales to wholesale customers and through independent third party distributors.
- *Kate Spade* - Includes global sales primarily of kate spade new york brand products to customers through Kate Spade operated stores, including e-commerce sites and concession shop-in-shops, sales to wholesale customers and through independent third party distributors.
- *Stuart Weitzman* - Includes global sales of Stuart Weitzman brand products primarily through Stuart Weitzman operated stores, sales to wholesale customers, through e-commerce sites and through independent third party distributors.

Each of our brands is unique and independent, while sharing a commitment to innovation and authenticity defined by distinctive products and differentiated customer experiences across channels and geographies. Our success does not depend solely on the performance of a single channel, geographic area or brand.

2025 Growth Strategy

Building on the success of the strategic growth plan from fiscal 2020 through fiscal 2022 (the “Acceleration Program”), in the first quarter of fiscal 2023, the Company introduced the 2025 growth strategy (“*uturespeed*”), designed to amplify and extend the competitive advantages of the brands, with a focus on four strategic priorities:

- **Building Lasting Customer Relationships:** The Company’s brands aim to leverage Tapestry’s transformed business model to drive customer lifetime value through a combination of increased customer acquisition, retention and reactivation.
- **Fueling Fashion Innovation & Product Excellence:** The Company aims to drive sustained growth in core handbags and small leathersgoods, while accelerating gains in footwear and lifestyle products.
- **Delivering Compelling Omni-Channel Experiences:** The Company aims to extend its omni-channel leadership to meet the customer wherever they shop, delivering growth online and in stores.
- **Powering Global Growth:** The Company aims to support balanced growth across regions, prioritizing North America and China, its largest markets, while capitalizing on opportunities in under-penetrated geographies such as Southeast Asia and Europe.

GLOBAL ECONOMIC CONDITIONS AND INDUSTRY TRENDS

The environment in which we operate is subject to a number of different factors driving global consumer spending. Consumer preferences, macroeconomic conditions, foreign currency fluctuations and geopolitical events continue to impact overall levels of consumer travel and spending on discretionary items, with inconsistent patterns across channels and geographies.

We will continue to monitor the below trends and evaluate and adjust our operating strategies and cost management opportunities to mitigate the related impact on our results of operations, while remaining focused on the long-term growth of our business and protecting the value of our brands.

For a detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations, see Part II, Item 1A. “Risk Factors” herein and as disclosed in our Annual Report on Form 10-K for the year ended July 2, 2022.

Current Macroeconomic Conditions and Outlook

In the first quarter of fiscal 2023, the macroeconomic environment became increasingly challenging and remained volatile. Several organizations that monitor the world’s economy, including the International Monetary Fund, continue to forecast growth in the global economy. However, some of these organizations have recently revised the forecast downward since the fourth quarter of fiscal 2022. The revised forecast is reflective of the current volatile environment, including higher than anticipated inflation, tighter monetary and fiscal policies aiming to lower inflation, the lingering effects of Covid-19 pandemic inclusive of China’s zero Covid policy and the negative economic impacts due to the crisis in Ukraine. Concerns regarding an oncoming recession have increased in recent months.

In the first quarter of fiscal 2023, the U.S. Dollar continued to strengthen as compared to foreign currencies in regions where we conduct our business. This trend has resulted in adverse impacts to our business including, but not limited to, decreased Net sales of \$55.1 million, negative impact to gross margin of approximately 70 basis points, and favorable impact to Selling, general and administrative expenses (“SG&A”) of approximately \$29.0 million. Taken together, this resulted in approximately 70 basis points of negative impact to operating margin.

Currency volatility, political instability and potential changes to trade agreements or duty rates may also contribute to a worsening of the macroeconomic environment or adversely impact our business. Since fiscal 2019, the U.S. and China have both imposed tariffs on the importation of certain product categories into the respective country, with limited progress in negotiations to reduce or remove the tariffs.

The Company continues to take strategic actions in response to the current environment and remains committed to driving SG&A savings. The Company will continue to consider near-term exigencies and the long-term financial health of the business as clear steps are taken to mitigate the consequences of the current macroeconomic environment.

Covid-19 Pandemic

The ongoing Covid-19 pandemic has resulted in varying degrees of business disruption for the Company since it began in fiscal 2020 and has impacted all regions around the world, resulting in restrictions and shutdowns implemented by national, state, and local authorities. While the vast majority of the Company's stores and locations of our wholesale and licensing partners have reopened, certain have experienced temporary re-closures or are operating under tighter restrictions in compliance with local government regulations. We continue to monitor the latest developments regarding the Covid-19 pandemic and have incorporated certain assumptions regarding the duration, severity and global macroeconomic impact of the pandemic into our financial outlook. The impact of Covid-19 on our business and operating results could differ materially from these assumptions based on a number of factors largely outside of our control. Refer to Part II, Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2022, for additional discussion regarding risks to our business associated with the Covid-19 pandemic.

Supply Chain and Logistics Challenges

Covid-19 has and may continue to cause disruptions in the Company's supply chain within our third-party manufacturers and logistics providers. During fiscal 2022, certain of the Company's third-party manufacturers, primarily located in Vietnam, experienced ongoing and longer-than-expected government mandated restrictions, which resulted in a significant decrease in production capacity for these third-party manufacturers. In response, the Company took deliberate actions such as shifting production to other countries, adjusting its merchandising strategies, where possible, and increasing the use of air freight to expedite delivery. Based on these actions, and the improved production levels, the Company has and expects that it will continue to be able to meet anticipated levels of demand.

The Company has been experiencing other global logistics challenges, such as delays as a result of port congestion, vessel availability, container shortages for imported products and rising freight costs. These challenges are expected to persist during fiscal 2023. Due to these logistical challenges, during the three months ended October 1, 2022, the Company recognized within Cost of sales \$19.9 million of incremental freight costs compared to the three months ended October 2, 2021, in order to maintain product flow to meet consumer demand. The Company's gross margin for the first quarter of fiscal 2023 was negatively impacted by approximately 130 basis points due to this incremental freight costs.

There is still uncertainty associated with the duration of these disruptions and the possibility of other effects on the business. We will continue to monitor the rapidly evolving situation pertaining to the Covid-19 outbreak, including guidance from international and domestic authorities and adjust our operating plan as needed. Refer to Part II, Item 1A. "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended July 2, 2022.

Generalized System of Preferences ("GSP") program

The Company has historically benefited from duty-free imports on certain products from certain countries pursuant to the U.S. Generalized System of Preferences ("GSP") program. The GSP program expired in the third quarter of fiscal 2021, resulting in additional duties and negatively impacting gross profit.

Crisis in Ukraine

In the third quarter of fiscal 2022, a humanitarian crisis unfolded in Ukraine, which has created significant economic uncertainty in the region. The Company does not have directly operated stores in Russia or Ukraine and has a very minimal distributor and wholesale business which was less than 0.1% of the Company's total Net sales for fiscal 2022. The Company has paused all wholesale shipments to Russia. The Company's total business in Europe represented less than 5% of its fiscal 2022 total Net sales.

Tax Legislation

Over the past year there has been significant discussion with regards to tax legislation by both the Biden Administration and the Organization for Economic Cooperation and Development ("OECD"). On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law, with tax provisions primarily focused on implementing a 15% minimum tax on global adjusted financial statement income and a 1% excise tax on share repurchases. The Inflation Reduction Act of 2022 will become effective beginning in fiscal 2024. Given its recent pronouncement, it is unclear at this time what, if any, impact the Inflation Reduction Act of 2022 will have on the Company's tax rate and financial results. We will continue to evaluate its impact as further information becomes available.

Seasonality

The Company's results are typically affected by seasonal trends. During the first fiscal quarter, we typically build inventory for the winter and holiday season. In the second fiscal quarter, working capital requirements are reduced substantially as we generate higher net sales and operating income, especially during the holiday season. Accordingly, the Company's net sales, operating income and operating cash flows for the three months ended October 1, 2022 are not necessarily indicative of that expected for the full fiscal 2023. However, fluctuations in net sales, operating income and operating cash flows of the Company in any fiscal quarter may be affected by the timing of wholesale shipments and other events affecting retail sales, including adverse weather conditions or other macroeconomic events, including pandemics such as Covid-19.

FIRST QUARTER FISCAL 2023 COMPARED TO FIRST QUARTER FISCAL 2022

The following table summarizes results of operations for the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022. All percentages shown in the table below and the discussion that follows have been calculated using unrounded numbers.

	Three Months Ended					
	October 1, 2022		October 2, 2021		Variance	
	(millions, except per share data)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 1,506.5	100.0 %	\$ 1,480.9	100.0 %	\$ 25.6	1.7 %
Gross profit	1,054.6	70.0	1,068.7	72.2	(14.1)	(1.3)
SG&A expenses	800.3	53.1	773.7	52.2	26.6	3.4
Operating income (loss)	254.3	16.9	295.0	19.9	(40.7)	(13.8)
Interest expense, net	7.4	0.5	16.1	1.1	(8.7)	(54.1)
Other expense (income)	10.7	0.7	2.2	0.2	8.5	NM
Provision (benefit) for income taxes	40.9	2.7	49.8	3.4	(8.9)	(17.7)
Net income (loss)	195.3	13.0	226.9	15.3	(31.6)	(13.9)
Net income (loss) per share:						
Basic	\$ 0.81		\$ 0.82		\$ (0.01)	(0.9)
Diluted	\$ 0.79		\$ 0.80		\$ (0.01)	(0.5)

NM - Not meaningful

GAAP to Non-GAAP Reconciliation

The Company's reported results are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). There were no charges affecting comparability during the first quarter of fiscal 2023. The reported results during the first quarter of fiscal 2022 reflect certain items which affect the comparability of our results, as noted in the following table. Refer to "Non-GAAP Measures" herein for further discussion on the Non-GAAP measures.

First Quarter Fiscal 2022 Items

	Three Months Ended October 2, 2021		
	Items Affecting Comparability		
	GAAP Basis (As Reported)	Acceleration Program	Non-GAAP Basis (Excluding Items)
	(millions, except per share data)		
Coach	831.0	—	831.0
Kate Spade	199.2	—	199.2
Stuart Weitzman	38.5	—	38.5
Gross profit	\$ 1,068.7	\$ —	\$ 1,068.7
Coach	465.3	1.4	463.9
Kate Spade	162.0	1.4	160.6
Stuart Weitzman	40.0	0.4	39.6
Corporate	106.4	8.9	97.5
SG&A expenses	\$ 773.7	\$ 12.1	\$ 761.6
Coach	365.7	(1.4)	367.1
Kate Spade	37.2	(1.4)	38.6
Stuart Weitzman	(1.5)	(0.4)	(1.1)
Corporate	(106.4)	(8.9)	(97.5)
Operating income (loss)	\$ 295.0	\$ (12.1)	\$ 307.1
Provision for income taxes	49.8	(3.9)	53.7
Net income (loss)	\$ 226.9	\$ (8.2)	\$ 235.1
Net income (loss) per diluted common share	\$ 0.80	\$ (0.02)	\$ 0.82

In the first quarter of fiscal 2022, the Company incurred charges as follows:

- *Acceleration Program* - Total charges incurred under the Acceleration Program are primarily share-based compensation and professional fees incurred as a result of the development and execution of the Company's comprehensive strategic initiatives.

These actions taken together increased the Company's SG&A expenses by \$12.1 million and reduced Provision for income taxes by \$3.9 million, negatively impacting Net income by \$8.2 million or \$0.02 per diluted share.

Tapestry, Inc. Summary – First Quarter of Fiscal 2023

Currency Fluctuation Effects

The change in net sales for the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022 has been presented both including and excluding currency fluctuation effects. All percentages shown in the tables below and the discussion that follows have been calculated using unrounded numbers.

Net Sales

	Three Months Ended		Variance		Constant Currency Change
	October 1, 2022	October 2, 2021	Amount	%	
	(millions)				
Coach	\$ 1,119.3	\$ 1,114.9	\$ 4.4	0.4 %	4.5 %
Kate Spade	321.9	299.5	22.4	7.5	10.2
Stuart Weitzman	65.3	66.5	(1.2)	(1.9)	—
Total Tapestry	<u>\$ 1,506.5</u>	<u>\$ 1,480.9</u>	\$ 25.6	1.7	5.4

Net sales in the first quarter of fiscal 2023 increased 1.7% or \$25.6 million to \$1.51 billion. Excluding the effects of foreign currency, net sales increased by 5.4% or \$80.7 million.

- *Coach Net Sales* increased 0.4% or \$4.4 million to \$1.12 billion in the first quarter of fiscal 2023. Excluding the impact of foreign currency, net sales increased 4.5% or \$50.1 million. This increase in net sales was primarily due to an increase of \$24.9 million in net retail sales driven by an increase of store sales in North America and Other Asia, partially offset by a decrease in Greater China due to Covid-19 related disruptions, and a decrease in North America e-commerce sales. This increase in net sales was also attributed to a \$20.3 million increase in wholesale sales, in part driven by timing of wholesale shipments.
- *Kate Spade Net Sales* increased 7.5% or \$22.4 million to \$321.9 million in the first quarter of fiscal 2023. Excluding the impact of foreign currency, net sales increased 10.2% or \$30.6 million. This increase in net sales was primarily due to an increase of \$14.5 million in net retail sales driven by higher global store sales, partially offset by North America e-commerce sales. This increase in net sales was also attributed to a \$13.7 million increase in wholesale sales.
- *Stuart Weitzman Net Sales* decreased 1.9% or \$1.2 million to \$65.3 million in the first quarter of fiscal 2023. Excluding the impact of foreign currency, net sales were even compared to the prior year, which included an increase in wholesale sales of \$6.2 million, offset by \$6.2 million decrease in net global retail sales mainly in Greater China due to Covid-19 related disruptions.

Gross Profit

	Three Months Ended					
	October 1, 2022		October 2, 2021		Variance	
	Amount	% of Net Sales	Amount	% of Net Sales	Amount	%
	(millions)					
Coach	\$ 808.9	72.3 %	\$ 831.0	74.5 %	\$ (22.1)	(2.6)%
Kate Spade	207.8	64.6	199.2	66.5	8.6	4.3
Stuart Weitzman	37.9	58.0	38.5	57.9	(0.6)	(1.7)
Tapestry	<u>\$ 1,054.6</u>	<u>70.0</u>	<u>\$ 1,068.7</u>	<u>72.2</u>	<u>\$ (14.1)</u>	<u>(1.3)</u>

Gross profit decreased 1.3% or \$14.1 million to \$1.05 billion in the first quarter of fiscal 2023 from \$1.07 billion in the first quarter of fiscal 2022. Gross margin for the first quarter of fiscal 2023 was 70.0% as compared to 72.2% in the first quarter of fiscal 2022. Gross margin for the first quarter of fiscal 2023 was negatively impacted by unfavorable freight of 130 basis points and unfavorable currency translation of 70 basis points. Refer to "Current Macroeconomic Conditions and Outlook" and "Supply Chain and Logistics Challenges" herein, for further information.

The Company includes inbound product-related transportation costs from our service providers within Cost of sales. The Company, similar to some companies, includes certain transportation-related costs due to our distribution network in SG&A expenses rather than in Cost of sales; for this reason, our gross margins may not be comparable to that of entities that include all costs related to their distribution network in Cost of sales.

- *Coach Gross Profit* decreased 2.6% or \$22.1 million to \$808.9 million in the first quarter of fiscal 2023 from \$831.0 million in the first quarter of fiscal 2022. Gross margin decreased 220 basis points to 72.3% in the first quarter of fiscal 2023 from 74.5% in the first quarter of fiscal 2022. This decrease in gross margin was primarily due to higher inbound freight expense, and unfavorable currency translation.
- *Kate Spade Gross Profit* increased 4.3% or \$8.6 million to \$207.8 million in the first quarter of fiscal 2023 from \$199.2 million in the first quarter of fiscal 2022. Gross margin decreased 190 basis points to 64.6% in the first quarter of fiscal 2023 from 66.5% in the first quarter of fiscal 2022. This decrease in gross margin was primarily due to higher inbound freight expense, increased promotional activity, unfavorable channel mix and unfavorable currency translation, partially offset by stronger-than-anticipated sell-throughs.
- *Stuart Weitzman Gross Profit* decreased 1.7% or \$0.6 million to \$37.9 million in the first quarter of fiscal 2023 from \$38.5 million in the first quarter of fiscal 2022. Gross margin increased 10 basis points to 58.0% in the first quarter of fiscal 2023 from 57.9% in the first quarter of fiscal 2022. This increase in gross margin was primarily due to reduced promotional activity and favorable pricing actions offset by unfavorable geography and channel mix, and unfavorable currency translation.

Selling, General and Administrative Expenses ("SG&A")

	Three Months Ended					
	October 1, 2022		October 2, 2021		Variance	
	Amount	% of Net Sales	Amount	% of Net Sales	Amount	%
	(millions)					
Coach	\$ 469.7	42.0 %	\$ 465.3	41.7 %	\$ 4.4	1.0 %
Kate Spade	184.6	57.3	162.0	54.1	22.6	13.9
Stuart Weitzman	43.0	65.8	40.0	60.2	3.0	7.4
Corporate	103.0	NA	106.4	NA	(3.4)	(3.2)
Tapestry	\$ 800.3	53.1	\$ 773.7	52.2	\$ 26.6	3.4

SG&A expenses increased 3.4% or \$26.6 million to \$800.3 million in the first quarter of fiscal 2023 as compared to \$773.7 million in the first quarter of fiscal 2022. As a percentage of net sales, SG&A expenses increased to 53.1% during the first quarter of fiscal 2023 from 52.2% during the first quarter of fiscal 2022. Excluding items affecting comparability of \$12.1 million in the first quarter of fiscal 2022, SG&A expenses increased 5.1% or \$38.7 million to \$800.3 million from \$761.6 million in the first quarter of fiscal 2022. SG&A as a percentage of net sales increased to 53.1% as compared to 51.4% during the first quarter of fiscal 2022. SG&A for the first quarter of fiscal 2023 was positively impacted by favorable currency translation of \$29.0 million. Refer to "Current Macroeconomic Conditions and Outlook" herein, for further information.

- *Coach SG&A Expenses* increased 1.0% or \$4.4 million to \$469.7 million in the first quarter of fiscal 2023 as compared to \$465.3 million in the first quarter of fiscal 2022. SG&A expenses as a percentage of net sales increased to 42.0% during the first quarter of fiscal 2023 from 41.7% during the first quarter of fiscal 2022. Excluding items affecting comparability of \$1.4 million in the first quarter of fiscal 2022, SG&A expenses increased 1.3% or \$5.8 million to \$469.7 million from \$463.9 million in first quarter of fiscal 2022; and SG&A expenses as a percentage of net sales increased to 42.0% in the first quarter of fiscal 2023 from 41.6% in the first quarter of fiscal 2022. This increase in SG&A expenses was primarily due to increased compensation costs, increased distribution costs and increased occupancy costs, partially offset by favorable currency translation.
- *Kate Spade SG&A Expenses* increased 13.9% or \$22.6 million to \$184.6 million in the first quarter of fiscal 2023 as compared to \$162.0 million in the first quarter of fiscal 2022. As a percentage of net sales, SG&A expenses increased to 57.3% during the first quarter of fiscal 2023 from 54.1% during the first quarter of fiscal 2022. Excluding items affecting comparability of \$1.4 million in the first quarter of fiscal 2022, SG&A expenses increased 14.9% or \$24.0 million to \$184.6 million from \$160.6 million in the first quarter of fiscal 2022; and SG&A expenses as a percentage of net sales increased to 57.3% in the first quarter of fiscal 2023 from 53.7% in the first quarter of fiscal 2022. This increase in SG&A expenses was primarily due to an increase in variable selling and distribution costs, higher marketing spend, most notably in digital, increased compensation costs, higher information technology costs, partially offset by favorable currency translation.
- *Stuart Weitzman SG&A Expenses* increased 7.4% or \$3.0 million to \$43.0 million in the first quarter of fiscal 2023 as compared to \$40.0 million in the first quarter of fiscal 2022. As a percentage of net sales, SG&A expenses increased to 65.8% during the first quarter of fiscal 2023 as compared to 60.2% during the first quarter of fiscal 2022. Excluding

items affecting comparability of \$0.4 million in the first quarter of fiscal 2022, SG&A expenses increased 8.7% or \$3.4 million to \$43.0 million from \$39.6 million in the first quarter of fiscal 2022; and SG&A expenses as a percentage of net sales increased to 65.8% in the first quarter of fiscal 2023 from 59.4% in the first quarter of fiscal 2022. This increase in SG&A expenses was primarily due to higher marketing spend, an increase in distribution costs, partially offset by favorable currency translation.

- Corporate expenses, which are included within SG&A expenses discussed above but are not directly attributable to a reportable segment, decreased 3.2% or \$3.4 million to \$103.0 million in the first quarter of fiscal 2023 as compared to \$106.4 million in the first quarter of fiscal 2022. Excluding items affecting comparability of \$8.9 million in the first quarter of fiscal 2022, SG&A expenses increased 5.6% or \$5.5 million to \$103.0 million in the first quarter of fiscal 2023 as compared to \$97.5 million in the first quarter of fiscal 2022. This increase in SG&A expenses was primarily due to increased compensation costs, partially offset by favorable currency translation.

Operating Income (Loss)

	Three Months Ended					
	October 1, 2022		October 2, 2021		Variance	
	(millions)					
	Amount	% of Net Sales	Amount	% of Net Sales	Amount	%
Coach	\$ 339.2	30.3 %	\$ 365.7	32.8 %	\$ (26.5)	(7.2)%
Kate Spade	23.2	7.2	37.2	12.4	(14.0)	(37.6)
Stuart Weitzman	(5.1)	(7.8)	(1.5)	(2.3)	(3.6)	NM
Corporate	(103.0)	NA	(106.4)	NA	3.4	3.2
Tapestry	<u>\$ 254.3</u>	<u>16.9</u>	<u>\$ 295.0</u>	<u>19.9</u>	<u>\$ (40.7)</u>	<u>(13.8)</u>

Operating income decreased 13.8% or \$40.7 million to \$254.3 million in the first quarter of fiscal 2023 as compared to \$295.0 million in the first quarter of fiscal 2022. Operating margin was 16.9% in the first quarter of fiscal 2023 as compared to 19.9% in the first quarter of fiscal 2022. Excluding items affecting comparability of \$12.1 million in the first quarter of fiscal 2022, operating income decreased 17.2% or \$52.8 million to \$254.3 million in the first quarter of fiscal 2023 from \$307.1 million in the first quarter of fiscal 2022; and operating margin decreased to 16.9% in the first quarter of fiscal 2023 as compared to 20.7% in the first quarter of fiscal 2022.

- *Coach Operating Income* decreased 7.2% or \$26.5 million to \$339.2 million in the first quarter of fiscal 2023, resulting in an operating margin of 30.3%, as compared to \$365.7 million and 32.8%, respectively, in the first quarter of fiscal 2022. Excluding items affecting comparability, Coach operating income decreased 7.6% or \$27.9 million to \$339.2 million from \$367.1 million in the first quarter of fiscal 2022; and operating margin was 30.3% in the first quarter of fiscal 2023 as compared to 32.9% in the first quarter of fiscal 2022.
- *Kate Spade Operating Income* decreased 37.6% or \$14.0 million to \$23.2 million in the first quarter of fiscal 2023, resulting in an operating margin of 7.2%, as compared to \$37.2 million and operating margin of 12.4% in the first quarter of fiscal 2022. Excluding items affecting comparability, Kate Spade operating income decreased 39.8% or \$15.4 million to \$23.2 million from \$38.6 million in the first quarter of fiscal 2022; and operating margin was 7.2% in the first quarter of fiscal 2023 as compared to 12.9% in the first quarter of fiscal 2022.
- *Stuart Weitzman Operating Loss* increased \$3.6 million to \$5.1 million in the first quarter of fiscal 2023, resulting in an operating margin of (7.8)%, as compared to an operating loss of \$1.5 million and an operating margin of (2.3)% in the first quarter of fiscal 2022. Excluding items affecting comparability, Stuart Weitzman operating loss increased \$4.0 million to \$5.1 million, resulting in an operating margin of (7.8)%, as compared to operating loss of \$1.1 million and operating margin of (1.6)% in the first quarter of fiscal 2022.

Interest Expense, net

Interest expense, net decreased 54.1% or \$8.7 million to \$7.4 million in the first quarter of fiscal 2023 as compared to \$16.1 million in the first quarter of fiscal 2022. This decrease in interest expense, net was mainly due to the favorable impact of the net investment hedges, lower bond interest expense on senior notes, as well as higher interest income offset by higher interest on the credit facility.

Other Expense (Income)

Other expense increased \$8.5 million to \$10.7 million in the first quarter of fiscal 2023 as compared to \$2.2 million in the first quarter of fiscal 2022. This increase in other expense was related to an increase in foreign exchange losses.

Provision (Benefit) for Income Taxes

The effective tax rate was 17.3% in the first quarter of fiscal 2023 as compared to 18.0% in the first quarter of fiscal 2022. Excluding items affecting comparability, the effective tax rate was 18.6% in the first quarter of fiscal 2022. This decrease in our effective tax rate was primarily attributable to the impact of vesting of equity compensation awards during the period partially offset by geographic mix of earnings.

Net Income (Loss)

Net income decreased 13.9% or \$31.6 million to \$195.3 million in the first quarter of fiscal 2023 as compared to \$226.9 million in the first quarter of fiscal 2022. Excluding items affecting comparability, net income decreased 17.0% or \$39.8 million to \$195.3 million in the first quarter of fiscal 2023 as compared to \$235.1 million in the first quarter of fiscal 2022. This decrease was primarily due to lower operating income.

Net Income (Loss) per Share

Net income per diluted share decreased 0.5% or \$0.01 to \$0.79 in the first quarter of fiscal 2023 as compared to \$0.80 in the first quarter of fiscal 2022. Excluding items affecting comparability, net income per diluted share decreased 4.0% or \$0.03 to \$0.79 in the first quarter of fiscal 2023 as compared to \$0.82 in the first quarter of fiscal 2022. This change was primarily due to lower net income. Foreign exchange negatively impacted Net income per diluted share by \$0.10.

NON-GAAP MEASURES

The Company's reported results are presented in accordance with GAAP. There were no items affecting comparability in the first quarter of fiscal 2023. The reported SG&A expenses, operating income, provision for income taxes, net income and earnings per diluted share in the first quarter of fiscal 2022 reflect certain items, including Acceleration Program costs. As a supplement to the Company's reported results, these metrics are also reported on a non-GAAP basis to exclude the impact of Acceleration Program costs along with a reconciliation to the most directly comparable GAAP measures.

The Company has historically reported comparable store sales, which reflects sales performance at stores that have been open for at least 12 months, and includes sales from e-commerce sites. The Company excludes new stores, including newly acquired locations, from the comparable store base for the first twelve months of operation. The Company excludes closed stores from the calculation. Comparable store sales are not adjusted for store expansions. Due to extensive temporary store closures resulting from the impact of the Covid-19 pandemic, comparable store sales are not reported for the three months ended October 1, 2022 as the Company does not believe this metric is currently meaningful to the readers of its financial statements for this period.

These non-GAAP performance measures were used by management to conduct and evaluate its business during its regular review of operating results for the periods affected. Management and the Company's Board utilized these non-GAAP measures to make decisions about the uses of Company resources, analyze performance between periods, develop internal projections and measure management performance. The Company's internal management reporting excluded these items. In addition, the human resources committee of the Company's Board uses these non-GAAP measures when setting and assessing achievement of incentive compensation goals.

The Company operates on a global basis and reports financial results in U.S. dollars in accordance with GAAP. Fluctuations in foreign currency exchange rates can affect the amounts reported by the Company in U.S. dollars with respect to its foreign revenues and profit. Accordingly, certain material increases and decreases in operating results for the Company and its segments have been presented both including and excluding currency fluctuation effects. These effects occur from translating foreign-denominated amounts into U.S. dollars and comparing to the same period in the prior fiscal year. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. The Company calculates constant currency revenue results by translating current period revenue in local currency using the prior year period's currency conversion rate.

We believe these non-GAAP measures are useful to investors and others in evaluating the Company's ongoing operating and financial results in a manner that is consistent with management's evaluation of business performance and understanding how such results compare with the Company's historical performance. Additionally, we believe presenting certain increases and decreases in constant currency provides a framework for assessing the performance of the Company's business outside the United States and helps investors and analysts understand the effect of significant year-over-year currency fluctuations. We believe excluding these items assists investors and others in developing expectations of future performance.

By providing the non-GAAP measures, as a supplement to GAAP information, we believe we are enhancing investors' understanding of our business and our results of operations. The non-GAAP financial measures are limited in their usefulness and should be considered in addition to, and not in lieu of, GAAP financial measures. Further, these non-GAAP measures may be unique to the Company, as they may be different from non-GAAP measures used by other companies.

For a detailed discussion on these non-GAAP measures, see Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Three Months Ended		
	October 1, 2022	October 2, 2021	Change
		(millions)	
Net cash provided by (used in) operating activities	\$ (170.4)	\$ 21.8	\$ (192.2)
Net cash provided by (used in) investing activities	146.8	(428.4)	575.2
Net cash provided by (used in) financing activities	(226.2)	(346.2)	120.0
Effect of exchange rate changes on cash and cash equivalents	(13.5)	(2.3)	(11.2)
Net increase (decrease) in cash and cash equivalents	\$ (263.3)	\$ (755.1)	\$ 491.8

The Company's cash and cash equivalents decreased by \$263.3 million in the first three months ended of fiscal 2023 as compared to a decrease of \$755.1 million in the first three months ended of fiscal 2022, as discussed below.

Net cash provided by (used in) operating activities

Net cash provided by operating activities decreased \$192.2 million due to changes in operating assets and liabilities of \$139.9 million, lower impact of non-cash adjustments of \$20.7 million, as well as lower net income of \$31.6 million.

The \$139.9 million decrease in changes in operating asset and liability balances were primarily driven by the following:

- Other assets were a use of cash of \$111.6 million in the first three months ended of fiscal 2023 compared to a source of cash of \$48.5 million in the first three months ended of fiscal 2022, primarily driven by additional income tax payments for the year and a significant refund in the prior year, an increase in the long term derivative asset due to the net investment hedge mark to market, as well as an increase in prepaid expenses due to renewed and additional information technology as well as cloud computing projects.
- Inventories were a use of cash of \$181.9 million in the first three months ended of fiscal 2023 compared to a use of cash of \$84.8 million in the first three months ended of fiscal 2022, primarily driven by increased in-transit levels due to longer lead times, higher receipts, as well as the strategic decision to pull forward holiday receipts to avoid any delays given longer lead time.
- Other liabilities were a source of cash of \$42.9 million in the first three months ended of fiscal 2023 compared to a use of cash of \$10.0 million in the first three months ended of fiscal 2022, primarily driven by the change in mark to market on derivative liabilities.
- Accounts payable were a source of cash of \$0.9 million in the first three months ended of fiscal 2023 compared to a use of cash of \$32.7 million in the first three months ended of fiscal 2022, primarily driven by the timing of payments compared to the prior year.

Net cash provided by (used in) investing activities

Net cash provided by investing activities in the first three months ended of fiscal 2023 was \$146.8 million as compared to a use of cash of \$428.4 million in the first three months ended of fiscal 2022, resulting in a \$575.2 million increase in net cash provided by investing activities.

The \$146.8 million source of cash in the first three months ended of fiscal 2023 is primarily due to proceeds from maturities and sales of investments \$136.2 million, settlement of net investment hedge of \$41.9 million, partially offset by capital expenditures of \$27.3 million.

The \$428.4 million use of cash in the first three months ended of fiscal 2022 is primarily due to purchases of investments of \$402.9 million and purchases of property and equipment of \$33.4 million, partially offset by proceeds from maturities and sales of investments \$7.9 million.

Net cash provided by (used in) financing activities

Net cash used in financing activities was \$226.2 million in the first three months ended of fiscal 2023 as compared to a use of cash of \$346.2 million in the first three months ended of fiscal 2022, resulting in a net decrease in use of cash for financing activities of \$120.0 million.

The \$226.2 million of cash used in the first three months ended of fiscal 2023 was primarily due to repurchase of common stock of \$94.9 million and dividend payments of \$72.7 million as well as taxes paid to net settle share-based awards of \$51.9 million.

The \$346.2 million use of cash in the first three months ended of fiscal 2022 was primarily due to repurchase of common stock of \$250.0 million and dividend payments of \$69.6 million.

Working Capital and Capital Expenditures

As of October 1, 2022, in addition to our cash flows from operations, our sources of liquidity and capital resources were comprised of the following:

	Sources of Liquidity	Outstanding Indebtedness	Total Available Liquidity ⁽¹⁾
	(millions)		
Cash and cash equivalents⁽¹⁾	\$ 526.5	\$ —	\$ 526.5
Short-term investments⁽¹⁾	30.6	—	30.6
Term Loans⁽²⁾	487.5	487.5	—
Revolving Credit Facility⁽²⁾	1,250.0	—	1,250.0
3.050% Senior Notes due 2032⁽³⁾	500.0	500.0	—
4.125% Senior Notes due 2027⁽³⁾	396.6	396.6	—
4.250% Senior Notes due 2025⁽³⁾	303.4	303.4	—
Total	\$ 3,494.6	\$ 1,687.5	\$ 1,807.1

⁽¹⁾ As of October 1, 2022, approximately 44.5% of our cash and short-term investments were held outside the United States. We have analyzed our global working capital and cash requirements, and the potential tax liabilities associated with repatriation, and have determined that we will likely repatriate some portion of available foreign cash in the foreseeable future. The Company has recorded deferred taxes on certain earnings of non-US subsidiaries that are deemed likely to be repatriated.

⁽²⁾ On May 11, 2022, the Company entered into a definitive agreement whereby Bank of America, N.A., as administrative agent, other agents party thereto, and a syndicate of banks and financial institutions have made available to the Company a \$1.25 billion revolving credit facility (the "\$1.25 Billion Revolving Credit Facility") and an unsecured \$500.0 Million Term Loan (the "Term Loan"). Both the \$1.25 Billion Revolving Credit Facility and Term Loan (collectively, the "Credit Facilities") will mature on May 11, 2027. The Company and its subsidiaries must comply on a quarterly basis with a maximum 4.0 to 1.0 ratio of (a) consolidated debt minus unrestricted cash and cash equivalents in excess of \$300 million to (b) consolidated EBITDAR.

Borrowings under the \$1.25 Billion Revolving Credit Facility bear interest at a rate per annum equal to, at the Company's option, (i) for borrowings in U.S. Dollars, either (a) an alternate base rate or (b) a term secured overnight financing rate, (ii) for borrowings in Euros, the Euro Interbank Offered Rate, (iii) for borrowings in Pounds Sterling, the Sterling Overnight Index Average Reference Rate and (iv) for borrowings in Japanese Yen, the Tokyo Interbank Offer Rate, plus, in each case, an applicable margin. The applicable margin will be adjusted by reference to a grid (the "Pricing Grid") based on the ratio of (a) consolidated debt to (b) consolidated EBITDAR (the "Gross Leverage Ratio"). Additionally, the Company will pay facility fees, calculated at a rate per annum determined in accordance with the Pricing Grid, on the full amount of the \$1.25 Billion Revolving Credit Facility, payable quarterly in arrears, and certain fees with respect to letters of credit that are issued. The \$1.25 Billion Revolving Credit Facility may be used to finance the working capital needs, capital expenditures, permitted investments, share purchases, dividends and other general corporate purposes of the Company and its subsidiaries (which may include commercial paper backup). There were no outstanding borrowings on the \$1.25 Billion Revolving Credit Facility as of October 1, 2022.

The Term Loan includes a two-month delayed draw period from the closing date. On June 14, 2022 the Company drew down on the Term Loan to satisfy the Company's remaining obligations under the 3.000% senior unsecured notes due 2022 and for general corporate purposes. The Term Loan amortizes in an amount equal to 5.00% per annum, with payments made quarterly. As of October 1, 2022, \$25.0 million of the Term Loan is included in Current debt on the Condensed Consolidated Balance Sheet. Borrowings under the Term Loan bear interest at a rate per annum equal to, at the Company's option, either (i) an alternate base rate or (ii) a term secured overnight financing rate plus, in each case, an applicable margin. The applicable margin will be adjusted by reference to a pricing grid based on the Gross Leverage Ratio. Additionally, the Company will pay a ticking fee on the undrawn amount of the Term Loan. Refer to Note 11, "Debt," for further information on our existing debt instruments.

- (3) In December 2021, the Company issued \$500.0 million aggregate principal amount of 3.050% senior unsecured notes due March 15, 2032 at 99.705% of par (the "2032 Senior Notes") and completed cash tender offers for \$203.4 million and \$296.6 million of the outstanding aggregate principal amount under its 2027 Senior Notes and 2025 Senior Notes, respectively. In June 2017, the Company issued \$600.0 million aggregate principal amount of 2027 Senior Notes. In March 2015, the Company issued \$600.0 million aggregate principal amount of 2025 Senior Notes. Furthermore, the indentures for the 2032 Senior Notes, 2027 Senior Notes, and 2025 Senior Notes contain certain covenants limiting the Company's ability to: (i) create certain liens, (ii) enter into certain sale and leaseback transactions and (iii) merge, or consolidate or transfer, sell or lease all or substantially all of the Company's assets. As of October 1, 2022, no known events of default have occurred. Refer to Note 11, "Debt," for further information on our existing debt instruments.

We believe that our Revolving Credit Facility is adequately diversified with no undue concentrations in any one financial institution. As of October 1, 2022, there were 11 financial institutions participating in the Revolving Credit Facility and Term Loans, with no one participant maintaining a combined maximum commitment percentage in excess of 15%. We have no reason to believe at this time that the participating institutions will be unable to fulfill their obligations to provide financing in accordance with the terms of the facility in the event we elect to draw funds in the foreseeable future.

We have the ability to draw on our credit facilities or access other sources of financing options available to us in the credit and capital markets for, among other things, acquisition or integration-related costs, our restructuring initiatives, settlement of a material contingency, or a material adverse business or macroeconomic development, as well as for other general corporate business purposes.

Management believes that cash flows from operations, access to the credit and capital markets and our credit lines, on-hand cash and cash equivalents and our investments will provide adequate funds to support our operating, capital, and debt service requirements for fiscal 2023 and beyond. There can be no assurance that any such capital will be available to the Company on acceptable terms or at all. Our ability to fund working capital needs, planned capital expenditures, and scheduled debt payments, as well as to comply with all of the financial covenants under our debt agreements, depends on future operating performance and cash flow. This future operating performance and cash flow are subject to prevailing economic conditions, which is uncertain as a result of Covid-19, and to financial, business and other factors, some of which are beyond the Company's control.

To improve our working capital efficiency we make available to certain suppliers a voluntary supply chain finance ("SCF") program that enables our suppliers to sell their receivables from the Company to a global financial institution on a non-recourse basis at a rate that leverages our credit rating. We do not have the ability to refinance or modify payment terms to the global financial institution through the SCF program. No guarantees are provided by the Company or any of our subsidiaries under the SCF program.

Reference should be made to our most recent Annual Report on Form 10-K and other filings with the SEC for additional information regarding liquidity and capital resources. During the first quarter of fiscal 2023 capital expenditures and cloud computing implementation costs were approximately \$45.0 million. The Company expects total fiscal 2023 capital expenditures and cloud computing cost to be approximately \$325.0 million. Certain cloud computing implementation costs are recognized within Prepaid expenses and Other assets on the Condensed Consolidated Balance Sheets.

Stock Repurchase Plan

On November 11, 2021, the Company announced the Board of Directors authorized a common stock repurchase program to repurchase up to \$1.00 billion of its outstanding common stock (the "2021 Share Repurchase Program"). On May 12, 2022, the Company announced the Board of Directors authorized the additional repurchase of up to \$1.50 billion of its common stock (the "2022 Share Repurchase Program"). Pursuant to this program, purchases of the Company's common stock will be made subject to market conditions and at prevailing market prices, through open market purchases. Repurchased shares of common stock will become authorized but unissued shares. These shares may be issued in the future for general corporate and other purposes. In addition, the Company may terminate or limit the stock repurchase program at any time. As of October 1, 2022 there was no outstanding common stock remaining under the 2021 Share Repurchase Program and the Company had \$1.40 billion of additional shares available to be repurchased as authorized under the 2022 Share Repurchase Program. Refer to Part

II, Item 2. "Unregistered Sales of Equity Securities and Use of Proceeds," for further information. During the first quarter of fiscal 2023, the Company repurchased \$100 million worth of shares. In total, the Company intends to repurchase approximately \$700.0 million in fiscal 2023, all of which is under its current authorization.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are described in Note 3 to the audited consolidated financial statements in our Annual Report on Form 10-K for fiscal 2022. Our discussion of results of operations and financial condition relies on our condensed consolidated financial statements that are prepared based on certain critical accounting policies that require management to make judgments and estimates which are subject to varying degrees of uncertainty. While we believe that these accounting policies are based on sound measurement criteria, actual future events can and often do result in outcomes that can be materially different from these estimates or forecasts.

For a complete discussion of our critical accounting policies and estimates, see the "Critical Accounting Policies and Estimates" section of the Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for fiscal 2022. As of October 1, 2022, there have been no material changes to any of the critical accounting policies.

The Company performs its annual impairment assessment of goodwill as well as brand intangibles at the beginning of the fourth quarter of each fiscal year. In all fiscal years, the fair values of our Coach brand reporting units significantly exceeded their respective carrying values. The fair values of the Kate Spade brand reporting unit and indefinite-lived brand as of the fiscal 2022 testing date exceeded their carrying values by approximately 50% and 90%, respectively. Several factors could impact the Kate Spade brand's ability to achieve expected future cash flows, including the optimization of the store fleet productivity, the success of international expansion strategies, the impact of promotional activity, continued economic volatility and potential operational challenges related to macroeconomic factors, the reception of new collections in all channels, and other initiatives aimed at increasing profitability of the business. Given the relatively small excess of fair value over carrying value as noted above, if profitability trends decline during fiscal 2023 from those that are expected, it is possible that an interim test, or our annual impairment test, could result in an impairment of those assets.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in our financial instruments represents the potential loss in fair value, earnings or cash flows, arising from adverse changes in foreign currency exchange rates or interest rates. The Company manages these exposures through operating and financing activities and, when appropriate, through the use of derivative financial instruments. The use of derivative financial instruments is in accordance with the Company's risk management policies, and we do not enter into derivative transactions for speculative or trading purposes.

The quantitative disclosures in the following discussion are based on quoted market prices obtained through independent pricing sources for the same or similar types of financial instruments, taking into consideration the underlying terms and maturities and theoretical pricing models. These quantitative disclosures do not represent the maximum possible loss or any expected loss that may occur, since actual results may differ from those estimates.

Foreign Currency Exchange Rate Risk

Foreign currency exposures arise from transactions, including firm commitments and anticipated contracts, denominated in a currency other than the entity's functional currency, and from foreign-denominated revenues and expenses translated into U.S. dollars. The majority of the Company's purchases and sales involving international parties, excluding international consumer sales, are denominated in U.S. dollars and, therefore, our foreign currency exchange risk is limited. The Company is exposed to risk from foreign currency exchange rate fluctuations resulting from its operating subsidiaries' transactions denominated in foreign currencies. To mitigate such risk, certain subsidiaries enter into forward currency contracts. As of October 1, 2022 and July 2, 2022, forward currency contracts designated as cash flow hedges with a notional amount of \$293.2 million and \$41.5 million, respectively, were outstanding. As a result of the use of derivative instruments, we are exposed to the risk that counterparties to the derivative instruments will fail to meet their contractual obligations. To mitigate the counterparty credit risk, we only enter into derivative contracts with carefully selected financial institutions. The Company also reviews the creditworthiness of our counterparties on a regular basis. As a result of the above considerations, we do not believe that we are exposed to any undue concentration of counterparty credit risk associated with our derivative contracts as of October 1, 2022.

The Company is also exposed to transaction risk from foreign currency exchange rate fluctuations with respect to various cross-currency intercompany loans, payables and receivables. This primarily includes exposure to exchange rate fluctuations in the Chinese Renminbi, the British Pound Sterling and the Japanese Yen. To manage the exchange rate risk related to these balances, the Company enters into forward currency contracts. As of October 1, 2022 and July 2, 2022 the total notional values of outstanding forward foreign currency contracts related to these loans, payables and receivables were \$437.6 million and \$274.1 million, respectively.

The fair value of outstanding forward currency contracts included in current assets at October 1, 2022 and July 2, 2022 was \$9.4 million and \$0.4 million, respectively. The fair value of outstanding foreign currency contracts included in current liabilities at October 1, 2022 and July 2, 2022 was \$9.8 million and \$3.2 million, respectively. The fair value of these contracts is sensitive to changes in foreign currency exchange rates.

The Company is also exposed to foreign currency exchange rate fluctuations with respects to net investment hedges. As of October 1, 2022 and July 2, 2022, we have multiple fixed to fixed cross currency swap agreements with aggregate notional amounts of \$1.20 billion and \$1.20 billion, respectively, to hedge our net investment in Euro-denominated subsidiaries and Japanese Yen-denominated subsidiaries against future volatility in the exchange rates between the United States dollar and their local currencies. The fair values of outstanding derivative contracts related to net investment hedges included in long-term assets at October 1, 2022 and July 2, 2022 was \$70.7 million and \$47.8 million, respectively. The fair values of outstanding derivative contracts related to net investment hedges included in long-term liabilities at October 1, 2022 and July 2, 2022 was \$87.3 million and \$44.0 million, respectively. Under the term of these contracts, we will exchange the semi-annual fixed rate payments on United States denominated debt for fixed rate payments of 2.4% and 2.7% in Euros, and 0.1% and (0.3)% in Japanese Yen. Refer to Note 8, "Derivative Investments and Hedging Activities," for additional information.

Interest Rate Risk

The Company is exposed to interest rate risk in relation to its \$1.25 Billion Revolving Credit Facility and \$500.0 Million Term Loan entered into under the credit agreement dated May 11, 2022, the 2032 Senior Notes, 2027 Senior Notes, 2025 Senior Notes (collectively the "Senior Notes") and investments.

Our exposure to changes in interest rates is primarily attributable to debt outstanding under the \$1.25 Billion Revolving Credit Facility and \$500.0 Million Term Loan (collectively, the "Credit Facilities"). Borrowings under the \$1.25 Billion Revolving Credit Facility bear interest at a rate per annum equal to, at the Company's option, (i) for borrowings in U.S. Dollars, either (a) an alternate base rate or (b) a term secured overnight financing rate, (ii) for borrowings in Euros, the Euro Interbank Offered Rate, (iii) for borrowings in Pounds Sterling, the Sterling Overnight Index Average Reference Rate and (iv) for borrowings in Japanese Yen, the Tokyo Interbank Offer Rate, plus, in each case, an applicable margin. The applicable margin will be adjusted by reference to a grid (the "Pricing Grid") based on the ratio of (a) consolidated debt to (b) consolidated

EBITDAR (the "Gross Leverage Ratio"). Borrowings under the Term Loan bear interest at a rate per annum equal to, at the Company's option, either (i) an alternate base rate or (ii) a term secured overnight financing rate plus, in each case, an applicable margin. The applicable margin will be adjusted by reference to a pricing grid based on the Gross Leverage Ratio. Furthermore, a prolonged disruption on our business resulting from the Covid-19 pandemic may impact our ability to satisfy the terms of our Credit Facilities, including our liquidity covenant.

The Company is exposed to changes in interest rates related to the fair value of the Senior Notes. At October 1, 2022, the fair value of the 2032 Senior Notes, 2027 Senior Notes, and 2025 Senior Notes was approximately \$377 million, \$363 million, and \$300 million, respectively. At July 2, 2022, the fair value of the 2032 Senior Notes, 2027 Senior Notes, and 2025 Senior Notes was approximately \$409 million, \$383 million, and \$304 million respectively. These fair values are based on external pricing data, including available quoted market prices of these instruments, and consideration of comparable debt instruments with similar interest rates and trading frequency, among other factors, and are classified as Level 2 measurements within the fair value hierarchy. The interest rate payable on the 2027 Senior Notes will be subject to adjustments from time to time if either Moody's or S&P or a substitute rating agency (as defined in the Prospectus Supplement furnished with the SEC on June 7, 2017) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the Senior Notes.

The Company's investment portfolio is maintained in accordance with the Company's investment policy, which defines our investment principles including credit quality standards and limits the credit exposure of any single issuer. The primary objective of our investment activities is the preservation of principal while maximizing interest income and minimizing risk. We do not hold any investments for trading purposes.

ITEM 4. CONTROLS AND PROCEDURES

Based on the evaluation of the Company's disclosure controls and procedures, as that term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, the Chief Executive Officer of the Company and the Chief Financial Officer of the Company have concluded that the Company's disclosure controls and procedures are effective as of October 1, 2022.

Reference should be made to our most recent Annual Report on Form 10-K for additional information regarding discussion of the effectiveness of the Company's controls and procedures. There were no changes in our internal control over financial reporting during the quarter ended October 1, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding legal proceedings is set forth in Note 14, Commitments and Contingencies, of the "Notes to Condensed Consolidated Financial Statements" and is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There are no material changes from the risk factors previously disclosed in Part I, Item 1A, Risk Factors of our Annual Report on Form 10-K for the fiscal year ended July 2, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information regarding the Company's purchases of shares of common stock during the first quarter of fiscal 2023 related to the Company's share repurchase program:

<u>Fiscal Period</u>	<u>Total Number of Shares Repurchased</u>	<u>Average Price per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs⁽¹⁾</u>	<u>Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs⁽¹⁾</u>
		(in millions, except share data and per share data)		
July 3, 2022 - August 6, 2022	—	\$ —	—	\$ 1,500.0
August 7, 2022 - September 3, 2022	1,404,673	35.60	1,404,673	1,450.0
September 4, 2022 - October 1, 2022	1,551,337	32.22	1,551,337	1,400.0
Total	<u>2,956,010</u>		<u>2,956,010</u>	

⁽¹⁾ On November 11, 2021, the Company announced the Board of Directors authorized a common stock repurchase program to repurchase up to \$1.00 billion of its outstanding common stock (the "2021 Share Repurchase Program"). On May 12, 2022, the Company announced that its Board of Directors authorized the additional repurchase of up to \$1.50 billion of its outstanding common stock (the "2022 Share Repurchase Program"). As of October 1, 2022 there was no outstanding common stock remaining under the 2021 Share Repurchase Program. Purchases of the Company's common stock were executed through open market purchases, including through purchase agreements under Rule 10b5-1.

ITEM 6. EXHIBITS

- 10.1† [Letter agreement, dated August 4, 2022, between the Company and Scott Roe, which is incorporated herein by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on August 4, 2022](#)
 - 10.2* [Form of Stock Option Grant Notice and Agreement under the Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan](#)
 - 10.3* [Form of Restricted Stock Unit Award Grant Notice and Agreement under the Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan](#)
 - 10.4* [Form of Performance Restricted Stock Unit Agreement Grant Notice and Agreement under the Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan](#)
 - 31.1* [Rule 13\(a\) – 14\(a\)/15\(d\) – 14\(a\) Certifications](#)
 - 32.1* [Section 1350 Certifications](#)
 - 101.INS* XBRL Instance Document
- Note: the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*
- 101.SCH* XBRL Taxonomy Extension Schema Document
 - 101.CAL* XBRL Taxonomy Extension Calculation Linkbase
 - 101.LAB* XBRL Taxonomy Extension Label Linkbase
 - 101.PRE* XBRL Taxonomy Extension Presentation Linkbase
 - 101.DEF* XBRL Taxonomy Extension Definition Linkbase

* Filed Herewith

† Management contract or compensatory plan or arrangement.

SIGNATURE

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

TAPESTRY, INC.
(Registrant)

By: /s/ Manesh B. Dadlani
Name: Manesh B. Dadlani
Title: Corporate Controller
(Principal Accounting Officer)

Dated: November 10, 2022

tapestry

COACH | kate spade | STUART WEITZMAN

■■■■

Second Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan Stock Option Grant Notice and Agreement

NAME

Tapestry, Inc. (the “**Company**”) is pleased to confirm that you have been granted a stock option (an “**Option**”), effective as of **GRANT DATE** (the “**Grant Date**”), as provided in this agreement, including any special provisions for Award recipients outside the United States set forth in Annex A (the “**Agreement**”) pursuant to the Second Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan (as amended, restated or otherwise modified from time to time and in effect on the Grant Date, the “**Plan**”). Capitalized terms used but not defined in the Agreement shall have the meanings given to such terms in the Plan.

1. **Option Right.** Your Option is to purchase, on the terms and conditions set forth below, the following number of Option Shares (the “**Option Shares**”) of the Company’s Common Stock, par value \$.01 per Option Share (the “**Common Stock**”), at the exercise price specified below (the “**Grant Price**”).

Option Shares Granted	<u>Number of Option Shares</u> # of Options	<u>Grant Price Per Option Share</u> Grant Price
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2. **Option.** This Option is a non-qualified stock option that is intended to conform in all respects with the Plan, a copy of which will be supplied to you upon your request, and the provisions of which are incorporated herein by reference. This Option is not intended to qualify as an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

3. **Expiration Date.** This Option expires on the tenth (10th) anniversary of the Grant Date (the “**Expiration Date**”), subject to earlier expiration upon your death, Permanent and Total Disability (as defined below) or other termination of employment, as provided below.

4. **Vesting.** This Option may be exercised only to the extent it has vested. Subject to Sections 5, 6 and 8 of the Agreement, and your continuous employment by the Company or any of its Affiliates (collectively, the “**Tapestry Companies**”) from the Grant Date until each of the first, second, third and fourth anniversaries of the Grant Date (each, a “**Vesting Date**”), this Option will vest with respect to one-fourth (1/4th) of the Option Shares on each Vesting Date.

If upon or during the twenty four (24)-month period immediately following a Change in Control, your employment is terminated either by the Tapestry Companies without Change in Control Cause (as defined below) or by you for Change in Control Good Reason (as defined below) (each, a “**Change in Control Termination**”), then all unvested Option Shares will become fully vested, effective immediately upon such termination and this Option will be exercisable until the Expiration Date.

“**Change in Control Cause**” shall mean the occurrence of any of the following: (i) conviction of, or plea of guilty or nolo contendere to, a felony (or crime of similar magnitude

under non-U.S. laws) or a crime involving moral turpitude; (ii) willful or grossly negligent breach of material duties; (iii) any act of fraud, embezzlement or other similar dishonest conduct; (iv) any act or omission that has a material adverse effect on the Tapestry Companies, including without limitation, its reputation, business interests or financial condition; or (v) a material breach of any of restrictive covenants set forth in a written agreement with the Tapestry Companies. **“Change in Control Good Reason”** shall mean (i) any reduction in your base salary and/or target bonus opportunity, other than a reduction that is uniformly applied to similarly situated employees of not more than 10%; (ii) relocation of your principal place of work outside of a fifty (50) mile radius of your then current location; (iii) the failure of any successor to the Tapestry Companies to assume or substitute for the Agreement; or (iv) the occurrence of any event that constitutes “good reason” (or words of like import) as set forth in a written employment agreement or offer letter between the Tapestry Companies and you in effect on the date of your termination. In order for an event to qualify as Change in Control Good Reason, (i) you must first provide the Tapestry Companies with written notice of the acts or omissions constituting the grounds for “Change in Control Good Reason” within thirty (30) calendar days of the initial existence of the grounds for “Change in Control Good Reason” and a reasonable cure period of thirty (30) calendar days following the date of written notice (the **“Cure Period”**), and such grounds must not have been cured during such time, and the you must resign your employment within the thirty (30) calendar days following the end of the Cure Period.

5. **Death, Total Disability or Retirement.** If you cease active employment with the Tapestry Companies because of your death or Permanent and Total Disability, this Option will vest as of the date of your death or the date you are determined to be Permanently and Totally Disabled, which date shall be the sole remaining Vesting Date, and the last day on which this Option may be exercised is the earlier of (a) the Expiration Date or (b) five (5) years after the date of your death or Permanent and Total Disability. For purposes of the foregoing, **“Permanent and Total Disability”** means that you are 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.

In the case of your Retirement (as defined below), and subject to (a) providing the Required Notice (as defined below) applicable to you and (b) complying with the Restrictive Covenants (as defined below) for the periods specified in Section 8(a) and Section 8(c), this Option will remain outstanding and eligible to continue to vest in accordance with the schedule set forth in Section 4, and will be exercisable until the Expiration Date. For purposes of the foregoing, **“Retirement”** shall mean your departure from employment with the Tapestry Companies other than for Cause (as defined below) if either: (1) you have attained age sixty-five (65) and five (5) years of service with the Tapestry Companies or (2) you have attained age fifty-five (55) and ten (10) years of service with the Tapestry Companies.

6. **Involuntary Termination, Voluntary Termination and Non-Severance Event Termination.**

(a) Except with respect to any Change in Control Termination, if your employment with the Tapestry Companies is terminated by the Tapestry Companies prior to the final Vesting Date and you are entitled to receive severance benefits under any written severance plan or policy of the Tapestry Companies or an employment agreement between you and the Tapestry Companies in connection with such termination (collectively, a **“Severance Event Termination”**), then, unless such agreement provides otherwise, you will receive pro-rata vesting based on the number of days you were employed during the period beginning on the

Grant Date and ending on the date of your Severance Event Termination, excluding any Option Shares that have already become vested on previous applicable Vesting Dates under this Agreement, and any Option Shares that remain unvested after giving effect to the foregoing pro-rata vesting will be forfeited for no consideration as of the date of your Severance Event Termination. The vested portion of any Option may be exercised until the earlier of (i) the Expiration Date or (ii) 90 days after the date of your Severance Event Termination. Your receipt of pro-rata vesting with respect to a portion of the Option Shares pursuant to this Award upon a Severance Event Termination will be subject to (i) your timely execution and non-revocation of a waiver and release agreement in the form prescribed by the Tapestry Companies and (ii) the terms and conditions set forth in (A) the Agreement, (B) any employment agreement between you and the Tapestry Companies (as applicable) and (C) any written severance plan or policy of the Tapestry Companies applicable to you and in effect as of the date of your Severance Event Termination.

(b) If your employment terminates (i) for reasons other than your death, Permanent and Total Disability, Retirement (as described in Section 5) or a Change in Control Termination and (ii) such termination is not a Severance Event Termination (i.e., you voluntarily terminate your employment with the Tapestry Companies or your employment is terminated by the Tapestry Companies and you are not eligible for severance pay under the written severance plans or policies of the Tapestry Companies or an employment agreement between you and the Tapestry Companies), including, for the avoidance of doubt, if your employment with the Tapestry Companies is terminated due to poor performance, as determined in the sole discretion of the Committee), then the portion of this Option that has not yet vested as of the date your employment terminates will be forfeited for no consideration and the vested portion of this Option shall terminate on the earlier of (A) the Expiration Date or (B) ninety (90) days following the date of your termination of employment. Except as otherwise expressly set forth in this Agreement, you will not earn or be entitled to any pro-rated vesting for any portion of time before the respective Vesting Date during which you were employed, nor will you be entitled to any compensation or payment for any forfeited Options as a result of their ceasing to vest.

(c) If your termination by the Tapestry Companies is for Cause (as defined below), then this Option shall be forfeited in its entirety for no consideration on the date your employment terminates. For purposes of the Agreement, “Cause” shall mean a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Employee Guide or any other written policies or procedures of the Tapestry Companies, (ii) your indictment, conviction of, or plea of guilty or *nolo contendere* to, a felony (or crime of similar magnitude under non-U.S. laws) or a crime involving moral turpitude, (iii) your willful or grossly negligent breach of your duties, (iv) any act of fraud, embezzlement or other similar dishonest conduct, (v) any act or omission that the Company determines could have a material adverse effect on the Tapestry Companies, including without limitation, its reputation, business interests or financial condition, (vi) your failure to follow the lawful directives of the Chief Executive Officer or other employee of the Company to whom you report, or (vii) your breach of any written agreement between you and any of the Tapestry Companies, including your breach of any of the Restrictive Covenants.

7. **Exercise.** This Option may be exercised (subject to the restrictions contained in the Agreement) in whole or in part for the number of vested Option Shares specified in a written notice (including an electronic notice) that is delivered to the Company or its designated agent and is accompanied by full payment of the Grant Price for such number of Option Shares in cash. Subject to Section 3 above, this Option will be considered exercised on the date on which (a) your written notice of exercise and (b) your payment of the Grant Price, have both been received by the Company or its designated agent. In addition, if you are an international

optionee, you are subject to the additional terms shown on Annex A. Notwithstanding anything contained in the Agreement to the contrary, the provisions of Section 6.2 of the Plan (Expiration of Option Term: Automatic Exercise of In-The-Money Options) shall apply to this Option.

8. Forfeiture.

(a) Notwithstanding anything contained in the Agreement to the contrary, (i) if your employment with the Tapestry Companies is terminated for Cause (as defined above) (a “**Termination for Cause**”), (ii) if you elect to terminate your employment with the Tapestry Companies (including in the event of your Retirement) and you do not provide the Tapestry Companies with the Required Notice applicable to your level (“**Termination without Notice**”), or (iii) if you engage in any activity inimical, contrary or harmful to the interests of the Tapestry Companies during your employment with the Tapestry Companies or at any time during the period ending one (1) year after your employment with the Tapestry Companies terminates (other than due to Retirement, in which case the claw-back and forfeiture provisions set forth in Section 8(a) of the Agreement that apply in the event the Restrictive Covenants are violated shall remain in effect through the last Vesting Date), including but not limited to: (A) violating any of the Restrictive Covenants (as defined below), (B) violating any business standards established by the Company, or (C) participating in any activity not approved by the Board of Directors which is reasonably likely to contribute to or result in a Change in Control (such activities to be collectively referred to as “**Wrongful Conduct**”) then (x) this Option, to the extent it remains unexercised, shall be forfeited automatically for no consideration on the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice, whichever is applicable, and (y) the Company shall have the right to claw-back, and you shall pay to the Company in cash any Financial Gain (as defined below) you realize from exercising all or a portion of this Option within the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice. For the two (2) year period commencing on a Change in Control, items (A) and (B) under Section 8(a)(iii) shall not constitute Wrongful Conduct.

Solely in the event of your Retirement, if you violate any of the Restrictive Covenants prior to the last Vesting Date set forth in Section 4, (x) this Option, to the extent any portion of it remains unvested, shall be forfeited automatically for no consideration on the date on which you first violated the Restrictive Covenants, and (y) the Company shall have the right to claw-back, and you shall pay to the Company in cash or Shares any Financial Gain you realize from the exercise of this Option within the twelve (12) month period immediately preceding the date on which you violated the Restrictive Covenants or, if longer, the period commencing on your date of Retirement and ending on the date on which you violated the Restrictive Covenants.

(b) For purposes of the Agreement, “**Financial Gain**” shall equal, on each date of exercise during the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding such Wrongful Conduct or termination, the difference between the fair market value of the Common Stock on the date of exercise and the Grant Price, multiplied by the number of Option Shares of Common Stock purchased pursuant to the exercise (without reduction for any Option Shares of Common Stock sold, surrendered or attested to in payment of Tax-Related Items (as defined in Section 14 below)); and “**Required Notice**” means advance written notice of your intent to terminate your employment with the Tapestry Companies, delivered not less than (A) the advance written notice period required in your

individual employment letter if you are then a member of the Tapestry Executive Committee, which shall not be less than three (3) months, (B) six (6) weeks before your last day of employment if you are then a Senior Vice President, or (C) four (4) weeks before your last day of employment if you are then a Vice President (there is no Required Notice applicable if you are below the level of Vice President).

(c) For purposes of the Agreement, “**Restrictive Covenants**” shall mean your agreement not to (i) compete directly or indirectly (either as owner, employee or agent of a Competitive Business (as defined below)) with any of the businesses of the Tapestry Companies, (ii) make, directly or indirectly, a five percent (5%) or more investment in a Competitive Business, or any new luxury accessories business that competes directly with the existing or planned product lines of the Tapestry Companies, (iii) solicit any present or future employees or customers of the Tapestry Companies to terminate or reduce such employment or business relationship(s) with the Tapestry Companies, in the case of each of (i), (ii) and (iii), at any time during your employment with the Tapestry Companies or at any time during the period ending one (1) year after your employment with the Tapestry Companies terminates (other than due to Retirement, in which case the claw-back and forfeiture provisions set forth in Section 8(a) of the Agreement that apply in the event the Restrictive Covenants are violated shall remain in effect through the last Vesting Date), or (iv) disclose or misuse any confidential information regarding the Tapestry Companies at any time. You acknowledge and agree that the Company is granting you this Award in consideration of your agreement to be bound by the Restrictive Covenants, and you acknowledge and agree that this Award is good and valuable consideration for the Restrictive Covenants. Accordingly, if you breach any of the Restrictive Covenants, in addition to the forfeiture and claw-back consequences described in Section 8(a), the Company shall be entitled to recover any damages incurred as a result of such breach. You further acknowledge and agree that the Tapestry Companies would be irreparably harmed by any breach of the Restrictive Covenants and that money damages would be an inadequate remedy for any such breach and, accordingly, for employees at the level of Senior Director or above, in the event of your breach or threatened breach of any of the Restrictive Covenants, the Company may, in addition to any money damages or other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the Restrictive Covenants. For the avoidance of doubt, the remedies in law and in equity for any breach of the Restrictive Covenants set forth in this Section 8(c) are in addition to, and cumulative of, the claw-back and forfeiture provisions set forth in Section 8(a). Notwithstanding anything herein to the contrary, nothing herein is intended to limit any restrictive covenant provision contained in any other agreement between you and the Tapestry Companies that may permit any of the Tapestry Companies to seek injunctive relief, money damages or any other rights or remedies at law or in equity in the event of a breach of threatened breach of any restrictive covenant provision contained in any other agreement.

(d) For purposes of the Agreement, “**Competitive Business**” shall mean any entity (including its subsidiaries, parent entities and other affiliates) that, as of the relevant date, the Committee has designated in its sole discretion as an entity that competes with any of the businesses of the Tapestry Companies; provided, that (i) the list of Competitive Businesses shall not exceed the total number of entities shown below for the region in which your employment is based, (ii) such entities are the same entities used for any list of competitive entities for any other arrangement with an executive of the Company, and (iii) you will only be restricted from those entities on the list as of the date of the termination of your employment with the Tapestry Companies. A current list of Competitive Businesses, including any changes made to the list by the Committee, shall be maintained on the Company intranet. Each entity included in the list of

entities designated as Competitive Businesses at any given time shall include any and all subsidiaries, parent entities and other affiliates of such entity.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of the Agreement for Company Employees employed by the Company's North American entities or Global Operations division (regardless of the employee's geographic place of work or residence) excluding those described in the paragraph below: Adidas AG; Burberry Group PLC; Capri Holdings Limited; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; LVMH Moet Hennessy Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Samsonite International S.A.; Tory Burch LLC; V.F. Corporation, Victoria's Secret & Co. and Under Armour, Inc.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of the Agreement for Company employees employed by the retail businesses operated by the Company (either directly or in a joint venture) outside of North America (regardless of the employee's geographic place of work or residence): Adidas AG; Burberry Group PLC; Capri Holdings Limited; Chanel S.A.; Club 21 Pte Ltd; Cole Haan LLC; Compagnie Financiere Richemont SA; Fast Retailing Co., Ltd; Furla S.p.A.; The Gap, Inc.; H&M Hennes & Mauritz AB (H&M); Hermes International SA; Industria de Diseno Textil, S.A; Kering; LVMH Moet Hennessy Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Salvatore Ferragamo S.p.A; and Tory Burch LLC.

By accepting this Option, you consent to and authorize the Tapestry Companies to deduct from any amounts payable by the Tapestry Companies to you any amounts you owe to the Company under this Section. This right of set-off is in addition to any other remedies the Company may have against you for your breach of the Agreement. Your obligations under this Section shall be cumulative (but not duplicative) of any similar obligations you have under the Agreement or pursuant to any other agreement with the Tapestry Companies.

9. **Rights as a Stockholder.** You will have no rights as a stockholder with respect to any Option Shares until and unless ownership of such Option Shares has been transferred to you in accordance with the Agreement and the Plan.

10. **Options Not Transferable.** This Option will not be assignable or transferable by you, other than by will or by the laws of descent and distribution or, with the consent of the Administrator, a DRO, and will be exercisable during your lifetime only by you (or your legal guardian or personal representative). If this Option remains exercisable after your death, subject to Sections 3, 5 and 7 above, it may be exercised by the personal representative of your estate or by any person who acquires the right to exercise such Option by bequest, inheritance or otherwise by reason of your death.

11. **Transferability of Option Shares.** Option Shares generally are freely tradable in the United States, subject to any applicable insider trading policy of the Company. However, you may not offer, sell or otherwise dispose of any Option Shares in a way which would: (a) require the Company to file any registration statement with the U.S. Securities and Exchange Commission (or any similar filing under state law or the laws of any other country) or to amend or supplement any such filing or (b) violate or cause the Company to violate the U.S. Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, any other state or

federal law, or the laws of any other country. The Company reserves the right to place restrictions required by law on Common Stock received by you pursuant to this Option.

12. **Conformity with the Plan.** This Option is intended to conform in all respects with, and is subject to applicable provisions of, the Plan. Inconsistencies between the Agreement and the Plan shall be resolved in accordance with the terms of the Plan. By your acceptance of the Agreement, you agree to be bound by all of the terms and conditions of the Agreement and the Plan.

13. **Nature of Grant.** By accepting the Options, you acknowledge and agree that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;
- (c) all decisions with respect to future option grants, if any, will be at the sole discretion of the Company;
- (d) your participation in the Plan is voluntary;
- (e) the Option and the underlying Option Shares, and any income from and value of same, are extraordinary items that (i) do not constitute compensation of any kind for services of any kind rendered to the Tapestry Companies or to your actual employer (the "**Employer**"), and (ii) are outside the scope of your employment or service contract, if any;
- (f) the Option and the underlying Option Shares and any income from and value of same, are not intended to replace any pension rights or compensation;
- (g) the Option and the underlying Option Shares, and any income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday or vacation pay, paid-time off, pension, profit sharing, 401(k) or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Tapestry Companies, including the Employer;
- (h) the grant of the Option and your participation in the Plan shall not create a right to employment or continued employment with any of the Tapestry Companies or be interpreted as forming an employment or service contract with any of the Tapestry Companies, and shall not interfere with the ability of the Tapestry Companies, to terminate your employment or service relationship (if any) at any time with or without cause;
- (i) the future value of the underlying Option Shares is unknown and cannot be predicted with certainty, and the Option Shares acquired upon exercise may increase or decrease in value;

- (j) if the underlying Option Shares do not increase in value, the Option will have no value;
- (k) if you exercise your Option and obtain Option Shares, the value of such Option Shares acquired upon exercise may increase or decrease in value, even below the Grant Price;
- (l) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option or diminution in value of the Option or Option Shares purchased through exercise, forfeiture of the Option resulting from the termination of your employment by or continued service with the Company or the Employer or continuous service (for any reason whatsoever and, whether or not later found to be invalid or in breach of Applicable Laws or the terms of your employment or service agreement, if any) and in consideration of the grant of the Options to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Tapestry Companies, including the Employer, waive your ability, if any, to bring any such claim, and release the Tapestry Companies, including the Employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (m) for purposes of this Option, unless your termination is a Severance Event Termination, regardless of the reason of your termination (and whether or not later found to be invalid or in breach of Applicable Laws or the terms of your employment or service agreement, if any), your employment or service relationship will be considered terminated effective as of the date you are no longer actively employed or providing services and will not be extended by any notice period mandated under local law (e.g., active employment would not include any contractual notice period or any period of "garden leave" or similar period pursuant to local law). The Administrator shall have the exclusive discretion to determine when you are no longer actively employed for purposes of this Option (including whether you may still be considered to be providing services while on a leave of absence);
- (n) the Option and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;
- (o) the Tapestry Companies, including the Employer, shall not be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Option or of any amounts due to you pursuant to the exercise of the Option or the subsequent sale of any Option Shares acquired upon exercise;
- (p) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Option Shares; and
- (q) you are hereby advised to consult, and should consult, with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

14. **Tax Obligations.** Regardless of any action taken by the Company or the Employer, you acknowledge and agree that the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, capital/gains tax, payment on account or other tax-related items related to the Option and your participation in the Plan and legally applicable to

you (“**Tax-Related Items**”) is and remains your sole responsibility and may exceed the amount, if any, withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant, vesting or exercise of the Options, the subsequent sale of any Option Shares acquired at exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company makes no guarantee as to: (i) the tax treatment of the grant or exercise of the Options and/or of the acquisition, holding or sale of any underlying Shares acquired by exercise of the Options; and (ii) whether any withholding amount will satisfy Tax-Related Items and your tax obligations relating to the Options and any underlying Shares acquired by exercise of the Options.

In connection with any relevant taxable or tax withholding event, you shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard you authorize the Company and/or the Employer, or their respective agents, to withhold all applicable Tax-Related Items from any wages or other cash compensation paid to you by the Company and/or the Employer. Alternatively, or in addition, if permissible under local law, you authorize the Company and/or the Employer or their respective agents, at their discretion and pursuant to such procedures as it may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding otherwise deliverable Option Shares; (ii) withholding from the proceeds of the sale of Option Shares acquired upon exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company, including, without limitation, through any brokerage firm determined to be acceptable by the Company (on your behalf and at your direction pursuant to this authorization without your further consent), or (iii) any other method determined by the Company, to the extent permitted under the Plan and Applicable Laws. The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other withholding rates, including maximum rates applicable in your jurisdiction(s). If the maximum rate is used, any over-withheld amount may be refunded to you in cash by the Company or the Employer (with no entitlement to the equivalent in Option Shares) or, if not refunded, you may seek a refund from the local tax authorities. In the event of any under-withholding, you may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to the Company and/or Employer. If any withholding obligation for Tax-Related Items is satisfied by withholding a number of Option Shares as described herein, for tax purposes, you are deemed to have been issued the full number of Option Shares subject to the portion of the Option exercised, notwithstanding that a number of the Option Shares is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan. You shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Option Shares or the proceeds of the sale of Option Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

15. Data Privacy. Where required by Applicable Law, you hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer

and the Tapestry Companies for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social security or insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, and job title, any Common Stock or directorships held in the Company, and details of the Option or any other option or other entitlement to Option Shares, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. You understand that Data will be transferred to Fidelity Stock Plan Services and certain of its affiliates ("Fidelity") or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, including outside the European Economic Area, and that the recipients' country may have different data privacy laws and protections than your country. You authorize the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any Option Shares acquired upon exercise of the Option.

You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You understand that Data shall be held as long as is reasonably necessary to implement, administer and manage your participation in the Plan, and that you 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 your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing such consent may affect your ability to participate in the Plan. In addition, you understand that the Tapestry Companies have separately implemented procedures for the handling of Data which the Company believes permits the Company to use the Data in the manner set forth above notwithstanding your withdrawal of such consent. For more information on the consequences of refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Finally, you understand that the Company may rely on a different legal basis for the collection, processing and/or transfer of Data either now or in the future and/or request you provide another data privacy consent. If applicable and upon request of the Company or the Employer, you agree to provide an executed acknowledgment or data privacy consent (or any other acknowledgments, agreements or consents) to the Company and/or the Employer that the Company and/or the Employer may deem

necessary to obtain under the data privacy laws in your country, either now or in the future. You understand that you may be unable to participate in the Plan if you fail to execute any such acknowledgment, agreement or consent requested by the Company and/or the Employer.

16. **Miscellaneous.**

(a) **Amendment or Modifications.** The grant of this Option is documented by the minutes of the Committee or by documents produced by the Company as authorized by such minutes, which records are the final determinant of the number of Option Shares granted and the conditions of this grant. The Committee may amend or modify this Option in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Option, provided that no such amendment or modification shall directly or indirectly impair or otherwise adversely affect your rights under the Agreement without your consent. Except as in accordance with the two immediately preceding sentences and Section 18 of the Agreement, the Agreement may be amended, modified or supplemented only by an instrument in writing signed by both parties hereto.

(b) **Governing Law.** Notwithstanding anything herein to the contrary, all matters arising under the Agreement, including matters of validity, construction and interpretation, shall be governed by the internal laws of the State of New York, without regard to the provisions of conflict of laws thereof.

(c) **Binding Arbitration.** With the exception of any application by the Tapestry Companies for declaratory and/or injunctive relief based on a violation or threatened violation of Section 8, which may be brought in state or federal court in New York County, New York, all disputes, claims, controversies or causes of action between you and any of the Tapestry Companies or any of their employees and other service providers arising out of or related to the Agreement shall be determined exclusively by final, binding and confidential arbitration in accordance with this Section 16(c). The arbitration shall be conducted before a single arbitrator in New York, New York (applying New York law) in accordance with the JAMS Employment Arbitration Rules & Procedures then in effect (a copy of such rules is available at <https://www.jamsadr.com/rules-employment-arbitration/>) and in the JAMS arbitral forum. You and the Tapestry Companies shall be entitled to engage in discovery in the form of requests for documents, interrogatories, requests for admissions, physical and/or mental examinations and depositions, in accordance with and subject to the provisions of the Federal Rules of Civil Procedure. Any disputes concerning discovery shall be resolved by the arbitrator. The decision of the arbitrator appointed to hear the case will be final and binding on you and the Tapestry Companies. The arbitrator's award may be entered as a judgment in any court of competent jurisdiction in New York County, New York. The party requesting the arbitration shall be responsible for paying any associated filing or administrative fees. All other arbitration costs shall be shared equally by you and the Tapestry Companies; provided, however, the legal fees of the party that substantially prevails in the arbitration proceeding shall be paid by the non-prevailing party. Such legal fees shall be paid no later than sixty (60) days following the issuance of the arbitrator's decision. With the exception of the foregoing clause, each party shall be responsible for the costs and fees of its counsel or other representative.

(d) **Successors and Assigns.** Except as otherwise provided herein, the Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.

(e) **Severability.** Whenever feasible, each provision of the Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Agreement.

(f) **Forfeiture if Not Accepted.** The Company's grant to you of these Options is conditioned upon your acceptance of the terms of the Agreement. If you do not accept the Agreement (by returning a signed copy of the Agreement to the Tapestry Human Resources Department or by electronically accepting it online, as applicable) prior to the first anniversary of the Grant Date, then the Company shall have the right to terminate the Agreement and cancel the Options without providing further notice or other compensation or payments to you.

(g) **Language:** By accepting the Options, you acknowledge and represent that you are proficient in the English language or have consulted with an advisor who is sufficiently proficient in English as to allow you to understand the terms of this Agreement and any other documents related to the Plan. If you have 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.

(h) **Electronic Delivery and Acceptance.** Unless the Company determines otherwise in its sole discretion, the Company will deliver any documents related to your participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree 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.

17. **Annexes.** Notwithstanding any provisions in the Agreement, the Option grant shall be subject to any special terms and conditions as set forth in any annex to the Agreement. Moreover, if you relocate to one of the countries included Annex A, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Annex A constitutes part of the Agreement.

18. **Imposition of Other Requirements:** The Company reserves the right to impose other requirements on your participation in the Plan, on the Option and on any Option Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. By accepting this Award, you agree to sign any additional documents or undertakings that the Company may require.

19. **Insider Trading Restrictions/Market Abuse Laws.** You may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Option Shares or rights to shares (e.g., Options) under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you are advised to speak, and should speak, to your personal advisor on this matter.



20. **Foreign Asset/Account Reporting Requirements and Exchange Controls.** Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold Option Shares under the Plan or cash received from participating in the Plan (including from any dividends paid on Option Shares, sale proceeds resulting from the sale of Option Shares acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you are advised to consult, and should consult, your personal legal advisor for any details.

21. **Waiver.** You acknowledge that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by you or any other Holder.

In witness whereof, the parties hereto have executed and delivered the Agreement.

TAPESTRY, INC.



Sarah Dunn

Global Human Resources Officer

Date: **GRANT DATE**

I acknowledge that I have read and understand the terms and conditions of the Agreement and of the Plan and I agree to be bound thereto.

OPTIONEE:

NAME

Date: _____

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Second Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan Restricted Stock Unit Award Grant Notice and Agreement

NAME

Tapestry, Inc. (the “**Company**”) is pleased to confirm that you have been granted a restricted stock unit award (this “**Award**”), effective as of **GRANT DATE** (the “**Grant Date**”), as provided in this agreement, including any special provisions for Award recipients outside the United States set forth in Annex A (the “**Agreement**”) pursuant to the Second Amended and Restated Tapestry Inc. 2018 Stock Incentive Plan (as amended, restated or otherwise modified from time to time and in effect on the Grant Date, the “**Plan**”). Capitalized terms used but not defined in the Agreement shall have the meanings given to such terms in the Plan:

1. **Award.** Subject to the restrictions, limitations and conditions as described below, the Company hereby awards to you as of the Grant Date:

of RSUs restricted stock units (“**RSUs**”)

which are considered Restricted Stock Unit Awards under the Plan. Upon vesting, each RSU shall convert into one share of the Company’s common stock (collectively, the “**Shares**”), as provided in the Plan. The RSUs are not transferable by you by means of sale, assignment, exchange, pledge, or otherwise, and prior to vesting and while the restrictions are in effect, the Shares underlying the RSUs are not transferable by you by means of sale, assignment, exchange, pledge, or otherwise.

2. **Vesting.** The RSUs are subject to the restrictions set forth in the Agreement and the Shares underlying the RSUs may not be sold or transferred by you until they have vested and have been distributed in accordance with Section 3 of the Agreement. Subject to Sections 4, 5 and 6 of the Agreement and your continuous employment by the Company or any of its Affiliates (collectively, the “**Tapestry Companies**”) from the Grant Date until each of the first, second, third and fourth anniversaries of the Grant Date (each, a “**Vesting Date**”), one-fourth (1/4th) of the RSUs will vest on each Vesting Date.

If upon or during the twenty four (24)-month period immediately following a Change in Control, your employment is terminated either by the Tapestry Companies without Change in Control Cause (as defined below) or by you for Change in Control Good Reason (as defined below) (each, a “**Change in Control Termination**”), then all unvested RSUs will become fully vested, effective immediately upon such termination.

“**Change in Control Cause**” shall mean the occurrence of any of the following: (i) conviction of, or plea of guilty or nolo contendere to, a felony (or crime of similar magnitude under non-U.S. laws) or a crime involving moral turpitude; (ii) willful or grossly negligent breach of material duties; (iii) any act of fraud, embezzlement or other similar dishonest conduct; (iv) any act or omission that has a material adverse effect on the Tapestry Companies, including without limitation, its reputation, business interests or financial condition; or (v) a material breach of any of restrictive covenants set forth in a written agreement with the Tapestry Companies. “**Change in Control Good Reason**” shall mean (i) any reduction in your base salary and/or target bonus opportunity, other than a reduction that is uniformly applied to similarly situated employees of not more than 10%; (ii) relocation of your principal place of work outside of a fifty (50) mile radius of your then current location; (iii) the failure of any successor to the Tapestry Companies to assume or substitute for the Agreement; or (iv) the occurrence of any event that

constitutes “good reason” (or words of like import) as set forth in a written employment agreement or offer letter between the Tapestry Companies and you in effect on the date of your termination. In order for an event to qualify as Change in Control Good Reason, (i) you must first provide the Tapestry Companies with written notice of the acts or omissions constituting the grounds for “Change in Control Good Reason” within thirty (30) calendar days of the initial existence of the grounds for “Change in Control Good Reason” and a reasonable cure period of thirty (30) calendar days following the date of written notice (the “**Cure Period**”), and such grounds must not have been cured during such time, and the you must resign your employment within the thirty (30) calendar days following the end of the Cure Period.

3. **Distribution of this Award.** As soon as practicable after the Vesting Date, but in no event later than sixty (60) days following the applicable Vesting Date, the Company will release the Shares underlying the RSUs that vested on such Vesting Date, subject to withholding for Tax-Related Items (as defined in Section 11 below), and will deliver to you (or, in the case of your death, your estate) the appropriate number of Shares underlying the vested RSUs; provided, that in the event that the Company is liquidated in bankruptcy, (1) the Company will not release Shares underlying the RSUs and (2) all payments made pursuant to this Award will be made in cash equal to the fair market value of Common Stock on the distribution date multiplied by the number of RSUs, subject to withholding for Tax-Related Items.

4. **Death, Total Disability or Retirement.** If you cease active employment with the Tapestry Companies because of your death or Permanent and Total Disability (as defined below), all then unvested RSUs will vest as of the date of your death or the date you are determined to be Permanently and Totally Disabled, which date shall be the sole remaining Vesting Date for purposes of the Agreement. The Shares underlying the RSUs will be distributed to you (or, in the case of your death, your estate) in accordance with Section 3 of the Agreement. For purposes of the foregoing, “**Permanent and Total Disability**” means that you are 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.

In the case of your Retirement (as defined below), and subject to (a) providing the Required Notice (as defined below) applicable to you and (b) complying with the Restrictive Covenants (as defined below) for the periods specified in Section 6(a) and Section 6(c), the RSUs will continue to vest in accordance with the schedule set forth in Section 2 and the Shares underlying the RSUs will be distributed to you on or after each remaining Vesting Date after your Retirement in accordance with Section 3. For purposes of the foregoing, “**Retirement**” shall mean your departure from employment with the Tapestry Companies other than for Cause (as defined below) if either: (1) you have attained age sixty-five (65) and five (5) years of service with the Tapestry Companies or (2) you have attained age fifty-five (55) and ten (10) years of service with the Tapestry Companies.

5. **Involuntary Termination, Voluntary Termination and Non-Severance Event Termination.**

(a) Except with respect to any Change in Control Termination, if your employment with the Tapestry Companies is terminated by the Tapestry Companies prior to the final Vesting Date and you are entitled to receive severance benefits under any written severance plan or policy of the Tapestry Companies or an employment agreement between you and the Tapestry Companies in connection with such termination (collectively, a “**Severance Event Termination**”), then, unless such agreement provides otherwise, you will receive pro-rata vesting based on the number of days you were employed during the period beginning on the

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Grant Date and ending on the date of your Severance Event Termination, excluding any RSUs that have already become vested on previous applicable Vesting Dates under this Agreement, and any RSUs that remain unvested after giving effect to the foregoing pro-rata vesting will be forfeited for no consideration as of the date of your Severance Event Termination. The Shares underlying the RSUs that become vested upon your Severance Event Termination will be distributed to you on or after the first Vesting Date set forth in Section 2 following such Severance Event Termination in accordance with Section 3 of the Agreement. Your receipt of pro-rata vesting with respect to a portion of the RSUs granted pursuant to this Award upon a Severance Event Termination will be subject to (i) your timely execution and non-revocation of a waiver and release agreement in the form prescribed by the Tapestry Companies and (ii) the terms and conditions set forth in (A) the Agreement, (B) any employment agreement between you and the Tapestry Companies (as applicable) and (C) any written severance plan or policy of the Tapestry Companies applicable to you and in effect as of the date of your Severance Event Termination.

(b) If your employment terminates (i) for reasons other than your death, Permanent and Total Disability, Retirement (as described in Section 4) or a Change in Control Termination and (ii) such termination is not a Severance Event Termination (*i.e.*, you voluntarily terminate your employment with the Tapestry Companies or your employment is terminated by the Tapestry Companies and you are not eligible for severance pay under the written severance plans or policies of the Tapestry Companies or an employment agreement between you and the Tapestry Companies), including, for the avoidance of doubt, if your employment with the Tapestry Companies is terminated due to poor performance, as determined in the sole discretion of the Committee), then the RSUs that have not yet vested as of the date your employment terminates will be forfeited for no consideration. Except as otherwise expressly set forth in this Agreement, you will not earn or be entitled to any pro-rated vesting for any portion of time before the respective Vesting Date during which you were employed, nor will you be entitled to any compensation or payment for any forfeited RSUs as a result of their ceasing to vest.

(c) If your termination by the Tapestry Companies is for Cause (as defined below), then the RSUs shall be forfeited in their entirety for no consideration on the date your employment terminates. For purposes of the Agreement, "**Cause**" shall mean a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Employee Guide or any other written policies or procedures of the Tapestry Companies, (ii) your indictment, conviction of, or plea of guilty or *nolo contendere* to, a felony (or crime of similar magnitude under non-U.S. laws) or a crime involving moral turpitude, (iii) your willful or grossly negligent breach of your duties, (iv) any act of fraud, embezzlement or other similar dishonest conduct, (v) any act or omission that the Company determines could have a material adverse effect on the Tapestry Companies, including without limitation, its reputation, business interests or financial condition, (vi) your failure to follow the lawful directives of the Chief Executive Officer or other employee of the Company to whom you report, or (vii) your breach of any written agreement between you and any of the Tapestry Companies, including your breach of any of the Restrictive Covenants (as defined below).

6. Forfeiture.

(a) Notwithstanding anything contained in the Agreement to the contrary, (i) if your employment with the Tapestry Companies is terminated for Cause (as defined above) (a "**Termination for Cause**"), (ii) if you elect to terminate your employment with the Tapestry Companies (including in the event of your Retirement) and you do not provide the Tapestry Companies with the Required Notice applicable to your level ("**Termination without Notice**"),

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or (iii) if you engage in any activity inimical, contrary or harmful to the interests of the Tapestry Companies during your employment with the Tapestry Companies or at any time during the period ending one (1) year after your employment with the Tapestry Companies terminates (other than due to Retirement, in which case the claw-back and forfeiture provisions set forth in Section 6(a) of the Agreement that apply in the event the Restrictive Covenants are violated shall remain in effect through the last Vesting Date), including but not limited to: (A) violating any of the Restrictive Covenants, (B) violating any business standards established by the Company, or (C) participating in any activity not approved by the Board of Directors which is reasonably likely to contribute to or result in a Change in Control (such activities to be collectively referred to as “**Wrongful Conduct**”), then (x) this Award, to the extent it remains restricted or has not been distributed, shall be forfeited automatically for no consideration on the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice, whichever is applicable, and (y) the Company shall have the right to claw-back, and you shall pay to the Company in cash or Shares, any Financial Gain (as defined below) you realize from the vesting of these RSUs within the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice. For the two (2) year period commencing on a Change in Control, items (A) and (B) under Section 6(a)(iii) shall not constitute Wrongful Conduct.

Solely in the event of your Retirement, if you violate any of the Restrictive Covenants prior to the distribution of the Shares underlying the RSUs that vest on the last Vesting Date set forth in Section 2, (x) this Award, to the extent any portion of it remains restricted or has not been distributed, shall be forfeited automatically on the date on which you first violated the Restrictive Covenants, and (y) the Company shall have the right to claw-back, and you shall pay to the Company in cash or Shares any Financial Gain you realize from the vesting of these RSUs within the twelve (12) month period immediately preceding the date on which you violated the Restrictive Covenants or, if longer, the period commencing on your date of Retirement and ending on the date on which you violated the Restrictive Covenants.

(b) For purposes of the Agreement, “**Financial Gain**” shall equal, on each Vesting Date during the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding such Wrongful Conduct or termination, the fair market value of the Common Stock on such Vesting Date, multiplied by the number of RSUs vesting on such Vesting Date (without reduction for any Shares of Common Stock sold, surrendered or attested to in payment of Tax-Related Items); and “**Required Notice**” means advance written notice of your intent to terminate your employment with the Tapestry Companies, delivered not less than (A) the advance written notice period required in your individual employment letter if you are then a member of the Tapestry Executive Committee, which shall not be less than three (3) months, (B) six (6) weeks before your last day of employment if you are then a Senior Vice President, or (C) four (4) weeks before your last day of employment if you are then a Vice President (there is no Required Notice applicable if you are below the level of Vice President).

(c) For purposes of the Agreement, “**Restrictive Covenants**” shall mean your agreement not to (i) compete directly or indirectly (either as owner, employee or agent of a Competitive Business (as defined below)) with any of the businesses of the Tapestry Companies, (ii) make, directly or indirectly, a five percent (5%) or more investment in a Competitive Business, or any new luxury accessories business that competes directly with the existing or planned product lines of the Tapestry Companies, (iii) solicit any present or future employees or customers of the Tapestry Companies to terminate or reduce such employment or business relationship(s) with the Tapestry Companies, in the case of each of (i), (ii) and (iii), at

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any time during your employment with the Tapestry Companies or at any time during the period ending one (1) year after your employment with the Tapestry Companies terminates (other than due to Retirement, in which case the claw-back and forfeiture provisions set forth in Section 6(a) of the Agreement that apply in the event the Restrictive Covenants are violated shall remain in effect through the last Vesting Date), or (iv) disclose or misuse any confidential information regarding the Tapestry Companies at any time. You acknowledge and agree that the Company is granting you this Award in consideration of your agreement to be bound by the Restrictive Covenants, and you acknowledge and agree that this Award is good and valuable consideration for the Restrictive Covenants. Accordingly, if you breach any of the Restrictive Covenants, in addition to the forfeiture and claw-back consequences described in Section 6(a), the Company shall be entitled to recover any damages incurred as a result of such breach. You further acknowledge and agree that the Tapestry Companies would be irreparably harmed by any breach of the Restrictive Covenants and that money damages would be an inadequate remedy for any such breach and, accordingly, for employees at the level of Senior Director or above, in the event of your breach or threatened breach of any of the Restrictive Covenants, the Company may, in addition to any money damages or other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the Restrictive Covenants. For the avoidance of doubt, the remedies in law and in equity for any breach of the Restrictive Covenants set forth in this Section 6(c) are in addition to, and cumulative of, the claw-back and forfeiture provisions set forth in Section 6(a). Notwithstanding anything herein to the contrary, nothing herein is intended to limit any restrictive covenant provision contained in any other agreement between you and the Tapestry Companies that may permit any of the Tapestry Companies to seek injunctive relief, money damages or any other rights or remedies at law or in equity in the event of a breach of threatened breach of any restrictive covenant provision contained in any other agreement.

(d) For purposes of the Agreement, “**Competitive Business**” shall mean any entity (including its subsidiaries, parent entities and other affiliates) that, as of the relevant date, the Committee has designated in its sole discretion as an entity that competes with any of the businesses of the Tapestry Companies; provided, that (i) the list of Competitive Businesses shall not exceed the total number of entities shown below for the region in which your employment is based, (ii) such entities are the same entities used for any list of competitive entities for any other arrangement with an executive of the Company, and (iii) you will only be restricted from those entities on the list as of the date of the termination of your employment with the Tapestry Companies. A current list of Competitive Businesses, including any changes made to the list by the Committee, shall be maintained on the Company intranet. Each entity included in the list of entities designated as Competitive Businesses at any given time shall include any and all subsidiaries, parent entities and other affiliates of such entity.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of the Agreement for Company Employees employed by the Company’s North American entities or Global Operations division (regardless of the employee’s geographic place of work or residence) excluding those described in the paragraph below: Adidas AG; Burberry Group PLC; Capri Holdings Limited; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; ; LVMH Moet Hennessy Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Samsonite International S.A.; Tory Burch LLC; V.F. Corporation; Victoria’s Secret & Co.; and Under Armour, Inc.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of

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the Agreement for Company employees employed by the retail businesses operated by the Company (either directly or in a joint venture) outside of North America (regardless of the employee's geographic place of work or residence): Adidas AG; Burberry Group PLC; Capri Holdings Limited; Chanel S.A.; Club 21 Pte Ltd; Cole Haan LLC; Compagnie Financiere Richemont SA; Fast Retailing Co., Ltd; Furla S.p.A.; The Gap, Inc.; H&M Hennes & Mauritz AB (H&M); Hermes International SA; Industria de Diseno Textil, S.A; Kering; LVMH Moet Hennessy Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Salvatore Ferragamo S.p.A; and Tory Burch LLC.

By accepting these RSUs, you consent to and authorize the Tapestry Companies to deduct from any amounts payable by the Tapestry Companies to you any amounts you owe to the Company under this section. This right of set-off is in addition to any other remedies the Company may have against you for your breach of the Agreement. Your obligations under this Section shall be cumulative (but not duplicative) of any similar obligations you have under the Agreement or pursuant to any other agreement with the Tapestry Companies.

7. **Award Not Transferable.** This Award will not be assignable or transferable by you, other than by will or by the laws of descent and distribution or, with the consent of the Administrator, a DRO.

8. **Transferability of Award Shares.** Subject to Sections 2 and 3 of the Agreement, and any applicable insider trading policy of the Company, the Shares you receive under this Award generally are freely tradable in the United States. However, you may not offer, sell or otherwise dispose of any Shares in a way which would: (a) require the Company to file any registration statement with the U.S. Securities and Exchange Commission (or any similar filing under state law or the laws of any other country) or to amend or supplement any such filing or (b) violate or cause the Company to violate the U.S. Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, any other state or federal law, or the laws of any other country. The Company reserves the right to place restrictions required by law on Common Stock received by you pursuant to this Award.

9. **Conformity with the Plan.** This Award is intended to conform in all respects with, and is subject to applicable provisions of, the Plan. Inconsistencies between the Agreement and the Plan shall be resolved in accordance with the terms of the Plan. By your acceptance of the Agreement, you agree to be bound by all of the terms and conditions of the Agreement and the Plan.

10. **Nature of Grant.** By accepting the RSUs, you acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan.

(b) this Award of RSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, or benefits in lieu of RSUs, even if RSUs have been awarded in the past;

(c) all decisions with respect to future awards, if any, shall be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

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(e) this Award of RSUs and the Shares subject to the RSUs, and any income from and value of same, are extraordinary items that (i) do not constitute compensation of any kind for services of any kind rendered to the Tapestry Companies or to your actual employer (the “Employer”), and (ii) are outside the scope of your employment or service contract, if any;

(f) the RSUs and the Shares subject to the RSUs, and any income from and value of same, are not intended to replace any pension rights or compensation;

(g) this Award of RSUs and the Shares subject to the RSUs, and any income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, [holiday or vacation pay](#), paid-time off, pension, profit sharing, 401(k) or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Tapestry Companies, including the Employer;

(h) this Award of RSUs and your participation in the Plan shall not create a right to employment or continued employment with any of the Tapestry Companies or be interpreted as forming an employment or service contract with any of the Tapestry Companies, and shall not interfere with the ability of the Tapestry Companies to terminate your employment or service relationship (if any) at any time with or without cause;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of your employment by or continued service with the Company or the Employer (for any reason whatsoever, whether or not later found to be invalid or in breach of Applicable Laws or the terms of your employment or service agreement, if any);

(l) for purposes of this Award, unless your termination is a Severance Event Termination, regardless of the reason of your termination (and whether or not later found to be invalid or in breach of Applicable Laws or the terms of your employment or service agreement, if any), your employment or service relationship will be considered terminated effective as of the date you are no longer actively employed or providing services and will not be extended by any notice period mandated under local law (e.g., active employment would not include any contractual notice period or any period of “garden leave” or similar period pursuant to local law). The Administrator shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your RSUs (including whether you may still be considered to be providing services while on a leave of absence) and in consideration of the grant of the RSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Tapestry Companies, including the Employer, waive your ability, if any, to bring any such claim, and release the Tapestry Companies, including the Employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(m) the RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(n) the Tapestry Companies, including the Employer, shall not be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon vesting/settlement;

(o) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares; and

(p) you are hereby advised to consult, and should consult, with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

11. Tax Obligations.

(a) Regardless of any action taken by the Company or the Employer, you acknowledge and agree that the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, capital gains tax, payment on account or other tax-related items related to this Award and your participation in the Plan and legally applicable to you ("**Tax-Related Items**") is and remains your sole responsibility and may exceed the amount, if any, withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of the RSUs, the conversion of the RSUs into Shares or the receipt of an equivalent cash payment, the subsequent sale of any Shares acquired under this Award and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company makes no guarantee as to: (i) the tax treatment of the RSUs and/or the underlying Shares; and (ii) whether any withholding amount will satisfy Tax-Related Items and your tax obligations relating to the RSUs and the underlying Shares.

(b) In connection with any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items, if any, by one or a combination of the following: (i) withholding from your wages, salary or other cash compensation payable to you by the Tapestry Companies or your Employer; (ii) withholding from proceeds of the sale of Shares under the Plan, either through a voluntary sale or through a mandatory sale arranged by the Company, including, without limitation, through any brokerage firm determined to be acceptable by the Company (on your behalf pursuant to this authorization without further consent); (iii) withholding Shares to be issued upon settlement of the RSUs, or (iv) any other method determined by the Company, to the extent permitted under the Plan and Applicable Laws; provided, however, that if you are an officer of the Company under subject to Section 16 of the Exchange Act, the obligation for any Tax-Related Items will be satisfied only by one or a combination of the foregoing methods (i), (ii) and (iv).

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(c) The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in your jurisdiction(s). If the maximum rate is used, any over-withheld amount may be refunded to you in cash by the Company or the Employer (with no entitlement to the equivalent in Shares) or, if not refunded, you may seek a refund from the local tax authorities. In the event of any under-withholding, you may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to the Company and/or Employer. If any withholding obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you shall be deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

(d) You agree to pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company will not issue any Shares to you until you satisfy all applicable Tax-Related Items.

12. Data Privacy. *Where required by Applicable Law, you hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer and the Tapestry Companies for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social security or insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, and job title, any Common Stock or directorships held in the Company, and details of the RSUs or any other restricted stock units or other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to Fidelity Stock Plan Services and certain of its affiliates ("Fidelity"), or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize the Company, Fidelity, and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for sole the purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any Shares acquired upon vesting of the RSUs.

You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You understand that Data shall be held as long as is reasonably necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of

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Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing such consent may affect your ability to participate in the Plan. In addition, you understand that the Tapestry Companies have separately implemented procedures for the handling of Data which the Company believes permits the Company to use the Data in the manner set forth above notwithstanding your withdrawal of such consent. For more information on the consequences of refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Finally, you understand that the Company may rely on a different legal basis for the collection, processing and/or transfer of Data either now or in the future and/or request you provide another data privacy consent. If applicable and upon request of the Company or the Employer, you agree to provide an executed acknowledgment or data privacy consent (or any other acknowledgments, agreements or consents) to the Company and/or the Employer that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in your country, either now or in the future. You understand that you may be unable to participate in the Plan if you fail to execute any such acknowledgment, agreement or consent requested by the Company and/or the Employer.

13. Miscellaneous.

(a) **Amendment or Modifications.** The grant of this Award is documented by the minutes of the Committee or by documents produced by the Company as authorized by such minutes, which records are the final determinant of the number of Shares granted and the conditions of this grant. The Committee may amend or modify this Award in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Award, provided that no such amendment or modification shall directly or indirectly impair or otherwise adversely affect your rights under the Agreement without your consent. Except as in accordance with the two immediately preceding sentences or Section 15 of the Agreement, the Agreement may be amended, modified or supplemented only by an instrument in writing signed by both parties hereto.

(b) **Governing Law.** Notwithstanding anything herein to the contrary, all matters arising under the Agreement, including matters of validity, construction and interpretation, shall be governed by the internal laws of the State of New York, without regard to the provisions of conflict of laws thereof.

(c) **Binding Arbitration.** With the exception of any application by the Tapestry Companies for declaratory and/or injunctive relief based on a violation or threatened violation of Section 6, which may be brought in state or federal court in New York County, New York, all disputes, claims, controversies or causes of action between you and any of the Tapestry Companies or any of their employees and other service providers arising out of or related to the Agreement shall be determined exclusively by final, binding and confidential arbitration in accordance with this Section 13(c). The arbitration shall be conducted before a single arbitrator in New York, New York (applying New York law) in accordance with the JAMS Employment Arbitration Rules & Procedures then in effect (a copy of such rules is available at <https://>

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www.jamsadr.com/rules-employment-arbitration/) and in the JAMS arbitral forum. You and the Tapestry Companies shall be entitled to engage in discovery in the form of requests for documents, interrogatories, requests for admissions, physical and/or mental examinations and depositions, in accordance with and subject to the provisions of the Federal Rules of Civil Procedure. Any disputes concerning discovery shall be resolved by the arbitrator. The decision of the arbitrator appointed to hear the case will be final and binding on you and the Tapestry Companies. The arbitrator's award may be entered as a judgment in any court of competent jurisdiction in New York County, New York. The party requesting the arbitration shall be responsible for paying any associated filing or administrative fees. All other arbitration costs shall be shared equally by you and the Tapestry Companies; provided, however, the legal fees of the party that substantially prevails in the arbitration proceeding shall be paid by the non-prevailing party. Such legal fees shall be paid no later than sixty (60) days following the issuance of the arbitrator's decision. With the exception of the foregoing clause, each party shall be responsible for the costs and fees of its counsel or other representative.

(d) **Successors and Assigns.** Except as otherwise provided herein, the Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.

(e) **Severability.** Whenever feasible, each provision of the Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Agreement.

(f) **Forfeiture if Not Accepted.** The Company's grant to you of these RSUs is conditioned upon your acceptance of the terms of the Agreement. If you do not accept the Agreement (by returning a signed copy of the Agreement to the Tapestry Human Resources Department or by electronically accepting it online, as applicable) prior to the first anniversary of the Grant Date, then the Company shall have the right to terminate the Agreement and cancel the RSUs without providing further notice or other compensation or payments to you.

(g) **Language.** By accepting the RSUs, you acknowledge and represent that you are proficient in the English language or have consulted with an advisor who is sufficiently proficient in English as to allow you to understand the terms of this Agreement and any other documents related to the Plan. If you have 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.

(h) **Electronic Delivery and Acceptance.** Unless the Company determines otherwise in its sole discretion, the Company will deliver any documents related to your participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree 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.

(i) **Dividend Equivalents.** Section 9.8 of the Plan shall apply to this Award with respect to Dividend Equivalents. Any cash dividend paid on Shares shall not be deemed to be reinvested in Shares and will be held uninvested and without interest in a dividend book entry account and paid in cash if and when the RSUs vest under the Agreement.

(j) **Rights as a Stockholder.** You will have no right as a stockholder with respect to any RSUs or the Shares underlying the RSUs until and unless ownership of such Shares

underlying the RSUs has been transferred to you in accordance with the Agreement and the Plan.

14. **Annexes.** Notwithstanding any provisions in the Agreement, the RSU grant shall be subject to any special terms and conditions as set forth in Annex A to the Agreement. Moreover, if you relocate to one of the countries included Annex A, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Annex A constitutes part of the Agreement.

15. **Imposition of Other Requirements:** The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. By accepting this Award, you agree to sign any additional documents or undertakings that the Company may require.

16. **Insider Trading Restrictions/Market Abuse Laws.** You may be subject to insider trading restrictions and/or market abuse laws based on the exchange (if any) on which Shares are listed, and in applicable jurisdictions, including but not limited to the United States, your country and the designated broker's country, which may affect your ability to accept, acquire, sell, or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Further, you could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restriction that may be imposed under any applicable Company securities trading policy. You acknowledge you are responsible for complying with any applicable restrictions, and are hereby advised to speak, and should speak, to your personal legal advisor for further details regarding any applicable insider trading and/or market abuse laws in your country.

17. **Foreign Asset/Account Reporting Requirements and Exchange Controls.** Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends paid on Shares, sale proceeds resulting from the sale of Shares acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you are hereby advised to consult, and should consult, your personal legal advisor for any details.

18. **Code Section 409A.**

(a) **In General.** Although the Company does not guarantee any particular tax treatment to you with respect to the RSUs and the underlying Shares, the parties acknowledge and agree that, to the extent applicable, the Agreement shall be interpreted in accordance with

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Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or guidance that may be issued after the date hereof ("**Section 409A**"). Notwithstanding any provision of the Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder may be subject to Section 409A, the Company may adopt (without any obligation to do so or to indemnify you for failure to do so) such limited amendments to the Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company reasonably determines are necessary or appropriate to (i) exempt the amounts payable hereunder from Section 409A and/or preserve the intended tax treatment of the amounts payable hereunder or (ii) comply with the requirements of Section 409A. To the extent that any payment under the Agreement would be considered an impermissible acceleration of payment that would result in a violation of Section 409A, the Company shall delay making such payment until the earliest date on which such payment may be made without violating Section 409A. Your right to receive any installment payment under the Agreement shall, for purposes of Section 409A, be treated as a right to receive a series of separate and distinct payments. Notwithstanding anything herein to the contrary, in no event shall any liability for failure to comply with the requirements of Section 409A be transferred from you or any other individual to any of the Tapestry Companies or any of their employees or agents pursuant to the terms of the Agreement or otherwise.

(b) **Specified Employee Separation from Service.** Notwithstanding anything to the contrary in the Agreement, if you are determined to be a "specified employee" within the meaning of Section 409A as of the date of your "separation from service" as defined in U.S. Treasury Regulation Section 1.409A-1(h) (or any successor regulation), and if any payments or entitlements provided for in the Agreement constitute a "deferral of compensation" within the meaning of Section 409A and therefore cannot be paid or provided in the manner provided herein without subjecting you to additional tax, interest or penalties under Section 409A, then any such payment and/or entitlement which would have been payable during the first six months following your "separation from service" shall instead be paid or provided to you in a lump sum payment on the first business day immediately following the six-month anniversary of your "separation from service" (or, if earlier, the date of your death).

19. **Waiver.** You acknowledge that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by you or any other Holder.

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In witness whereof, the parties hereto have executed and delivered the Agreement.

TAPESTRY, INC.

Sarah Dunn

Global Human Resources Officer

Date: **Grant Date**

I acknowledge that I have read and understand the terms and conditions of the Agreement and of the Plan and I agree to be bound thereto.

AWARD RECIPIENT:

NAME

Date: _____

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PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

GRANT NOTICE

Unless otherwise defined herein, the terms defined in the Second Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan (as amended, restated or otherwise modified from time to time and in effect on the Grant Date (defined below), the “**Plan**”) shall have the same defined meanings in this Grant Notice (the “**Grant Notice**”) and the Performance Restricted Stock Unit Agreement attached as Exhibit A to this Grant Notice, including any special terms and conditions for your country set forth in Annex A attached hereto (collectively, the “**Agreement**”).

Tapestry, Inc. (the “**Company**”) has granted you the following Performance Restricted Stock Units (“**PRSUs**”), subject to the terms and conditions of the Plan and the Agreement.

Holder:	[NAME]
Grant Date:	[GRANT DATE]
Target Number of PRSUs:	[# OF PRSUS]
Vesting Schedule:	The PRSUs shall vest subject to (i) your continuous employment with the Company or any of its Affiliates (collectively, the “ Tapestry Companies ”) from the Grant Date through the third anniversary of the Grant Date (the “ Time Vesting Requirement ”), (ii) the occurrence of certification by the Committee of the achievement of all of the Performance Metrics (as defined in the Agreement) applicable to the PRSUs in such amounts as are set forth in Exhibit A (the “ Performance Vesting Requirement ”), and (iii) the occurrence of a date on which the Time Vesting Requirement and the Performance Vesting Requirement are each satisfied, (the “ Vesting Date ”).

Your signature below, which will be accomplished through electronic means approved by the Company, indicates your agreement and understanding that the PRSUs are subject to all of the terms and conditions contained in the Agreement, including the Grant Notice, the _____ Performance Restricted Stock Unit Agreement attached as Exhibit A to this Grant Notice (including any special terms and conditions for your country set forth in Annex A attached hereto) and the Plan. **ACCORDINGLY, PLEASE BE SURE TO READ ALL OF EXHIBIT A, WHICH CONTAINS THE SPECIFIC TERMS AND CONDITIONS OF THE PRSUS.**

TAPESTRY, INC.



Sarah Dunn
Global Human Resources Officer

EMPLOYEE NAME _____

EXHIBIT A

2018 Stock Incentive Plan Performance Restricted Stock Unit Award Agreement

An award (“**Award**”) for Performance Restricted Stock Units (“**PRSUs**”), representing a number of shares of Tapestry, Inc. common stock (“**Common Stock**”) as noted in the _____ Performance Restricted Stock Unit Grant Notice (the “**Grant Notice**”) of Tapestry, Inc., a Maryland corporation (the “**Company**”) to which this 2023 Performance Restricted Stock Unit Award Agreement is attached as an exhibit, including any special terms and conditions for your country set forth in Annex A attached hereto (jointly “this “**Agreement**”) is hereby granted to the you on the date set forth in the Grant Notice (the “**Grant Date**”), subject to the terms and conditions of the Agreement. The PRSUs are also subject to the terms, definitions and provisions of the Second Amended and Restated Tapestry, Inc. 2018 Stock Incentive Plan (as amended, restated or otherwise modified from time to time and in effect on the Grant Date), the “**Plan**”) adopted by the Board of Directors of the Company (the “**Board**”) and approved by the Company’s shareholders, which is incorporated in the Agreement. To the extent inconsistent with the Agreement, the terms of the Plan shall govern. Terms not defined herein shall have the meanings as set forth in the Plan. The Human Resources Committee of the Board (the “**Committee**”) has the discretionary authority to construe and interpret the Plan and the Agreement. All decisions of the Committee upon any question arising under the Plan or under the Agreement shall be final and binding on all parties. The Award and the PRSUs issued thereunder are subject to the following terms and conditions:

1. PRSU Award. The target number of PRSUs subject to this award (the “**Target Number of PRSUs**”) is set forth in the Grant Notice. The actual number of PRSUs which vest pursuant to the Award may be greater than or less than the Target Number of PRSUs based on the Company’s achievement of the Performance Metrics (as defined below) during the Performance Period (as defined below) determined in accordance with the vesting schedule and the Committee’s exercise of its discretion, both as set forth in Section 2(b) below.

Performance Period is defined as (i) the period beginning on _____ (the first day of the Company’s _____ fiscal year) and ending on _____ (the last day of the Company’s _____ fiscal year) for the Cumulative Sales and Average ROIC Performance Metrics (each as defined below) (the “**Cumulative Sales and Average ROIC Performance Period**”), and (ii) the period beginning on _____ (the Grant Date) and ending on _____ for the “Relative TSR Measure (as defined below) (the “**TSR Performance Period**”) (and, collectively with the Cumulative Sales and Average ROIC Performance Period, the “**Performance Periods**”).

PRSUs are considered Performance Stock Units under the Plan. Each PRSU represents the right to receive one share of Common Stock upon the satisfaction of the terms and conditions of the Agreement and the Plan (the “**Restrictions**”).

2. Vesting and Settlement of PRSUs. PRSUs shall vest and be settled in accordance with the provisions of the Plan as follows:

(a) Notwithstanding any other provision of the Plan, the Agreement, the Grant Notice or any other Award documentation: (a) except as otherwise provided by Section 5(b) and Section 5(d), no PRSUs shall vest for the Performance Periods unless the Committee approves the payment of the PRSUs for the Performance Periods; and (b) the number of PRSUs that vest may not exceed the Maximum Number of PRSUs (as defined below); *provided, however*, in no event shall the number of PRSUs that vest (with the number of Dividend Equivalent PRSUs (as defined below) earned thereon), together with all other share-based Awards granted to you under the Plan during the Company’s _____ fiscal year exceed the maximum number of shares

that may be granted to any individual under the Plan during any fiscal year (the “**Plan Annual Award Limit**”).

(b) **Vesting.** Subject to Sections 5 and 11 below, and your satisfaction of the Time Vesting Requirement, the Award will become eligible to vest upon satisfaction of the Performance Vesting Requirement.

Except as set forth in this Section 2(b), Section 5 and Section 11, if the Committee certifies that, (i) as of the last day of the Cumulative Sales and Average ROIC Performance Period (the “**Cumulative Sales and Average ROIC Measurement Date**”), the Company has achieved the applicable Cumulative Sales Measure (as defined below) and Average ROIC Measure (as defined below), and (ii) as of the last day of the TSR Performance Period (the “**TSR Measurement Date**”), the Company has achieved the Relative TSR Measure (as defined below) (collectively, the “**Performance Metrics**”), the PRSUs subject to the Award shall be eligible to become vested on the Vesting Date) based on the Performance Level (as defined below) pursuant to the vesting schedule set forth in the Performance Metric Schedule (as defined below). The weighted average vesting schedule provided in the Performance Metric Schedule is set forth in the following table (and the maximum payout -- assuming Maximum Performance Level with respect to all Performance Metrics -- is 200% of the Target Number of PRSUs as set forth below) (together with the number of Dividend Equivalent PRSUs earned on the Award in accordance with the Agreement, the “**Maximum Number of PRSUs**”):

Performance Level	PRSUs Earned as % of Target Number of PRSUs
Maximum	200%
Interim Step	150
Target	100%
Threshold	30%

Solely with respect to the Cumulative Sales Measure and Average ROIC Measure, if the Performance Level for the Performance Period is less than Threshold (as defined below) with respect to a Performance Metric, no PRSUs shall be earned or become vested on the Vesting Date with respect to such Performance Metric. If the Performance Level for the Performance Period with respect to a Performance Metric is between Threshold and Target (as defined below), between Target and the Interim Step (as defined below) or between the Interim Step and Maximum (as defined below), then the number of PRSUs that shall become vested on the Vesting Date with respect to such Performance Metric shall be determined by means of linear interpolation. Solely with respect to the Relative TSR Measure, if the Performance Level for the Performance Period is less than Threshold (as defined below) with respect to a Performance Metric, no PRSUs shall be earned or become vested on the Vesting Date with respect to such Performance Metric. If the Performance Level for the Performance Period with respect to a Performance Metric is between Threshold and Target (as defined below), or between the Target and Maximum (as defined below), then the number of PRSUs that shall become vested on the Vesting Date with respect to such Performance Metric shall be determined by means of linear interpolation.

For purposes of the Agreement, (i) “**Cumulative Sales Measure**” shall mean the Cumulative Sales goal established by the Committee with respect to 1/3 of the Award and set forth on the FY23-25 PRSU Award Goals and Targets table set forth on Exhibit B hereto (the “**Performance Metric Schedule**”), (ii) “**Average ROIC Measure**” shall mean the Average ROIC goal established by the Committee with respect to 1/3 of the Award and set forth on the Performance Metric Schedule, (iii) “**Relative TSR Measure**” shall mean the Relative TSR goal

established by the Committee with respect to 1/3 of the Award and set forth on the Performance Metric Schedule, (iv) **"Performance Level"** with respect to each Performance Metric shall mean the Company's performance result with respect to the Performance Period (measured in dollars or percentages, as applicable) with respect to such Performance Metric, and (v) **"Threshold," "Target," "Interim Step,"** and **"Maximum"** shall mean, respectively, the minimum, target, interim step and maximum amounts established by the Committee with respect to each Performance Metric (measured in terms of dollar amounts or percentages, as applicable), as set forth on the Performance Metric Schedule.

The Committee, in its sole discretion, may provide that one or more objectively determinable adjustments shall be made to any Performance Metric.

Except as otherwise provided by Section 2(a), the Committee may, in its sole and absolute discretion, elect to increase or decrease the number of PRSUs which vest above or below the number of PRSUs determined using the Performance Metrics, but the actual number of PRSUs which vest may not exceed the Maximum Number of PRSUs; *provided, however*, in no event shall the number of PRSUs that vest (with the number of Dividend Equivalent PRSUs earned thereon), exceed the Plan Annual Award Limit.

(c) Settlement; Withholding Taxes.

Subject to Section 2(d) below, earned PRSUs shall be settled upon, or as soon as reasonably practicable following, the Vesting Date (and in no event later than the later of the end of the year in which the Vesting Date occurs and the 15th day of the third month following the Vesting Date); *provided* that in the event that the Company is liquidated in bankruptcy (a) the Committee will not release shares of Common Stock pursuant to the Award and (b) all payments made pursuant to the Award will be made in cash equal to the fair market value of Common Stock on the distribution date, multiplied by the number of PRSUs, subject to withholding for Tax-Related Items.

(d) Responsibility for Taxes.

You acknowledge that, regardless of any action taken by the Company or, if different, your employer (the **"Employer"**) the ultimate liability for any income tax, social insurance contributions, payroll tax, payment on account, fringe benefits tax or any other tax items related to your participation in the Plan and legally applicable to you (**"Tax-Related Items"**), is and remains your sole responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PRSUs, including the grant of the PRSUs, the vesting of the PRSUs, the conversion of the PRSUs into shares of Common Stock or the receipt of an equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at vesting and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PRSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are or have become subject to tax in more than one jurisdiction, you acknowledge that the Company and or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. The Company makes no guarantee as to: (i) the tax treatment of the PRSUs and/or the underlying Shares; and (ii) whether any withholding amount will satisfy Tax-Related Items and your tax obligations relating to the PRSUs and the underlying Shares.

In connection with any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items, if any, by one or a combination of the following: (i) withholding from your wages, salary or other cash compensation payable to you by the Tapestry Companies or your

Employer; (ii) withholding from proceeds of the sale of shares of Common Stock under the Plan, either through a voluntary sale or through a mandatory sale arranged by the Company, including, without limitation, through any brokerage firm determined to be acceptable by the Company (on your behalf pursuant to this authorization without your further consent); (iii) withholding shares of Common Stock to be issued upon settlement of the PRSUs, or (iv) any other method determined by the Company, to the extent permitted under the Plan and Applicable Laws; provided, however, that if you are an officer of the Company under subject to Section 16 of the Exchange Act, the obligation for any Tax-Related Items will be satisfied only by one or a combination of the foregoing methods (i), (ii) and (iv).

The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in your jurisdiction(s). If the maximum rate is used, any over-withheld amount may be refunded to you in cash by the Company or the Employer (with no entitlement to the equivalent in shares of Common Stock) or, if not refunded, you may seek a refund from the local tax authorities. In the event of any under-withholding, you may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to the Company and/or Employer. If any withholding obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, you shall be deemed to have been issued the full number of shares of Common Stock subject to the vested PRSUs, notwithstanding that a number of shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company will not issue any Shares to you until you satisfy all applicable Tax-Related Items.

(e) Restrictions on Resale.

The shares you will receive under the Award on or following the Vesting Date (or such other vesting date pursuant to Section 5) generally are freely tradable in the United States, subject to any applicable insider trading policy of the Company. However, you may not offer, sell or otherwise dispose of any shares in a way which would (i) require the Company to file any registration statement with the U.S. Securities and Exchange Commission (or any similar filing under state law or the laws of any other country) or to amend or supplement any such filing, or (ii) violate or cause the Company to violate the U.S. Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, any other U.S. state or federal law, or the laws of any other country. The Company reserves the right to place restrictions required by law on any shares of Common Stock received by you pursuant to the Award.

3. Dividend Equivalents.

You shall be eligible to receive Dividend Equivalents (as defined in the Plan) with respect to the Award (the “**Dividend Equivalent PRSUs**”). For purposes of determining the amount of Dividend Equivalent PRSUs on each dividend record date, an amount representing dividends payable on the number of shares of Common Stock equal to the Target Number of PRSUs shall be deemed reinvested in Common Stock and credited as additional PRSUs as of the dividend payment date. The Dividend Equivalent PRSUs shall vest as of the Vesting Date of the underlying PRSUs (or, if earlier, the date such underlying PRSUs are distributed to you pursuant to Section 5 of the Agreement) and shall be distributed in accordance with the terms of the Agreement; provided, however, that all Dividend Equivalent PRSUs (including Dividend Equivalent PRSUs paid with respect to any prior year’s Dividend Equivalent PRSUs) will be subject to forfeiture if the underlying PRSUs are forfeited in accordance with the forfeiture and vesting provisions set forth in the Agreement or otherwise.

4. Nontransferability of PRSUs.

The PRSUs may not be sold, pledged, assigned or transferred in any manner except in the event of your death. In the event of your death, the PRSUs may be transferred to the person indicated on a beneficiary designation form (if permitted by the Committee and valid under Applicable Law), or if no such beneficiary designation form is on file with the Company, then to the person to whom your rights have passed by will or the laws of descent and distribution. Except as set forth in Section 5 below, the PRSUs may be settled during your lifetime only by you or by your guardian or legal representative. The terms of the Award shall be binding upon your executors, administrators, heirs and successors.

5. Separation of Employment.

(a) **In General.** Except as otherwise provided in subparagraph (b) below with respect to a termination of employment due to your death or Permanent and Total Disability (as defined below), in subparagraph (c) below with respect to a termination of employment due to your voluntary Retirement (as defined below), in subparagraph (d) below with respect to certain terminations of employment in connection with a Change in Control, and in subparagraph (e) below with respect to certain other severance-eligible terminations of employment, or as may otherwise be specifically agreed to by the Committee in accordance with the terms of the Plan, if your employment by Tapestry Companies is terminated for any reason prior to the Vesting Date, all unvested PRSUs shall immediately be forfeited upon the last day of your active employment with the Tapestry Companies (the "**Date of Termination**"). Except as otherwise expressly set forth in this Agreement, you will not earn or be entitled to any pro-rated vesting for any portion of time before the respective Vesting Date during which you were employed, nor will you be entitled to any compensation or payment for any forfeited RSUs as a result of their ceasing to vest.

(a) **Death or Disability.** Notwithstanding Section 5(a), if you cease active employment with the Tapestry Companies because of your death or Permanent and Total Disability prior to the satisfaction of the Performance Vesting Requirement, the Target Number of PRSUs subject to the Award shall become vested effective as of the Date of Termination and (ii) following the satisfaction of the Performance Vesting Requirement, the number of PRSUs subject to the Award that shall become vested shall be based on the Company's actual achievement of the Performance Metrics as determined as of the satisfaction of the Performance Vesting Requirement. Vested PRSUs shall be distributed to you (or your beneficiary or estate, as the case may be) as soon as reasonably practicable on or following such Date of Termination (and in no event later than the later of the end of the year in which the Date of Termination occurs and the 15th day of the third month following the Date of Termination).

(b) **Retirement.** Notwithstanding Section 5(a), if you cease active employment with the Tapestry Companies because of your Retirement (as defined below) prior to the Vesting Date, the Award shall, subject to (i) providing the Required Notice applicable to you and (ii) complying with the Restrictive Covenants (as defined below) for the periods specified in Section 11(a) and Section 11(d), remain eligible to become vested on the Vesting Date, pursuant to Section 2, based on the Company's actual achievement of the Performance Metrics as determined as of the satisfaction of the Performance Vesting Requirement. Earned PRSUs will be settled pursuant to Section 2(c).

(c) **Change in Control.** Notwithstanding Section 5(a), if upon a Change in Control occurring prior to the satisfaction of the Performance Vesting Requirement, (i) your employment is terminated by the Tapestry Companies without Change in Control Cause (as defined below) or by you for Change in Control Good Reason (as defined below), the Award shall have the Performance Goals deemed to be achieved at the Target level of performance and the Performance Period deemed to have expired, and the entire Target Number of PRSUs subject to the Award shall become fully vested effective as of the Date of Termination; or (ii) your employment is not terminated by the Tapestry Companies, the Target Number of PRSUs subject

to the Award shall have the Performance Goals deemed to be achieved at the Target level of performance and the Performance Period deemed to have expired, and the entire Target Number of PRSUs subject to the Award will be converted to restricted stock units ("**RSUs**") subject to time-based vesting in accordance with the Plan, and subsequently if your employment is terminated either by the Tapestry Companies without Change in Control Cause or by you for Change in Control Good Reason during the twenty four (24)-month period immediately following the Change in Control, the full portion of the unvested RSUs will become fully vested, effective immediately upon such termination (the "**Converted RSU Provisions**"). Notwithstanding the foregoing, upon a Change in Control occurring following the satisfaction of the Performance Vesting Requirement, the number of PRSUs that become vested (in the event your employment is terminated by the Tapestry Companies without Change in Control Cause or by you for Change in Control Good Reason) or that are converted to RSUs (in the event your employment is not terminated) will be determined based on the Company's actual achievement of the Performance Metrics as determined as of the satisfaction of the Performance Vesting Requirement, with any RSUs being subject to the Converted RSU Provisions. Vested PRSUs shall be distributed to you as soon as reasonably practicable on or following such Date of Termination in accordance with the Plan (and in no event later than the later of the end of the year in which the Date of Termination occurs and the 15th day of the third month following the Date of Termination).

"**Change in Control Cause**" shall mean the occurrence of any of the following: (i) conviction of, or plea of guilty or nolo contendere to, a felony (or crime of similar magnitude under non-U.S. laws) or a crime involving moral turpitude; (ii) willful or grossly negligent breach of material duties; (iii) any act of fraud, embezzlement or other similar dishonest conduct; (iv) any act or omission that has a material adverse effect on the Tapestry Companies, including without limitation, its reputation, business interests or financial condition; or (v) a material breach of any of restrictive covenants set forth in a written agreement with the Tapestry Companies. "**Change in Control Good Reason**" shall mean (i) any reduction in your base salary and/or target bonus opportunity, other than a reduction that is uniformly applied to similarly situated employees of not more than 10%; (ii) relocation of your principal place of work outside of a fifty (50) mile radius of your then current location; (iii) the failure of any successor to the Tapestry Companies to assume or substitute for the Agreement; or (iv) the occurrence of any event that constitutes "good reason" (or words of like import) as set forth in a written employment agreement or offer letter between the Tapestry Companies and you in effect on the date of your termination. In order for an event to qualify as Change in Control Good Reason, (i) you must first provide the Tapestry Companies with written notice of the acts or omissions constituting the grounds for "Change in Control Good Reason" within thirty (30) calendar days of the initial existence of the grounds for "Change in Control Good Reason" and a reasonable cure period of thirty (30) calendar days following the date of written notice (the "**Cure Period**"), and such grounds must not have been cured during such time, and the you must resign your employment within the thirty (30) calendar days following the end of the Cure Period.

(d) **Severance Events.** Except with respect to any Change in Control Termination, and notwithstanding Section 5(a), if your employment with the Tapestry Companies is terminated by the Tapestry Companies prior to the Vesting Date and you are eligible to receive severance benefits under any written severance plan or policy of the Tapestry Companies or an employment agreement between you and the Tapestry Companies in connection with such termination (a "**Severance Event Termination**"), then, unless such agreement provides otherwise or unless you meet the requirements for Retirement (as defined below), a pro-rata portion of the Award, determined based upon the number of days you were employed during the period from the Grant Date to your Date of Termination, shall remain eligible to become vested on the Vesting Date, pursuant to Section 2, based on the Company's actual achievement of the Performance Metrics as determined as of the satisfaction of the Performance Vesting Requirement. If you meet the requirements for Retirement (as defined below) as of the date of your termination, in the event of your Severance Event Termination, the PRSUs shall remain eligible to become vested on the Vesting Date (without any pro-rata), pursuant to Section 2, based on the Company's actual achievement of the Performance Metrics as determined on the satisfaction of the Performance Vesting Requirement. Earned PRSUs will be settled pursuant to

Section 2(c). Your receipt of any vesting with respect to any portion of the PRSUs granted pursuant to this Award, upon a Severance Event Termination will be subject to (i) your timely execution and non-revocation of a waiver and release agreement in the form prescribed by the Tapestry Companies and (ii) the terms and conditions set forth in (A) the Agreement, (B) any employment agreement between you and the Tapestry Companies (as applicable) and (C) any written severance plan or policy of the Tapestry Companies applicable to you and in effect as of the date of your Severance Event Termination.

(e) **Certain Definitions.** For purposes of the Agreement, (1) **"Cause"** shall mean a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Employee Guide or any other written policies or procedures of the Tapestry Companies, (ii) your indictment, conviction of, or plea of guilty or nolo contendere to, a felony (or crime of similar magnitude under non-U.S. laws) or a crime involving moral turpitude, (iii) your willful or grossly negligent breach of your duties, (iv) any act of fraud, embezzlement or other similar dishonest conduct, (v) any act or omission that the Company determines could have a material adverse effect on the Tapestry Companies, including without limitation, its reputation, business interests or financial condition, (vi) your failure to follow the lawful directives of the Chief Executive Officer or other employee of the Company to whom you report, or (vii) your breach of any written agreement between you and the Company or any of its affiliates.; (2) **"Permanent and Total Disability"** means that you are 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 months; and (3) **"Retirement"** shall mean your departure from employment with the Tapestry Companies other than for Cause (as defined below) if either (A) you have attained age sixty-five (65) and five (5) years of service with the Tapestry Companies or (B) you have attained age fifty-five (55) and ten (10) years of service with the Tapestry Companies.

6. Term of PRSUs.

PRSUs not certified by the Committee as having vested as of the Vesting Date shall be forfeited.

7. Adjustments upon Changes in Capitalization.

The number and kind of shares of Common Stock subject to this Award shall be appropriately adjusted pursuant to the Plan to reflect any stock dividend, stock split, split-up, extraordinary dividend distribution, or any combination or exchange of shares, however accomplished.

8. Additional PRSUs.

The Committee may or may not grant you additional PRSUs in the future. Nothing in this Award or any future Award should be construed as suggesting that additional PRSU awards to you will be forthcoming.

9. Rights as Stockholder.

You will have no rights as a stockholder with respect to any PRSUs or the Common Stock subject to the PRSUs until and unless ownership of such Common Stock subject to the PRSUs has been transferred to you in accordance with the Agreement and the Plan.

10. Nature of Grant. By accepting the PRSUs, you acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan.

(a) this Award of PRSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of PRSUs, or benefits in lieu of PRSUs, even if PRSUs have been awarded in the past;

(b) all decisions with respect to future awards, if any, shall be at the sole discretion of the Company;

(c) your participation in the Plan is voluntary;

(d) this Award of PRSUs and the Common Stock subject to the PRSUs, and any income from and value of same, are extraordinary items that (i) do not constitute compensation of any kind for services of any kind rendered to the Company, any Affiliate or to your actual employer (the "Employer"), and (ii) are outside the scope of your employment or service contract, if any;

(e) the PRSUs and the Common Stock subject to the PRSUs, and any income from and value of same, are not intended to replace any pension rights or compensation;

(f) this Award of PRSUs and the Common Stock subject to the PRSUs, and any income from and value of same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday or vacation pay, paid-time off, pension, profit sharing, 401(k) or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Tapestry Companies, including the Employer;

(g) this Award of PRSUs and your participation in the Plan shall not create a right to employment or continued employment with any of the Tapestry Companies or be interpreted as forming an employment or service contract with any of the Tapestry Companies, and shall not interfere with the ability of the Tapestry Companies to terminate your employment or service relationship (if any) at any time with or without cause;

(h) the future value of the underlying Common Stock is unknown and cannot be predicted with certainty;

(i) the Common Stock acquired upon vesting/settlement of the PRSUs may increase or decrease in value;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the PRSUs resulting from the termination of your employment by or continued service with the Company or the Employer or continuous service (for any reason whatsoever, whether or not later found to be invalid or in breach of Applicable Laws or the terms of your employment or service agreement, if any) and in consideration of the grant of the RSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Tapestry Companies, including the Employer, waive your ability, if any, to bring any such claim, and release the Tapestry Companies, including the Employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) for purposes of this Award, unless your termination is a Severance Event Termination, regardless of the reason of your termination (and whether or not later found to be

invalid or in breach of Applicable Laws or the terms of your employment or service agreement, if any), your employment or service relationship will be considered terminated effective as of the date you are no longer actively employed or providing services and will not be extended by any notice period mandated under local law (e.g., active employment would not include any contractual notice period or any period of "garden leave" or similar period pursuant to local law). The Administrator shall have the exclusive discretion to determine when you are no longer actively employed for purposes of your PRSUs (including whether you may still be considered to be providing services while on a leave of absence);

(l) the PRSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability;

(m) the Tapestry Companies, including the Employer, shall not be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the PRSUs or of any amounts due to you pursuant to the settlement of the PRSUs or the subsequent sale of any Common Stock acquired upon vesting/settlement;

(n) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Common Stock; and

(o) you are hereby advised to consult, and should consult, with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

11. Forfeiture and Clawback Provisions.

(p) **PRSU Claw-Back.** Notwithstanding anything contained in the Agreement to the contrary, (i) if your employment with the Tapestry Companies is terminated for Cause (as defined above) ("**Termination for Cause**"), (ii) if you elect to terminate your employment with the Tapestry Companies (including in the event of your Retirement) and you do not provide the Tapestry Companies with the Required Notice (as defined below) applicable to your level ("**Termination without Notice**"), or (iii) if you engage in any activity inimical, contrary or harmful to the interests of the Tapestry Companies during your employment with the Tapestry Companies or at any time during the period ending one (1) year after your employment with the Tapestry Companies terminates, including but not limited to (A) violating any of the Restrictive Covenants, (B) violating any business standards established by the Company, or (C) participating in any activity not approved by the Board of Directors which is reasonably likely to contribute to or result in a Change in Control (such activities to be collectively referred to as "**Wrongful Conduct**"), then (x) this Award, to the extent it remains restricted or has not been distributed, shall be forfeited automatically for no consideration on the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice, whichever is applicable, and (y) the Company shall have the right to claw-back, and you shall pay to the Company in cash or shares, any PRSU Gain (as defined below) received by you within the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice. For the two (2) year period commencing on a Change in Control, items (A) and (B) under Section 11(a)iii) shall not constitute Wrongful Conduct. For the avoidance of doubt, the claw-back provisions set forth in this Section 11(a) are in addition to any other claw-back policy applicable to you, including, without limitation, the Company's incentive repayment policy in the event of employee accountability for a material restatement of the Company's financial results and any claw-back or similar requirements which might be imposed pursuant to Section 304 under the Sarbanes-Oxley Act of 2002, or pursuant to any modification or expansion of the Company's claw-back policy to the extent required by the Dodd-Frank Act of 2010 and the related rules of the Securities and Exchange Commission.

(f) For purposes of the Agreement, "**PRSU Gain**" shall mean an amount equal to the product of (i) the number of shares of Common Stock that are distributed pursuant to the Award and (ii) the Fair Market Value per share of Common Stock on the date of such distribution (without reduction for any shares of Common Stock sold, surrendered or attested to in payment of Tax-Related Items).

(g) For purposes of the Agreement, "**Required Notice**" means advance written notice of your intent to terminate your employment with the Tapestry Companies, delivered not less than (A) the advance written notice period required in your individual employment letter if you are then a member of the Tapestry Executive Committee, which shall not be less than three (3) months, (B) six (6) weeks before your last day of employment if you are then a Senior Vice President, or (C) four (4) weeks before your last day of employment if you are then a Vice President (there is no Required Notice applicable if you are below the level of Vice President).

(h) For purposes of the Agreement, "**Restrictive Covenants**" shall mean your agreement not to (i) compete directly or indirectly (either as owner, employee or agent of a Competitive Business (as defined below)) with any of the businesses of the Tapestry Companies, (ii) make, directly or indirectly, a five percent (5%) or more investment in a Competitive Business, or any new luxury accessories business that competes directly with the existing or planned product lines of the Tapestry Companies, (iii) solicit any present or future employees or customers of the Tapestry Companies to terminate such employment or business relationship(s) with the Tapestry Companies, in the case of each of (i), (ii) and (iii), at any time during your employment with the Tapestry Companies or at any time during the period ending one (1) year after your employment with the Tapestry Companies terminates, or (iv) disclose or misuse any confidential information regarding the Tapestry Companies at any time. You acknowledge and agree that the Company is granting you the Award in consideration of your agreement to be bound by the Restrictive Covenants, and you acknowledge and agree that this Award is good and valuable consideration for the Restrictive Covenants. Accordingly, if you breach any of the Restrictive Covenants, in addition to the forfeiture and claw-back consequences described in Section 11(a), the Company shall be entitled to recover any damages incurred as a result of such breach. You further acknowledge and agree that the Tapestry Companies would be irreparably harmed by any breach of the Restrictive Covenants and that money damages would be an inadequate remedy for any such breach and, accordingly, for employees at the level of Senior Director or above, in the event of your breach or threatened breach of any of the Restrictive Covenants, the Company may, in addition to any money damages or other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the Restrictive Covenants. For the avoidance of doubt, the remedies in law and in equity for any breach of the Restrictive Covenants set forth in this Section 11(d) are in addition to, and cumulative of, the claw-back and forfeiture provisions set forth in Section 11(a). Notwithstanding anything herein to the contrary, nothing herein is intended to limit any restrictive covenant provision contained in any other agreement between you and the Tapestry Companies that may permit any of the Tapestry Companies to seek injunctive relief, money damages or any other rights or remedies at law or in equity in the event of a breach or threatened breach of any restrictive covenant provision contained in any other agreement.

(i) For purposes of the Agreement, "**Competitive Business**" shall mean any entity (including its subsidiaries, parent entities and other affiliates) that, as of the relevant date, the Committee has designated in its sole discretion as an entity that competes with any of the businesses of the Tapestry Companies; *provided*, that (i) this list of Competitive Businesses shall not exceed the total number of entities shown below for the region in which your employment is based (ii) such entities are the same entities used for any list of competitive entities for any other arrangement with an executive of the Company, and (iii) you will only be restricted from those entities on the list as of the Date of Termination. A current list of Competitive Businesses, including any changes made to the list by the Committee, shall be maintained on the Company intranet. Each entity included in the list of entities designated as

Competitive Businesses at any given time shall include any and all subsidiaries, parent entities and other affiliates of such entity.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of the Agreement for Company Employees employed by the Company's North American entities or Global Operations division (regardless of the employee's geographic place of work or residence) excluding those described in the paragraph below: Adidas AG; Burberry Group PLC; Capri Holdings Limited; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; LVMH Moet Hennessy Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Samsonite International S.A.; Tory Burch LLC; Victoria's Secret and Company; V.F. Corporation; and Under Armour, Inc.

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of the Agreement for Company employees employed by the retail businesses operated by the Company (either directly or in a joint venture) outside of North America (regardless of the employee's geographic place of work or residence): Adidas AG; Burberry Group PLC; Capri Holdings Limited; Chanel S.A.; Club 21 Pte Ltd; Cole Haan LLC; Compagnie Financiere Richemont SA; Fast Retailing Co., Ltd; Furla S.p.A.; The Gap, Inc.; H&M Hennes & Mauritz AB (H&M); Hermes International SA; Industria de Diseno Textil, S.A; Kering; LVMH Moet Hennessy Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Salvatore Ferragamo S.p.A; and Tory Burch LLC.

By accepting these PRSUs, you consent to and authorize the Tapestry Companies to deduct from any amounts payable by the Tapestry Companies to you any amounts you owe to the Company under this Section. This right of set-off is in addition to any other remedies the Company may have against you for breach of the Agreement. Your obligations under this Section shall be cumulative (but not duplicative) of any similar obligations you have under the Agreement or pursuant to any other agreement with the Tapestry Companies.

12. Entire Agreement.

The Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

13. Amendment and Modification.

The grant of the Award (and the allocation of PRSUs for any Performance Period) is documented by the minutes of the Committee or by documents produced by the Company as authorized by such minutes, which records are the final determinant of the number of PRSUs granted in any Performance Period and the conditions of any such grant. The Committee may amend or modify the Award in any manner to the extent that the Committee would have had the authority under the Plan initially to grant such Award; *provided* that no such amendment or modification shall directly or indirectly impair or otherwise adversely affect your rights under the Agreement without your prior written consent. Except as in accordance with the two immediately preceding sentences, the Agreement may be amended, modified or supplemented only by an instrument in writing signed by both parties hereto.

14. Dispute Resolution.

(b) **Governing Law.** Notwithstanding anything herein to the contrary, all matters arising under the Agreement, including matters of validity, construction and interpretation, shall

be governed by the internal laws of the State of New York, without regard to the provisions of conflict of laws thereof.

(c) **Binding Arbitration.** With the exception of any application by the Tapestry Companies for declaratory and/or injunctive relief based on a violation or threatened violation of Section 11, which may be brought in state or federal court in New York County, New York, all disputes, claims, controversies or causes of action between you and any of the Tapestry Companies or any of their employees and other service providers arising out of or related to the Agreement shall be determined exclusively by final, binding and confidential arbitration in accordance with this Section 14(b). The arbitration shall be conducted before a single arbitrator in New York, New York (applying New York law) in accordance with the JAMS Employment Arbitration Rules & Procedures then in effect (a copy of such rules is available at <https://www.jamsadr.com/rules-employment-arbitration/>) and in the JAMS arbitral forum. You and the Tapestry Companies shall be entitled to engage in discovery in the form of requests for documents, interrogatories, requests for admissions, physical and/or mental examinations and depositions, in accordance with and subject to the provisions of the Federal Rules of Civil Procedure. Any disputes concerning discovery shall be resolved by the arbitrator. The decision of the arbitrator appointed to hear the case will be final and binding on you and the Tapestry Companies. The arbitrator's award may be entered as a judgment in any court of competent jurisdiction in New York County, New York. The party requesting the arbitration shall be responsible for paying any associated filing or administrative fees. All other arbitration costs shall be shared equally by you and the Tapestry Companies; provided, however, the legal fees of the party that substantially prevails in the arbitration proceeding shall be paid by the non-prevailing party. Such legal fees shall be paid no later than sixty (60) days following the issuance of the arbitrator's decision. With the exception of the foregoing clause, each party shall be responsible for the costs and fees of its counsel or other representative.

15. Successors and Assigns.

Except as otherwise provided herein, the Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.

16. Severability.

Whenever feasible, each provision of the Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Agreement.

17. Annexes.

Notwithstanding any provisions in the Agreement, the PRSU grant shall be subject to any special terms and conditions as set forth in any annex to the Agreement. Moreover, if you relocate to one of the countries included in Annex A, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms is necessary or advisable for legal or administrative reason. The Annexes constitute part of the Agreement.

18. Code Section 409A.

(j) **In General.** Although the Company does not guarantee any particular tax treatment to you with respect to the PRSUs and the underlying shares, the parties acknowledge and agree that, to the extent applicable, the Agreement shall be interpreted in accordance with Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or guidance that may be issued after the date hereof ("**Section 409A**"). Notwithstanding any provision of the

Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder may be subject to Section 409A, the Company may adopt (without any obligation to do so or to indemnify you for failure to do so) such limited amendments to the Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company reasonably determines are necessary or appropriate to (i) exempt the amounts payable hereunder from Section 409A and/or preserve the intended tax treatment of the amounts payable hereunder or (ii) comply with the requirements of Section 409A. To the extent that any payment under the Agreement would be considered an impermissible acceleration of payment that would result in a violation of Section 409A, the Company shall delay making such payment until the earliest date on which such payment may be made without violating Section 409A. Notwithstanding anything herein to the contrary, in no event shall any liability for failure to comply with the requirements of Section 409A be transferred from you or any other individual to any of the Tapestry Companies or any of their employees or agents pursuant to the terms of the Agreement or otherwise.

(a) **Specified Employee Separation from Service.** Notwithstanding anything to the contrary in the Agreement, if you are determined to be a “specified employee” within the meaning of Section 409A as of the date of your “separation from service” as defined in U.S. Treasury Regulation Section 1.409A-1(h) (or any successor regulation), and if any payments or entitlements provided for in the Agreement constitute a “deferral of compensation” within the meaning of Section 409A and therefore cannot be paid or provided in the manner provided herein without subjecting you to additional tax, interest or penalties under Section 409A, then any such payment and/or entitlement which would have been payable during the first six months following your “separation from service” shall instead be paid or provided to you in a lump sum payment on the first business day immediately following the six-month anniversary of your “separation from service” (or, if earlier, the date of your death).

19. Data Privacy Information and Consent. *Where required by Applicable Law, you hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer and the Tapestry Companies for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social security or insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, and job title, any Common Stock or directorships held in the Company, and details of the PRSUs or any other restricted stock units or other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to Fidelity Stock Plan Services and certain of its affiliates (“Fidelity”) or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You authorize the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for sole the purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any Shares acquired upon vesting of the PRSUs.

You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative.

You understand that Data shall be held as long as is reasonably necessary to implement, administer and manage your participation in the Plan. You understand that you 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 your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you PRSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing such consent may affect your ability to participate in the Plan. In addition, you understand that the Tapestry Companies have separately implemented procedures for the handling of Data which the Company believes permits the Company to use the Data in the manner set forth above notwithstanding your withdrawal of such consent. For more information on the consequences of refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Finally, you understand that the Company may rely on a different legal basis for the collection, processing and/or transfer of Data either now or in the future and/or request you provide another data privacy consent. If applicable and upon request of the Company or the Employer, you agree to provide an executed acknowledgment or data privacy consent (or any other acknowledgments, agreements or consents) to the Company and/or the Employer that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in your country, either now or in the future. You understand that you may be unable to participate in the Plan if you fail to execute any such acknowledgment, agreement or consent requested by the Company and/or the Employer.

20. Miscellaneous.

(b) **Language.** By accepting the PRSUs, you acknowledge and represent that you are proficient in the English language or have consulted with an advisor who is sufficiently proficient in English as to allow you to understand the terms of this Agreement and any other documents related to the Plan. If you have 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.

(c) **Electronic Delivery and Acceptance.** Unless the Company determines otherwise in its sole discretion, the Company will deliver any documents related to your participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree 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.

(d) **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on the PRSUs and on any Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. By accepting this Award, you agree to sign any additional documents or undertakings that the Company may require.

(e) **Insider Trading Restrictions/Market Abuse Laws.** You may be subject to insider trading restrictions and/or market abuse laws based on the exchange (if any) on which Shares are listed, and in applicable jurisdictions, including but not limited to the United States, your country and the designated broker's country, which may affect your ability to accept, acquire, sell, or otherwise dispose of Shares, rights to Shares (e.g., PRSUs) or rights linked to the value of Shares during such times as you are considered to have "inside information"

regarding the Company (as defined by the laws in applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Further, you could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restriction that may be imposed under any applicable Company securities trading policy. You acknowledge you are responsible for complying with any applicable restrictions and are hereby advised to speak, and should speak, to your personal legal advisor for further details regarding any applicable insider trading and/or market abuse laws in your country.

(f) **Foreign Asset/Account Reporting Requirements and Exchange Controls.** Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold Common Stock under the Plan or cash received from participating in the Plan (including from any dividends paid on Common Stock, sale proceeds resulting from the sale of Common Stock acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you are hereby advised to consult, and should consult, your personal legal advisor for any details

(g) **Waiver.** You acknowledge that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by you or any other Holder.

EXHIBIT B

Performance Metric Schedule

I, Joanne C. Crevoiserat, certify that,

1. I have reviewed this Quarterly Report on Form 10-Q of Tapestry, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2022

By: /s/ Joanne C. Crevoiserat

Name: Joanne C. Crevoiserat

Title: Chief Executive Officer

I, Scott A. Roe, certify that,

1. I have reviewed this Quarterly Report on Form 10-Q of Tapestry, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2022

By: /s/ Scott A. Roe

Name: Scott A. Roe

Title: Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tapestry, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended October 1, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2022

By: /s/ Joanne C. Crevoiserat
Name: Joanne C. Crevoiserat
Title: Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tapestry, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended October 1, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2022

By: /s/ Scott A. Roe
Name: Scott A. Roe
Title: Chief Financial Officer