
**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 December 29, 2018

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) 594-1850

(Registrant's telephone number, including area code)

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" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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 January 25, 2019 the Registrant had 289,978,011 outstanding shares of common stock, which is the Registrant's only class of common stock.

TAPESTRY, INC.
INDEX

Page Number

PART I – FINANCIAL INFORMATION (unaudited)

ITEM 1.	Financial Statements:	
	Condensed Consolidated Balance Sheets	1
	Condensed Consolidated Statements of Operations	2
	Condensed Consolidated Statements of Comprehensive Income (Loss)	3
	Condensed Consolidated Statements of Cash Flows	4
	Notes to Condensed Consolidated Financial Statements	5
ITEM 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	26
ITEM 3.	Quantitative and Qualitative Disclosures about Market Risk	45
ITEM 4.	Controls and Procedures	46

PART II – OTHER INFORMATION

ITEM 1.	Legal Proceedings	47
ITEM 1A.	Risk Factors	47
ITEM 2.	Unregistered Sales of Equity Securities and Use of Proceeds	47
ITEM 4.	Mine Safety Disclosures	47
ITEM 6.	Exhibits	47
	SIGNATURE	48

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, in our press releases and in oral statements made from time to time by us or on our behalf, contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, 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. These forward-looking statements can be identified by the use of forward-looking terminology such as "believes," "may," "will," "should," "expect," "confidence," "trends," "intend," "estimate," "on track," "are positioned to," "on course," "opportunity," "continue," "project," "guidance," "target," "forecast," "anticipated," "plan," "potential," the negative of these terms or comparable terms. The Company'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 important factors, including but not limited to: (i) our ability to achieve intended benefits, cost savings and synergies from acquisitions; (ii) our ability to upgrade our information technology systems precisely and efficiently; (iii) our ability to successfully execute our growth strategies, including our efforts to expand internationally into a global house of lifestyle brands; (iv) our ability to successfully execute our operational efficiency initiatives; (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 effect of existing and new competition in the marketplace; (vii) our ability to retain the value of our brands and to respond to changing fashion and retail trends in a timely manner; (viii) our ability to control costs; (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 risk of cyber security threats and privacy or data security breaches; (xii) the impact of tax legislation; and 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 June 30, 2018 ("fiscal year 2018"). The Company assumes no obligation to revise or update any such forward-looking statements for any reason, except as required by law.

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

	December 29, 2018	June 30, 2018
	(millions)	
	(unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,237.0	\$ 1,243.4
Short-term investments	258.2	6.6
Trade accounts receivable, less allowances of \$4.2 and \$1.5, respectively	360.5	314.1
Inventories	732.4	673.8
Prepaid expenses	86.9	82.6
Income tax receivable	58.1	25.8
Other current assets	95.4	86.3
Total current assets	2,828.5	2,432.6
Property and equipment, net	896.0	885.4
Long-term investments	0.1	—
Goodwill	1,503.4	1,484.3
Intangible assets	1,721.9	1,732.9
Deferred income taxes	31.8	24.3
Other assets	137.6	118.8
Total assets	\$ 7,119.3	\$ 6,678.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 299.1	\$ 264.3
Accrued liabilities	781.3	673.2
Current debt	0.7	0.7
Total current liabilities	1,081.1	938.2
Long-term debt	1,601.0	1,599.9
Deferred income taxes	243.1	206.2
Long-term income taxes payable	233.3	222.4
Other liabilities	472.4	467.0
Total liabilities	3,630.9	3,433.7
See Note 16 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 - 290.0 million and 288.0 million shares, respectively	2.9	2.9
Additional paid-in-capital	3,256.3	3,205.5
Retained earnings	320.7	119.0
Accumulated other comprehensive income (loss)	(91.5)	(82.8)
Total stockholders' equity	3,488.4	3,244.6
Total liabilities and stockholders' equity	\$ 7,119.3	\$ 6,678.3

See accompanying Notes.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	December 29, 2018	December 30, 2017	December 29, 2018	December 30, 2017
	(millions, except per share data) (unaudited)			
Net sales	\$ 1,800.8	\$ 1,785.0	\$ 3,182.0	\$ 3,073.9
Cost of sales	597.3	608.8	1,043.4	1,134.8
Gross profit	1,203.5	1,176.2	2,138.6	1,939.1
Selling, general and administrative expenses	822.8	829.8	1,600.2	1,614.5
Operating income	380.7	346.4	538.4	324.6
Interest expense, net	13.2	22.2	26.3	42.7
Income before provision for income taxes	367.5	324.2	512.1	281.9
Provision for income taxes	112.7	261.0	135.0	236.4
Net income	\$ 254.8	\$ 63.2	\$ 377.1	\$ 45.5
Net income per share:				
Basic	\$ 0.88	\$ 0.22	\$ 1.30	\$ 0.16
Diluted	\$ 0.88	\$ 0.22	\$ 1.29	\$ 0.16
Shares used in computing net income per share:				
Basic	289.9	284.5	289.3	283.8
Diluted	291.0	286.4	291.4	286.5
Cash dividends declared per common share	\$ 0.3375	\$ 0.3375	\$ 0.6750	\$ 0.6750

See accompanying Notes.

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

	Three Months Ended		Six Months Ended	
	December 29, 2018	December 30, 2017	December 29, 2018	December 30, 2017
	(millions) (unaudited)			
Net income	\$ 254.8	\$ 63.2	\$ 377.1	\$ 45.5
Other comprehensive (loss) income, net of tax:				
Unrealized (losses) gains on cash flow hedging derivatives, net	(3.2)	(1.0)	1.3	(4.1)
Unrealized gains on available-for-sale investments, net	0.1	0.3	0.1	0.5
Foreign currency translation adjustments	(0.3)	9.7	(10.1)	18.2
Other comprehensive (loss) income, net of tax	(3.4)	9.0	(8.7)	14.6
Comprehensive income (loss)	\$ 251.4	\$ 72.2	\$ 368.4	\$ 60.1

See accompanying Notes.

TAPESTRY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	December 29, 2018	December 30, 2017
	(millions) (unaudited)	
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Net income	\$ 377.1	\$ 45.5
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	126.3	126.3
Provision for bad debt	3.2	0.5
Share-based compensation	43.1	38.5
Integration and restructuring activities	6.2	117.2
Deferred income taxes	31.0	(94.6)
Other non-cash charges, net	(3.8)	(3.6)
Changes in operating assets and liabilities:		
Trade accounts receivable	(34.2)	14.0
Inventories	(42.1)	12.5
Accounts payable	12.6	(92.0)
Accrued liabilities	95.2	4.9
Other liabilities	40.3	233.4
Other assets	(55.9)	28.4
Net cash provided by operating activities	599.0	431.0
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisitions, net of cash acquired	(37.7)	(2,320.2)
Purchases of investments	(286.2)	(3.0)
Proceeds from maturities and sales of investments	34.8	461.2
Purchases of property and equipment	(116.4)	(126.5)
Net cash used in investing activities	(405.5)	(1,988.5)
CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES		
Dividend payments	(194.9)	(191.0)
Proceeds from issuance of debt	—	1,100.0
Proceeds from share-based awards	30.8	60.3
Taxes paid to net settle share-based awards	(23.7)	(29.3)
Net cash (used in) provided by financing activities	(187.8)	940.0
Effect of exchange rate changes on cash and cash equivalents	(12.1)	9.6
Net decrease in cash and cash equivalents	(6.4)	(607.9)
Cash and cash equivalents at beginning of period	1,243.4	2,672.9
Cash and cash equivalents at end of period	\$ 1,237.0	\$ 2,065.0
Supplemental information:		
Cash paid for income taxes, net	\$ 102.3	\$ 46.5
Cash paid for interest	\$ 32.3	\$ 20.3
Noncash investing activity - property and equipment obligations	\$ 42.1	\$ 40.4

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 modern luxury accessories and lifestyle brands. Tapestry owns the Coach, Kate Spade and Stuart Weitzman brands. The Company's primary product offerings, manufactured by third-party suppliers, include women's and men's bags, small leather goods, footwear, ready-to-wear including outerwear, watches, weekend and travel accessories, scarves, eyewear, fragrance, jewelry and other lifestyle products.

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

The Stuart Weitzman segment includes global sales of Stuart Weitzman brand products primarily through Stuart Weitzman operated stores, including the Internet, sales to wholesale customers and through numerous independent third party distributors.

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

These 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 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 June 30, 2018 ("fiscal 2018") and other filings filed with the SEC.

The results of operations, cash flows and comprehensive income for the six months ended December 29, 2018 are not necessarily indicative of results to be expected for the entire fiscal year, which will end on June 29, 2019 ("fiscal 2019").

During the second quarter of fiscal 2019, the Company acquired designated assets of its Kate Spade distributor in Singapore and Malaysia. During the first quarter of fiscal 2019, the Company acquired designated assets of its Stuart Weitzman distributor in Southern China and of its Kate Spade distributor in Australia. During the first quarter of 2018, the Company completed its acquisition of Kate Spade & Company ("Kate Spade"). During the third quarter of fiscal 2018, the Company acquired designated assets of its Stuart Weitzman distributor in Northern China, entered into an agreement to take operational control of the KS China Co., Limited and KS HMT Co., Limited joint ventures ("Kate Spade Joint Ventures") that operate in mainland China, Hong Kong, Macau and Taiwan in which the Company has 50% interest, and acquired designated assets of its Coach distributor in Australia and New Zealand. The results of operations of each acquired entity have been included in the condensed consolidated financial statements since the respective date of each acquisition.

Fiscal Periods

The Company utilizes a 52-53 week fiscal year ending on the Saturday closest to June 30. Fiscal 2019 will be a 52-week period. Fiscal 2018 ended on June 30, 2018 and was also a 52-week period. The second quarter of fiscal 2019 ended on December 29, 2018 and the second quarter of fiscal 2018 ended on December 30, 2017. These were 13-week periods.

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; customer returns, end-of-season markdowns and operational chargebacks; useful lives and impairments of long-lived tangible and intangible assets; accounting for income taxes (including the impacts of the new tax legislation) 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.

Notes to Condensed Consolidated Financial Statements (continued)

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.

Reclassifications

Certain reclassifications have been made to the prior periods' financial information in order to conform to the current period's presentation. Beginning in fiscal 2019, the Company changed its expense reporting to more closely align with the organizational structure and management of the business. Accordingly, certain Selling, general and administrative ("SG&A") expenses that were reported within our reportable segments in fiscal 2018 are now reflected as Corporate expenses. Refer to Note 17, "Segment Information," for further information.

In addition, certain prior year costs related to compensation of the supply chain function for Kate Spade have been reclassified to conform to the current year presentation. These costs amounted to \$5.4 million for the fiscal year ended June 30, 2018 and have been reclassified from SG&A expenses to Cost of sales within the Company's Condensed Consolidated Statements of Operations.

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

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), which provides a single, comprehensive revenue recognition model for all contracts with customers, and contains principles to determine the measurement of revenue and timing of when it is recognized. The model supersedes most existing revenue recognition guidance, and also requires enhanced revenue-related disclosures. The FASB has also issued several related ASUs which provide additional implementation guidance and clarify the requirements of the model.

The Company adopted ASU 2014-09 beginning in the first quarter of fiscal 2019 utilizing the modified retrospective approach. The cumulative effect of initially applying the new standard did not result in a change to opening Retained earnings. Prior year comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. Effects of adoption include balance sheet presentation changes including presentation of estimated returned products and refund liabilities on a gross basis, as well as an increase in deferred revenue related to current year licensing contract activity due to a change in the method of recognizing sales-based royalties. These balance sheet presentation changes resulted in an increase of \$13.7 million to Other current assets, a decrease of \$0.6 million to Accounts receivable and an increase of \$15.5 million to Accrued liabilities as of December 29, 2018. Furthermore, the adoption changed the income statement classification of certain items, primarily related to cooperative advertising allowances and other consideration provided to wholesale customers. The following table compares the reported results in fiscal 2019 under the new standard to the amounts that would have been reported if the standard had not been adopted:

	Three Months Ended December 29, 2018			Six Months Ended December 29, 2018		
	As Reported	Impact of Adoption	Balances Excluding Adoption	As Reported	Impact of Adoption	Balances Excluding Adoption
	(millions)					
Net sales	\$ 1,800.8	\$ (1.5)	\$ 1,802.3	\$ 3,182.0	\$ (3.7)	\$ 3,185.7
Cost of sales	597.3	0.6	596.7	1,043.4	0.7	1,042.7
Gross profit	1,203.5	(2.1)	1,205.6	2,138.6	(4.4)	2,143.0
Selling, general and administrative expenses	822.8	(1.2)	824.0	1,600.2	(2.0)	1,602.2
Operating income (loss)	\$ 380.7	\$ (0.9)	\$ 381.6	\$ 538.4	\$ (2.4)	\$ 540.8

For further information regarding revenue from contracts with customers, refer to Note 4, "Revenue."

In October 2016, the FASB issued ASU No. 2016-16, "Intra-Entity Transfers of Assets Other Than Inventory" ("ASU 2016-16"). This ASU requires recognition of income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, rather than when the asset has been sold to a third party. The Company adopted ASU 2016-16 beginning in the first quarter of fiscal 2019 utilizing the modified retrospective approach, which resulted in a cumulative adjustment of \$20.2 million to its opening Retained earnings balance. Overall, the adoption of ASU 2016-16 did not have a material impact on the Company's consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (continued)

Recently Issued Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, "*Leases (Topic 842)*," which is intended to increase transparency and comparability among companies that enter into leasing arrangements. This ASU requires recognition of lease assets and lease liabilities on the balance sheet for all leases, as well as a retrospective recognition and measurement of existing impacted leases. The requirements of the new standard will be effective for annual reporting periods beginning after December 15, 2018, and interim periods within those annual periods, which for the Company is the first quarter of fiscal 2020. Early adoption is permitted. In July 2018, the FASB issued ASU 2018-11, with targeted improvements to the guidance including an additional transition method for the new standard. As a result, the new standard may be applied with a retrospective approach to each prior reporting period or with the initial application at the adoption with a cumulative-effect adjustment in the opening balance of Retained earnings, with various optional practical expedients.

The Company is currently performing a comprehensive evaluation of the impact of adopting this guidance on its consolidated financial statements and notes thereto. The Company has selected a single global software solution to manage and account for all leases, which is currently being implemented. The Company anticipates it will elect the package of practical expedients intended to ease transition whereby the Company need not assess (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing leases. The Company also anticipates electing the hindsight practical expedient that allows the Company to use hindsight in determining the lease term and in assessing impairment during the look back period, and the short-term lease exemption, which allows the Company to continue to treat short-term leases as operating leases under "*Leases (Topic 840)*." Furthermore, the Company has determined that it will apply the provisions of ASU 2018-11 with the initial application at the adoption date with a cumulative effect adjustment in the opening balance of Retained earnings in the first quarter of fiscal 2020. The Company expects the guidance will result in a significant increase to long-term assets and liabilities on its consolidated balance sheets and does not expect it to have a material impact on the consolidated statements of operations. This guidance is not expected to have a material impact on the Company's liquidity.

In August 2018, the FASB issued ASU No. 2018-13, "*Fair Value Measurement (Topic 820)*" ("ASU 2018-13"), which is intended to improve the effectiveness of fair value disclosures. The ASU removes or modifies certain disclosure requirements related to fair value information, as well as adds new disclosure requirements for Level 3 fair value measurements. The requirements of the new standard will be effective for annual reporting periods beginning after December 15, 2019, and interim periods within those annual periods, which for the Company is the first quarter of fiscal 2021. Early adoption is permitted. The company is currently in the process of evaluating the impact that adopting ASU 2018-13 will have on its consolidated financial statements and notes thereto, however, does not expect a material impact resulting from this guidance.

In August 2018, the FASB issued ASU No. 2018-15, "*Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40)*" ("ASU 2018-15"), which is intended to clarify the accounting for implementation costs of cloud computing arrangements which are deemed to be a service contract rather than a software license. The requirements of the new standard will be effective for annual reporting periods beginning after December 15, 2019, and interim periods within those annual periods, which for the Company is the first quarter of fiscal 2021. Early adoption is permitted. The company is currently in the process of evaluating the impact that adopting ASU 2018-15 will have on its consolidated financial statements and notes thereto.

4. REVENUE

The Company recognizes revenue primarily from sales of the products of its brands through retail and wholesale channels, including the Internet. 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. Internet 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 Internet 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.

Notes to Condensed Consolidated Financial Statements (continued)

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 December 29, 2018.

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 and 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 December 29, 2018					
Coach	\$ 759.5	\$ 202.4	\$ 224.2	\$ 62.5	\$ 1,248.6
Kate Spade	349.6	12.6	40.0	26.2	428.4
Stuart Weitzman	75.8	24.2	6.3	17.5	123.8
Total	<u>\$ 1,184.9</u>	<u>\$ 239.2</u>	<u>\$ 270.5</u>	<u>\$ 106.2</u>	<u>\$ 1,800.8</u>
Three Months Ended December 30, 2017					
Coach	\$ 774.0	\$ 191.9	\$ 201.8	\$ 61.9	\$ 1,229.6
Kate Spade	369.4	0.1	35.9	29.3	434.7
Stuart Weitzman	87.7	7.6	4.9	20.5	120.7
Total	<u>\$ 1,231.1</u>	<u>\$ 199.6</u>	<u>\$ 242.6</u>	<u>\$ 111.7</u>	<u>\$ 1,785.0</u>
Six Months Ended December 29, 2018					
Coach	\$ 1,304.1	\$ 363.5	\$ 415.1	\$ 126.6	\$ 2,209.3
Kate Spade	607.2	23.8	75.1	47.7	753.8
Stuart Weitzman	124.6	39.1	12.2	43.0	218.9
Total	<u>\$ 2,035.9</u>	<u>\$ 426.4</u>	<u>\$ 502.4</u>	<u>\$ 217.3</u>	<u>\$ 3,182.0</u>
Six Months Ended December 30, 2017					
Coach	\$ 1,301.4	\$ 350.8	\$ 375.2	\$ 125.9	\$ 2,153.3
Kate Spade	586.7	0.3	67.3	49.2	703.5
Stuart Weitzman	144.2	16.6	8.0	48.3	217.1
Total	<u>\$ 2,032.3</u>	<u>\$ 367.7</u>	<u>\$ 450.5</u>	<u>\$ 223.4</u>	<u>\$ 3,073.9</u>

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

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

⁽³⁾ Other sales primarily represents sales in Europe, the Middle East and licensing.

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 primarily related to unredeemed gift cards, net of breakage which has been recognized, as well as sales-based royalty payments received. The balance of such amounts as of December 29, 2018 and June 30, 2018 was \$31.8 million and \$29.1 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 six months ended December 29, 2018, net sales of \$11.9 million were recognized from amounts recorded as deferred revenue as of June 30, 2018.

Notes to Condensed Consolidated Financial Statements (continued)

5. INTEGRATION AND ACQUISITION COSTS

During the three and six months ended December 29, 2018, the Company incurred integration costs of \$15.2 million and \$34.7 million, respectively. The charges recorded in cost of sales for the three and six months ended December 29, 2018 were \$3.5 million and \$4.1 million, respectively. Of the amount recorded to cost of sales, \$0.0 million and \$2.0 million was recorded in the Coach segment, \$2.5 million and \$1.1 million was recorded in the Kate Spade segment and \$1.0 million and \$1.0 million was recorded in the Stuart Weitzman segment, respectively. The charges recorded to SG&A expenses for the three and six months ended December 29, 2018 were \$11.7 million and \$30.6 million, respectively. Of the amount recorded to SG&A expenses, \$0.6 million and \$12.1 million was recorded in the Stuart Weitzman segment, \$7.4 million and \$11.4 million was recorded within Corporate and \$3.7 million and \$7.1 million was recorded in the Kate Spade segment, respectively. Of the total costs of \$15.2 million, \$4.8 million were non-cash charges related to purchase accounting adjustments and asset write-offs. Of the total costs of \$34.7 million, \$6.2 million were non-cash charges related to purchase accounting adjustments, organization-related costs and asset write-offs.

The Company estimates that it will incur approximately \$45-55 million in pre-tax charges, of which the majority are expected to be cash charges, for the remainder of fiscal 2019.

During the three and six months ended December 30, 2017, the Company incurred integration and acquisition-related costs of \$61.4 million and \$248.9 million, respectively. The charges recorded in cost of sales for the three and six months ended December 30, 2017 were \$18.4 million and \$106.8 million, respectively. The charges recorded to cost of sales were primarily recorded in the Kate Spade segment. The charges recorded in SG&A expenses for the three and six months ended December 30, 2017 were \$43.0 million and \$142.1 million, respectively. Of the amount recorded to SG&A expenses, \$29.7 million and \$97.5 million was recorded in the Kate Spade segment, \$12.4 million and \$42.8 million was recorded within Corporate and \$0.9 million and \$1.8 million was recorded in the Stuart Weitzman segment, respectively. Of the total costs of \$248.9 million, \$117.2 million were non-cash charges related to purchase accounting adjustments, inventory, organization-related costs and asset write-offs.

Refer to Note 7, "Acquisitions," for more information.

A summary of the integration and acquisition charges is as follows:

	Three Months Ended		Six Months Ended	
	December 29, 2018	December 30, 2017	December 29, 2018	December 30, 2017
	(millions)			
Purchase accounting adjustments ⁽¹⁾	\$ 3.4	\$ 18.2	\$ 5.4	\$ 70.2
Acquisition costs ⁽²⁾	0.7	0.8	0.7	40.7
Inventory-related charges ⁽³⁾	—	0.3	(1.4)	37.9
Contractual payments ⁽⁴⁾	0.1	14.7	7.2	50.6
Organization-related costs ⁽⁵⁾	5.5	13.7	5.8	27.7
Other ⁽⁶⁾	5.5	13.7	17.0	21.8
Total	\$ 15.2	\$ 61.4	\$ 34.7	\$ 248.9

(1) Purchase accounting adjustments were primarily related to the short-term impact of the amortization of fair value adjustments.

(2) Acquisition costs were primarily related to deal fees associated with the acquisition.

(3) Inventory-related charges were primarily related to reserves for the destruction of certain on-hand inventory and non-cancelable inventory purchase commitments related to raw materials.

(4) Contractual payments were primarily related to contract termination charges for the three and six months ended December 29, 2018. For the three and six months ended December 30, 2017, these payments were primarily related to severance and related costs as a result of pre-existing agreements with certain Kate Spade executives which became effective upon the closing of the acquisition.

(5) Organization-related costs were primarily related to severance charges.

(6) Other charges were primarily related to professional fees and asset write-offs.

Notes to Condensed Consolidated Financial Statements (continued)

6. RESTRUCTURING ACTIVITIES***Operational Efficiency Plan***

During the fourth quarter of fiscal 2016, the Company announced a plan (the "Operational Efficiency Plan") to enhance organizational efficiency, update core technology platforms and optimize international supply chain and office locations. The Operational Efficiency Plan was adopted as a result of a strategic review of the Company's corporate structure which focused on creating an agile and scalable business model.

During the three and six months ended December 30, 2017, the Company incurred charges of \$3.5 million and \$6.6 million, respectively, primarily due to technology infrastructure costs and organizational efficiency costs. Total cumulative charges incurred under the Operational Efficiency Plan were \$87.4 million. These charges were recorded as Corporate expenses within SG&A expenses within the Company's Condensed Consolidated Statements of Operations. The plan was concluded at the end of fiscal 2018.

There were no remaining liabilities under the Company's Operational Efficiency Plan as of December 29, 2018. The balance of \$1.4 million as of June 30, 2018 is included within Accrued liabilities on the Company's Condensed Consolidated Balance Sheets.

7. ACQUISITIONS**Fiscal 2019 Acquisitions*****Distributor Acquisitions***

During the six months ended December 29, 2018, the Company acquired designated assets of its Stuart Weitzman distributor in Southern China and of its Kate Spade distributor in Australia, Malaysia and Singapore.

The aggregate purchase consideration for the acquisitions was \$39.7 million, all of which is cash consideration. Of the cash consideration, \$37.7 million was paid during the first six months of fiscal 2019 and the remaining \$2.0 million will be paid in the future. Of the total purchase consideration of \$39.7 million, \$18.6 million of net assets were recorded at their fair values. The excess of the purchase consideration over the fair value of the net assets acquired was recorded as non-tax deductible goodwill in the amount of \$21.1 million, of which \$8.4 million was assigned to the Stuart Weitzman segment and \$12.7 million was assigned to the Kate Spade segment.

The purchase price allocation for these assets acquired and liabilities assumed is substantially complete, however may be subject to change as additional information is obtained during the acquisition measurement period. The pro forma results are not presented for these acquisitions as they are immaterial.

Fiscal 2018 Acquisitions***Kate Spade and Company Acquisition***

On July 11, 2017, the Company completed its acquisition of Kate Spade & Company for \$18.50 per share for a total purchase price of \$2.40 billion. As a result, Kate Spade became a wholly owned subsidiary of the Company.

The aggregate cash paid in connection with the acquisition of Kate Spade was \$2.39 billion (or \$2.32 billion net of cash acquired). Consideration also included \$5.3 million as a result of the conversion of unvested equity awards held by Kate Spade employees. The Company funded the acquisition through cash on-hand, as well as debt proceeds as described in Note 12, "Debt."

The Company accounted for the acquisition of Kate Spade under the acquisition method of accounting for business combinations. Accordingly, the cost was allocated to the underlying net assets based on their respective fair values. The excess of the purchase price over the estimated fair value of the net assets acquired was recorded as goodwill, which consists largely of the synergies expected from the acquisition.

Notes to Condensed Consolidated Financial Statements (continued)

The purchase price allocation for the assets acquired and liabilities assumed is complete. The following table summarizes the fair value of the assets acquired and liabilities assumed as of the acquisition date:

Assets Acquired and Liabilities Assumed	Fair Value at Acquisition Date	Measurement Period Adjustments	Adjusted Fair Value
	(millions)		
Cash and cash equivalents	\$ 71.8	\$ —	\$ 71.8
Trade accounts receivable	62.8	—	62.8
Inventories ⁽¹⁾	310.1	—	310.1
Prepaid expenses and other current assets	33.9	(1.2)	32.7
Property and equipment	175.5	—	175.5
Goodwill ⁽²⁾⁽³⁾	916.1	(16.1)	900.0
Brand intangible asset ⁽⁴⁾	1,300.0	—	1,300.0
Other intangible assets ⁽⁵⁾	119.2	—	119.2
Other assets	59.0	11.1	70.1
Total assets acquired	3,048.4	(6.2)	3,042.2
Accounts payable and accrued liabilities	233.3	—	233.3
Deferred income taxes ⁽⁶⁾	333.0	(7.3)	325.7
Other liabilities ⁽⁷⁾	84.8	1.1	85.9
Total liabilities assumed	651.1	(6.2)	644.9
Total purchase price	2,397.3	—	2,397.3
Less: Cash acquired	(71.8)	—	(71.8)
Total purchase price, net of cash acquired	\$ 2,325.5	\$ —	\$ 2,325.5

⁽¹⁾ Included a step-up adjustment of \$67.5 million, which was amortized over 4 months.

⁽²⁾ The majority of the goodwill balance is not deductible for tax purposes.

⁽³⁾ The Company assigned \$324.0 million of goodwill associated with the Kate Spade acquisition to Coach brand reporting units based upon the analysis of expected synergies, including the allocation of corporate synergies to the brands.

⁽⁴⁾ The brand intangible asset, of which the majority is not deductible for tax purposes, was valued based on the multi-period excess earnings method.

⁽⁵⁾ The components of other intangible assets included favorable lease rights of \$72.2 million (amortized over the remainder of the underlying lease terms), customer relationships of \$45.0 million (amortized over 15 years) and order backlog of \$2.0 million (amortized over 6 months). Favorable lease rights were valued based on a comparison of market participant information and Company-specific lease terms. The customer relationship intangible asset was valued using the excess earnings method, which discounts the estimated after-tax cash flows associated with the existing base of customers as of the acquisition date, factoring in expected attrition of the existing base. The order backlog intangible asset was valued using the excess earnings method, which discounts the estimated after-tax cash flows associated with open customer orders as of the acquisition date.

⁽⁶⁾ The Company acquired \$200.1 million of net deferred tax assets related to Kate Spade historical federal and state net operating losses, net of a \$39.3 million valuation allowance, which the Company expects to be able to utilize. The deferred tax adjustments resulting from the step-up in basis of acquired assets, most notably the brand intangible asset, resulted in an overall deferred tax liability.

⁽⁷⁾ Included an adjustment for unfavorable lease rights of \$49.5 million (amortized over the remainder of the underlying lease terms).

Notes to Condensed Consolidated Financial Statements (continued)

Distributor Acquisitions and Kate Spade Joint Ventures Operational Control

During the third quarter of fiscal 2018, the Company acquired designated assets of its Stuart Weitzman distributor in Northern China, entered into an agreement to take operational control of the Kate Spade Joint Ventures that operate in mainland China, Hong Kong, Macau and Taiwan in which the Company has 50% interest, and acquired designated assets of its Coach distributor in Australia and New Zealand.

The aggregate purchase consideration for the three acquisitions was \$153.7 million, of which \$106.9 million is cash consideration and the remaining is related to non-cash consideration. Of the cash consideration, \$61.5 million (or \$55.6 million net of cash acquired) was paid during fiscal 2018 and the remaining will be paid in the future. Of the total purchase consideration of \$153.7 million, \$50.0 million of net assets were recorded at their fair values, and the excess of the purchase consideration over the fair value of the net assets acquired was recorded as non-tax deductible goodwill in the amount of \$103.7 million. Of this amount, \$52.8 million, \$49.3 million and \$1.6 million were assigned to the Company's Kate Spade, Stuart Weitzman and Coach segments, respectively. During the fourth quarter of fiscal 2018, there were measurement period adjustments of \$2.3 million and \$0.5 million, related to the Kate Spade and Stuart Weitzman segments, respectively, which decreased Goodwill.

The purchase price allocation for these assets acquired and liabilities assumed is substantially complete, however may be subject to change as additional information is obtained during the acquisition measurement period. The pro forma results are not presented for these acquisitions as they are immaterial.

8. 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	Total
	(millions)			
Balance at June 30, 2018	\$ 654.8	\$ 627.0	\$ 202.5	\$ 1,484.3
Foreign exchange impact	2.6	(1.9)	(2.7)	(2.0)
Acquisition of goodwill ⁽¹⁾	—	12.7	8.4	21.1
Balance at December 29, 2018	<u>\$ 657.4</u>	<u>\$ 637.8</u>	<u>\$ 208.2</u>	<u>\$ 1,503.4</u>

⁽¹⁾ Refer to Note 7, "Acquisitions," for further information.

Intangible Assets

Intangible assets consist of the following:

	December 29, 2018			June 30, 2018		
	Gross Carrying Amount	Accum. Amort.	Net	Gross Carrying Amount	Accum. Amort.	Net
	(millions)					
Intangible assets subject to amortization:						
Customer relationships	\$ 100.5	\$ (20.7)	\$ 79.8	\$ 100.5	\$ (17.3)	\$ 83.2
Order backlog	—	—	—	2.0	(2.0)	—
Favorable lease rights	97.0	(31.7)	65.3	97.3	(24.4)	72.9
Total intangible assets subject to amortization	<u>197.5</u>	<u>(52.4)</u>	<u>145.1</u>	<u>199.8</u>	<u>(43.7)</u>	<u>156.1</u>
Intangible assets not subject to amortization:						
Trademarks and trade names	1,576.8	—	1,576.8	1,576.8	—	1,576.8
Total intangible assets	<u>\$ 1,774.3</u>	<u>\$ (52.4)</u>	<u>\$ 1,721.9</u>	<u>\$ 1,776.6</u>	<u>\$ (43.7)</u>	<u>\$ 1,732.9</u>

Notes to Condensed Consolidated Financial Statements (continued)

As of December 29, 2018, the expected amortization expense for intangible assets is as follows:

	Amortization Expense	
	(millions)	
Remainder of fiscal 2019	\$	10.9
Fiscal 2020		19.7
Fiscal 2021		18.1
Fiscal 2022		16.1
Fiscal 2023		15.1
Fiscal 2024		13.4
Fiscal 2025 and thereafter		51.8
Total	\$	145.1

The expected amortization expense above reflects remaining useful lives ranging from approximately 11.3 to 13.5 years for customer relationships and the remaining lease terms ranging from approximately 1 month to 16.3 years for favorable lease rights.

Notes to Condensed Consolidated Financial Statements (continued)

9. 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 1, 2017	281.9	\$ 2.8	\$ 2,978.3	\$ 107.7	\$ (86.9)	\$ 3,001.9
Net loss	—	—	—	(17.7)	—	(17.7)
Other comprehensive income	—	—	—	—	5.6	5.6
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	2.3	—	17.5	—	—	17.5
Share-based compensation	—	—	23.3	—	—	23.3
Additional paid-in-capital as part of purchase consideration	—	—	5.3	—	—	5.3
Dividends declared (\$0.3375 per share)	—	—	—	(95.9)	—	(95.9)
Balance at September 30, 2017	284.2	\$ 2.8	\$ 3,024.4	\$ (5.9)	\$ (81.3)	\$ 2,940.0
Net income	—	—	—	63.2	—	63.2
Other comprehensive income	—	—	—	—	9.0	9.0
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	0.6	—	12.6	—	—	12.6
Share-based compensation	—	—	20.7	—	—	20.7
Dividends declared (\$0.3375 per share)	—	—	—	(96.1)	—	(96.1)
Balance at December 30, 2017	284.8	\$ 2.8	\$ 3,057.7	\$ (38.8)	\$ (72.3)	\$ 2,949.4
Balance at June 30, 2018	288.0	\$ 2.9	\$ 3,205.5	\$ 119.0	\$ (82.8)	\$ 3,244.6
Net income	—	—	—	122.3	—	122.3
Other comprehensive loss	—	—	—	—	(5.3)	(5.3)
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	1.8	—	3.2	—	—	3.2
Share-based compensation	—	—	22.4	—	—	22.4
Dividends declared (\$0.3375 per share)	—	—	—	(97.8)	—	(97.8)
Cumulative adjustment from adoption of new accounting standard (see Note 3)	—	—	—	20.2	—	20.2
Balance at September 29, 2018	289.8	\$ 2.9	\$ 3,231.1	\$ 163.7	\$ (88.1)	\$ 3,309.6
Net income	—	—	—	254.8	—	254.8
Other comprehensive loss	—	—	—	—	(3.4)	(3.4)
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	0.2	—	3.7	—	—	3.7
Share-based compensation	—	—	21.5	—	—	21.5
Dividends declared (\$0.3375 per share)	—	—	—	(97.8)	—	(97.8)
Balance at December 29, 2018	290.0	\$ 2.9	\$ 3,256.3	\$ 320.7	\$ (91.5)	\$ 3,488.4

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 (Losses) Gains on Available- for-Sale Investments	Cumulative Translation Adjustment	Other ⁽²⁾	Total
	(millions)				
Balances at July 1, 2017	\$ 3.0	\$ (0.4)	\$ (89.1)	\$ (0.4)	\$ (86.9)
Other comprehensive (loss) income before reclassifications	(1.5)	0.6	18.2	—	17.3
Less: income reclassified from accumulated other comprehensive income to earnings	2.6	0.1	—	—	2.7
Net current-period other comprehensive (loss) income	(4.1)	0.5	18.2	—	14.6
Balances at December 30, 2017	\$ (1.1)	\$ 0.1	\$ (70.9)	\$ (0.4)	\$ (72.3)
Balances at June 30, 2018	\$ 1.4	\$ —	\$ (85.3)	\$ 1.1	\$ (82.8)
Other comprehensive income (loss) before reclassifications	1.4	0.1	(10.1)	—	(8.6)
Less: losses reclassified from accumulated other comprehensive income to earnings	0.1	—	—	—	0.1
Net current-period other comprehensive income (loss)	1.3	0.1	(10.1)	—	(8.7)
Balances at December 29, 2018	\$ 2.7	\$ 0.1	\$ (95.4)	\$ 1.1	\$ (91.5)

⁽¹⁾ The ending balances of AOCI related to cash flow hedges are net of tax of (\$1.5) million and (\$1.1) million as of December 29, 2018 and December 30, 2017, respectively. The amounts reclassified from AOCI are net of tax of (\$0.3) million and (\$1.5) million as of December 29, 2018 and December 30, 2017, respectively.

⁽²⁾ Other represents the accumulated loss on the Company's minimum pension liability adjustment. The balances at December 29, 2018 and December 30, 2017 are net of tax of \$0.6 million and \$0.2 million, respectively.

10. 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		Six Months Ended	
	December 29, 2018	December 30, 2017	December 29, 2018	December 30, 2017
	(millions, except per share data)			
Net income	\$ 254.8	\$ 63.2	\$ 377.1	\$ 45.5
Weighted-average basic shares	289.9	284.5	289.3	283.8
Dilutive securities:				
Effect of dilutive securities	1.1	1.9	2.1	2.7
Weighted-average diluted shares	291.0	286.4	291.4	286.5
Net income per share:				
Basic	\$ 0.88	\$ 0.22	\$ 1.30	\$ 0.16
Diluted	\$ 0.88	\$ 0.22	\$ 1.29	\$ 0.16

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 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 (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 December 29, 2018 and December 30, 2017, there were 7.8 million and 5.1 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.

11. SHARE-BASED COMPENSATION

The following table shows the total compensation cost charged against income for share-based compensation plans and the related tax benefits recognized in the Company's Condensed Consolidated Statements of Operations for the periods indicated:

	Three Months Ended		Six Months Ended	
	December 29, 2018 ⁽¹⁾	December 30, 2017 ⁽¹⁾	December 29, 2018 ⁽¹⁾	December 30, 2017 ⁽¹⁾
	(millions)			
Share-based compensation expense	\$ 21.5	\$ 20.7	\$ 43.9	\$ 44.0
Income tax benefit related to share-based compensation expense	4.0	4.3	8.2	11.9

⁽¹⁾ During the three and six months ended December 29, 2018, the Company incurred \$0.4 million and \$0.8 million of share-based compensation expense related to integration, respectively. During the three and six months ended December 30, 2017, the Company incurred \$2.2 million and \$4.7 million of share-based compensation expense related to integration, respectively. During the three months ended December 30, 2017, there was no share-based compensation expense under the Operational Efficiency Plan. There was \$0.8 million of share-based compensation expense incurred under the Operational Efficiency Plan for the six months ended December 30, 2017.

Notes to Condensed Consolidated Financial Statements (continued)

Stock Options

A summary of stock option activity during the six months ended December 29, 2018 is as follows:

	Number of Options Outstanding
	(millions)
Outstanding at June 30, 2018	12.5
Granted	1.5
Exercised	(0.8)
Forfeited or expired	(0.2)
Outstanding at December 29, 2018	13.0

The weighted-average grant-date fair value of options granted during the six months ended December 29, 2018 and December 30, 2017 was \$9.77 and \$7.71, 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:

	December 29, 2018	December 30, 2017
Expected term (years)	5.0	5.1
Expected volatility	30.3%	28.3%
Risk-free interest rate	3.1%	1.8%
Dividend yield	3.1%	3.3%

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

A summary of service-based RSU activity during the six months ended December 29, 2018 is as follows:

	Number of Non-vested RSUs
	(millions)
Non-vested at June 30, 2018	3.5
Granted	1.6
Vested	(1.4)
Forfeited	(0.1)
Non-vested at December 29, 2018	3.6

The weighted-average grant-date fair value of share awards granted during the six months ended December 29, 2018 and December 30, 2017 was \$50.85 and \$41.08, respectively.

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

A summary of PRSU activity during the six months ended December 29, 2018 is as follows:

	Number of Non-vested PRSUs
	(millions)
Non-vested at June 30, 2018	0.9
Granted	0.3
Change due to performance condition achievement	(0.1)
Vested	(0.2)
Forfeited	—
Non-vested at December 29, 2018	0.9

Notes to Condensed Consolidated Financial Statements (continued)

The PRSU 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 occur before or at the time the award vests.

The weighted-average grant-date fair value per share of PRSU awards granted during the six months ended December 29, 2018 and December 30, 2017 was \$50.89 and \$41.22, respectively.

12. DEBT

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

	December 29, 2018	June 30, 2018
	(millions)	
Current debt:		
Capital lease obligations	\$ 0.7	\$ 0.7
Total current debt	\$ 0.7	\$ 0.7
Long-term debt:		
4.250% Senior Notes due 2025	\$ 600.0	\$ 600.0
3.000% Senior Notes due 2022	400.0	400.0
4.125% Senior Notes due 2027	600.0	600.0
Note Payable	11.4	11.4
Capital lease obligations	6.0	6.0
Total long-term debt	1,617.4	1,617.4
Less: Unamortized discount and debt issuance costs on Senior Notes	(16.4)	(17.5)
Total long-term debt, net	\$ 1,601.0	\$ 1,599.9

During the three and six months ended December 29, 2018, the Company recognized interest expense related to its debt of \$16.6 million and \$33.4 million, respectively. During the three and six months ended December 30, 2017, the Company recognized interest expense related to its debt of \$25.3 million and \$49.7 million, respectively.

Revolving Credit Facility

On May 30, 2017, 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 \$900.0 million revolving credit facility, including sub-facilities for letters of credit, with a maturity date of May 30, 2022 (the "Revolving Credit Facility"). The Revolving Credit Facility replaced the Company's previously existing revolving credit facility under the Amendment and Restatement Agreement, dated as of March 18, 2015, by and between the Company, certain lenders and JPMorgan Chase Bank, N.A., as administrative agent. The 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 back-up). Letters of credit and swing line loans may be issued under the Revolving Credit Facility as described below. There were no outstanding borrowings on the Revolving Credit Facility as of December 29, 2018.

Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at the Borrowers' option, either (a) an alternate base rate (which is a rate equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% or (iii) the Adjusted LIBO Rate for a one month Interest Period on such day plus 1%) or (b) a rate based on the rates applicable for deposits in the interbank market for U.S. Dollars or the applicable currency in which the loans are made plus, in each case, an applicable margin. The applicable margin will be determined by reference to a grid, as defined in the Credit Agreement, based on the ratio of (a) consolidated debt plus 600% of consolidated lease expense to (b) consolidated EBITDAR. Additionally, the Company pays a commitment fee at a rate determined by the reference to the aforementioned pricing grid.

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

Notes to Condensed Consolidated Financial Statements (continued)

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.

3.000% Senior Notes due 2022

On June 20, 2017, the Company issued \$400.0 million aggregate principal amount of 3.000% senior unsecured notes due July 15, 2022 at 99.505% of par (the "2022 Senior Notes"). Interest is payable semi-annually on January 15 and July 15 beginning January 15, 2018. Prior to June 15, 2022 (one month prior to the scheduled maturity date), the Company may redeem the 2022 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 2022 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 2022 Senior Notes calculated as if the maturity date of the 2022 Senior Notes was June 15, 2022 (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.

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 months 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.

At December 29, 2018 and June 30, 2018, the total fair value of the 2025, 2022 and 2027 Senior Notes was \$1.52 billion and \$1.56 billion, 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 a Level 2 measurement within the fair value hierarchy.

Note Payable

As a result of taking operational control of the Kate Spade Joint Ventures, the Company has an outstanding Note Payable of \$11.4 million as of both December 29, 2018 and June 30, 2018 to the other partner of the Kate Spade Joint Ventures, to be paid in fiscal 2021.

Capital Lease Obligations

As a result of the Company's sale-leaseback agreement for its office building in North Bergen, NJ, the Company has total capital lease obligations of \$0.7 million recorded within Current debt and \$6.0 million recorded within Long-term debt on the Company's Condensed Consolidated Balance Sheets as of both December 29, 2018 and June 30, 2018. The remaining lease obligations will be amortized through May 1, 2025.

13. 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.

Notes to Condensed Consolidated Financial Statements (continued)

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.

The following table shows the fair value measurements of the Company’s financial assets and liabilities at December 29, 2018 and June 30, 2018:

	Level 1		Level 2	
	December 29, 2018	June 30, 2018	December 29, 2018	June 30, 2018
(millions)				
Assets:				
Cash equivalents ⁽¹⁾	\$ 521.9	\$ 592.5	\$ 0.4	\$ 0.4
Short-term investments:				
Time deposits ⁽²⁾	—	—	0.6	0.6
Commercial paper ⁽²⁾	—	—	20.6	—
Government securities - U.S. ⁽²⁾	100.0	—	—	—
Corporate debt securities - U.S. ⁽²⁾	—	—	89.7	—
Corporate debt securities - non U.S. ⁽²⁾	—	—	38.8	—
Other	—	—	8.5	6.0
Long-term investments:				
Government securities - non U.S.	0.1	—	—	—
Derivative Assets:				
Inventory-related instruments ⁽³⁾	—	—	4.1	5.6
Intercompany loan hedges ⁽³⁾	—	—	—	0.3
Liabilities:				
Derivative liabilities:				
Inventory-related instruments ⁽³⁾	—	—	3.0	2.3
Intercompany loan hedges ⁽³⁾	—	—	0.3	0.1

⁽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 12, "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 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. Refer to Note 7, "Acquisitions," for further discussion of the approaches used in valuing acquired assets and assumed liabilities.

Notes to Condensed Consolidated Financial Statements (continued)

14. INVESTMENTS

The following table summarizes the Company's U.S. dollar-denominated investments, recorded within the Company's Condensed Consolidated Balance Sheets as of December 29, 2018 and June 30, 2018:

	December 29, 2018			June 30, 2018		
	Short-term	Long-term	Total	Short-term	Long-term	Total
(millions)						
Available-for-sale investments:						
Commercial paper ⁽¹⁾	\$ 20.6	\$ —	\$ 20.6	\$ —	\$ —	\$ —
Government securities - U.S. ⁽²⁾	100.0	—	100.0	—	—	—
Government securities - non-U.S.	—	0.1	0.1	—	—	—
Corporate debt securities - U.S. ⁽²⁾	89.7	—	89.7	—	—	—
Corporate debt securities - non-U.S. ⁽²⁾	38.8	—	38.8	—	—	—
Available-for-sale investments, total	\$ 249.1	\$ 0.1	\$ 249.2	\$ —	\$ —	\$ —
Other:						
Time deposits ⁽¹⁾	0.6	—	0.6	0.6	—	0.6
Other	8.5	—	8.5	6.0	—	6.0
Total Investments	\$ 258.2	\$ 0.1	\$ 258.3	\$ 6.6	\$ —	\$ 6.6

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

⁽²⁾ These securities as of December 29, 2018 have maturity dates between calendar years 2018 and 2019 and are recorded at fair value.

There were no material gross unrealized gains or losses on available-for-sale investments as of the periods ended December 29, 2018 and June 30, 2018.

15. INCOME TAXES

On December 22, 2017, H.R.1, formerly known as the Tax Cuts and Jobs Act (the "Tax Legislation") was enacted. The Tax Legislation significantly revises the U.S. tax code by (i) lowering the U.S. federal statutory income tax rate from 35% to 21%, (ii) implementing a territorial tax system, (iii) imposing a one-time transition tax on deemed repatriated earnings of foreign subsidiaries ("Transition Tax"), (iv) requiring current inclusion of global intangible low taxed income ("GILTI") of certain earnings of controlled foreign corporations in U.S. federal taxable income, (v) creating the base erosion anti-abuse tax ("BEAT") provision, (vi) implementing bonus depreciation that will allow for full expensing of qualified property, (vii) enacting a beneficial rate to be applied against Foreign Derived Intangible Income ("FDII") and (viii) limiting deductibility of interest and executive compensation expense, among other changes.

The Tax Legislation includes substantial changes to the taxation of foreign income, effectively converting the U.S. to a territorial income tax regime. Notable changes include that foreign earnings after December 31, 2017 will generally be eligible for a 100% dividends received deduction. However, companies are subject to the BEAT and GILTI provisions, which would increase the Company's effective tax rate, and the FDII provision, which would decrease the effective tax rate. The Company has decided to account for GILTI in the period in which it is incurred and therefore has not provided any deferred tax impacts of GILTI in its consolidated financial statements for the three and six months ended December 29, 2018. As a result, during the three and six months ended December 29, 2018, the Company recorded approximately \$10.5 million and \$14.3 million, respectively, to Provision for income taxes related to the GILTI and FDII provisions.

During fiscal 2018, the Company recorded charges of \$178.2 million within its income tax provision in connection with the Tax Legislation, of which \$266.0 million related to the mandatory transition tax and \$(87.8) million related to the revaluation of the Company's deferred tax assets and liabilities.

The Company applied the guidance in SEC Staff Accounting Bulletin ("SAB") 118 when accounting for the effects of the Tax Legislation for the twelve-month period following the date of the enactment. As of December 29, 2018, the Company completed the accounting for the enactment date income tax effects of the Tax Legislation under Accounting Standards Codification ("ASC")

Notes to Condensed Consolidated Financial Statements (continued)

740, Income Taxes, for the measurement of deferred tax assets and liabilities and one-time transition tax. In fiscal 2019, the Company recorded additional charges of \$34.1 million, of which \$32.1 million related to the mandatory transition tax and \$2.0 million related to the revaluation of the Company's deferred tax assets and liabilities. The effect of these adjustments on the effective tax rate for the three and six months ended December 29, 2018 was an increase of 9.3% and 6.6%, respectively.

The following table presents the expected timing of income tax payments related to the Transition Tax expected to be recognized by the Company as of December 29, 2018:

	Transition Tax Payments	
	(millions)	
Remainder of fiscal 2019	\$	3.2
Fiscal 2020		23.3
Fiscal 2021		23.3
Fiscal 2022		23.3
Fiscal 2023		43.8
Fiscal 2024		58.3
Fiscal 2025		72.9
Total	\$	248.1

16. COMMITMENTS AND CONTINGENCIES

Letters of Credit

The Company had standby letters of credit, surety bonds and bank guarantees totaling \$38.3 million and \$35.1 million outstanding at December 29, 2018 and June 30, 2018, respectively. The agreements, which expire at various dates through calendar 2039, 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.

Tax Legislation

The Tax Legislation requires the Company to pay a one-time tax, or Transition Tax on previously unremitted earnings of certain non-U.S. subsidiaries. The Company expects to pay the remaining \$248.1 million related to the Transition Tax for the remainder of fiscal 2019 through fiscal 2025. Refer to Note 15, "Income Taxes," for more information related to the impact of the Tax Legislation.

Other

The Company had other contractual cash obligations as of December 29, 2018 related to debt repayments. Refer to Note 12, "Debt," for further information.

In the ordinary course of business, the Company is a party to several pending legal proceedings and claims. Although the outcome of such items cannot be determined with certainty, the Company's general counsel and management are of the opinion that the final outcome will not have a material effect on the Company's cash flow, results of operations or financial position.

17. SEGMENT INFORMATION

The Company has three reportable segments:

- *Coach* - Includes global sales of Coach brand products to customers through Coach operated stores, including the Internet 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 the Internet, sales to wholesale customers, through concession shop-in-shops and through independent third party distributors.
- *Stuart Weitzman* - Includes global sales of Stuart Weitzman brand products primarily through Stuart Weitzman operated stores, including the Internet, sales to wholesale customers and through numerous independent third party distributors.

Beginning in fiscal 2019, the Company changed its expense reporting to more closely align with the organizational structure and management of the business. Accordingly, certain SG&A expenses that were previously reported within our reportable segments

Notes to Condensed Consolidated Financial Statements (continued)

are now reflected in Corporate expense. The costs primarily relate to employee costs within shared functional groups. The following table recasts segment reporting for the three and six months ended December 30, 2017.

The following table summarizes segment performance for the three and six months ended December 29, 2018 and December 30, 2017:

	Coach	Kate Spade	Stuart Weitzman	Corporate ⁽¹⁾	Total
	(millions)				
Three Months Ended December 29, 2018					
Net sales	\$ 1,248.6	\$ 428.4	\$ 123.8	\$ —	\$ 1,800.8
Gross profit	860.1	272.4	71.0	—	1,203.5
Operating income (loss)	378.5	89.2	11.2	(98.2)	380.7
Income (loss) before provision for income taxes	378.5	89.2	11.2	(111.4)	367.5
Depreciation and amortization expense ⁽²⁾	33.6	16.0	3.9	12.6	66.1
Additions to long-lived assets ⁽³⁾	16.0	18.9	2.2	24.1	61.2
Three Months Ended December 30, 2017					
Net sales	\$ 1,229.6	\$ 434.7	\$ 120.7	\$ —	\$ 1,785.0
Gross profit	846.0	256.8	73.4	—	1,176.2
Operating income (loss)	368.2	54.8	21.8	(98.4)	346.4
Income (loss) before provision for income taxes	368.2	54.8	21.8	(120.6)	324.2
Depreciation and amortization expense ⁽²⁾	32.4	19.8	4.0	9.8	66.0
Additions to long-lived assets ⁽³⁾	44.8	7.1	2.5	23.2	77.6
Six Months Ended December 29, 2018					
Net sales	\$ 2,209.3	\$ 753.8	\$ 218.9	\$ —	\$ 3,182.0
Gross profit	1,539.8	480.1	118.7	—	2,138.6
Operating income (loss)	609.4	134.0	(7.2)	(197.8)	538.4
Income (loss) before provision for income taxes	609.4	134.0	(7.2)	(224.1)	512.1
Depreciation and amortization expense ⁽²⁾	67.1	28.6	8.1	23.7	127.5
Additions to long-lived assets ⁽³⁾	33.3	38.6	3.8	40.7	116.4
Six Months Ended December 30, 2017					
Net sales	\$ 2,153.3	\$ 703.5	\$ 217.1	\$ —	\$ 3,073.9
Gross profit	1,478.1	331.6	129.4	—	1,939.1
Operating income (loss)	576.3	(68.5)	30.7	(213.9)	324.6
Income (loss) before provision for income taxes	576.3	(68.5)	30.7	(256.6)	281.9
Depreciation and amortization expense ⁽²⁾	70.5	30.2	8.0	22.8	131.5
Additions to long-lived assets ⁽³⁾	73.9	14.0	3.2	35.4	126.5

⁽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 information systems expense. Furthermore, certain integration and acquisition costs as well as costs under the Operational Efficiency Plan as described in Note 5, "Integration and Acquisition Costs," and Note 6, "Restructuring Activities," respectively, are included within Corporate.

⁽²⁾ Depreciation and amortization expense includes \$0.8 million and \$1.2 million of integration and acquisition costs for the three and six months ended December 29, 2018. Depreciation and amortization expense includes \$2.2 million and \$5.2 million of integration and acquisition costs for the three and six months ended December 30, 2017, respectively. These charges are recorded within the Kate Spade segment. Depreciation and amortization expense for the segments includes an allocation of expense related to assets which support multiple segments.

Notes to Condensed Consolidated Financial Statements (continued)

- (3) Additions to long-lived assets for the reportable segments primarily includes store assets as well as assets that support a specific brand. Corporate additions include all other assets which include a combination of Corporate assets, as well as assets that may support all segments. As such, depreciation expense for these assets may be subsequently allocated to a reportable segment.

18. HEADQUARTERS TRANSACTIONS***Sublease Agreement***

During the first quarter in fiscal 2018, the Company entered into a Sublease (the "Sublease"), as sublandlord, with The Guardian Life Insurance Company of America, a New York mutual insurance company ("Guardian"), as subtenant, pursuant to which the Company has agreed to sublease to Guardian three floors of the Company's leased space at 10 Hudson Yards, New York, NY, consisting of approximately 148,813 square feet of office space. The term of the Sublease expires on June 29, 2036 (the "Expiration Date"). The rent commencement date under the Sublease is estimated to occur on February 1, 2019.

Under the terms of the Sublease, and assuming a rent commencement date of February 1, 2019, Guardian has agreed to pay monthly base rent to the Company of approximately \$0.8 million from March 1, 2019 through June 30, 2019 and monthly base rent ranging from approximately \$1.1 million to \$1.3 million depending on the period from July 1, 2019 through the Expiration Date. In addition to monthly base rent, Guardian has agreed to pay to the Company Guardian's proportionate share of increases in payments in lieu of taxes and taxes over the tax year commencing July 1, 2019, as well as Guardian's proportionate share of increases in operating expenses over the operating year commencing January 1, 2019. Subject to certain customary conditions set forth in the Sublease, the Company has agreed to reimburse Guardian for certain subtenant improvements in an amount equal to \$80.00 per rentable square foot, or approximately \$11.9 million in the aggregate, subject to a deduction equal to \$10.00 per rentable square foot, or approximately \$1.5 million in the aggregate, for work previously performed by or on behalf of the Company.

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 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," "Kate Spade," "kate spade new york" or "Stuart Weitzman" refer only to the identified brand.

EXECUTIVE OVERVIEW

Tapestry is a leading New York-based house of modern luxury accessories and lifestyle brands. Tapestry is powered by optimism, innovation and inclusivity. Our brands are approachable and inviting and create joy every day for people around the world. Defined by quality, craftsmanship and creativity, the brands that make up our house give global audiences the opportunity for exploration and self-expression. Tapestry is comprised of the Coach, Kate Spade and Stuart Weitzman brands, all of which have been part of the American landscape for over 25 years.

The Company has three reportable segments:

- *Coach* - Includes global sales of Coach brand products to customers through Coach operated stores, including the Internet 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 the Internet, sales to wholesale customers, through concession shop-in-shops and through independent third party distributors.
- *Stuart Weitzman* - Includes global sales of Stuart Weitzman brand products primarily through Stuart Weitzman operated stores, including the Internet, sales to wholesale customers and through numerous 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.

Fiscal 2019 Strategic Initiatives

The Company is focused first and foremost on execution in fiscal 2019. The goal is to deliver revenue and operating income growth in fiscal 2019, while making the right strategic investments to support our long-term vision. Specifically, in fiscal 2019, the Company intends to:

- Capture the full benefit of a multi-brand structure and synergies
- Fuel brand innovation by accelerating product newness across all brands
- Drive global growth with an emphasis on the Chinese consumer
- Advance our digital and data analytic capabilities

Recent Developments

Enterprise Resource Management ("ERP") Implementation

During fiscal 2018, the Company implemented a global consolidation system which provides a common platform for financial reporting, a point-of-sale system for Coach in North America as well as a human resource information system for Corporate, Coach and Stuart Weitzman employees. In fiscal 2019, the Company will extend these newly implemented systems to other areas of the Company. During the second quarter of fiscal 2019, the Company deployed global finance and accounting systems for Corporate, Coach and Stuart Weitzman. The ERP implementation is expected to be substantially completed in fiscal 2019, with the finance and supply chain functions to be implemented for Kate Spade during the third quarter of fiscal 2019, and the supply chain functions for Coach and Stuart Weitzman to follow at the beginning of fiscal 2020.

Stuart Weitzman Production Challenges

Stuart Weitzman results continued to be negatively impacted by the supply chain operational challenges which began in the third quarter of fiscal 2018, including production delays which caused lower than expected sales, as the brand was not prepared for the level of complexity and new development as it transitions to a new creative vision. The Company has addressed these challenges through investment in talent, as well as added infrastructure and manufacturing capacity. As a result of these investments, the Company returned to sales growth in the second quarter of fiscal 2019.

Impact of Tax Legislation

On December 22, 2017, H.R.1, formerly known as the Tax Cuts and Jobs Act (the "Tax Legislation") was enacted. The Tax Legislation significantly revises the U.S. tax code by (i) lowering the U.S. federal statutory income tax rate from 35% to 21%, (ii) implementing a territorial tax system, (iii) imposing a one-time transition tax on deemed repatriated earnings of foreign subsidiaries ("Transition Tax"), (iv) requiring current inclusion of global intangible low taxed income ("GILTI") of certain earnings of controlled foreign corporations in U.S. federal taxable income, (v) creating the base erosion anti-abuse tax ("BEAT"), (vi) implementing bonus depreciation that will allow for full expensing of qualified property, (vii) enacting a beneficial rate to be applied against Foreign Derived Intangible Income ("FDII") and (viii) limiting deductibility of interest and executive compensation expense, among other changes. Notable changes include the following:

- Foreign earnings that generated after December 31, 2017 will generally be eligible for a 100% dividends received deduction, however companies may be subject to the alternative BEAT and GILTI tax regimes which could increase the global effective tax rate. Conversely, companies may be eligible for a reduced rate to the extent their earnings qualify as FDII, which would reduce their global effective tax rate. Of these tax provisions, the GILTI and FDII provisions have impacted the Company in fiscal year 2019, with GILTI being the most impactful of the two. The Company does not anticipate any impact under the BEAT provision. Under GILTI, a portion of the Company's foreign earnings will be subject to U.S. taxation. For companies subject to GILTI, the Financial Accounting Standards Board ("FASB") has indicated that companies are allowed to record tax associated with GILTI as a period cost in the period the earnings are included on the U.S. tax return. The Company has chosen to adopt this policy.
- The Tax Legislation includes what many believe is an unintended consequence that results in certain leasehold improvements being ineligible for bonus depreciation. The Company has estimated fiscal year 2019 depreciation expense based on how the law was drafted, with no consideration of the perceived legislative intent. The Company has estimated its capital expenditures by class to estimate depreciation expense for purposes of calculating the rate change adjustment of our deferred tax balance. If tax legislation for Qualified Improvement Property ("QIP") is adjusted in fiscal 2019 or beyond, it will impact the rate change adjustment, which in turn will impact the Company's estimated annual effective tax rate in the year the legislation is revised.
- At this time, it is unknown whether certain U.S. states in which the Company operates will conform to the Tax Legislation or adopt an alternative regime. The Company continues to monitor developments; at this time all material aspects of its provision for income tax for the three and six months ended December 29, 2018 are recorded based on recent guidance or its historical approach to state tax expense.
- The Company applied the guidance in SEC Staff Accounting Bulletin ("SAB") 118 when accounting for the enactment-date of the Tax Legislation for the twelve-month period following the date of enactment. As of the second quarter of fiscal 2019 ending December 29, 2019, the Company completed the accounting for the enactment date income tax effects of the Tax Legislation pursuant to Accounting Standards Codification ("ASC") 740, Income Taxes, for the measurement of deferred tax assets and liabilities and one-time transition tax. The amounts that were recorded are subject to adjustment as future regulations or additional guidance becomes available.

Integration and Acquisition Costs

During the first six months of fiscal 2019, the Company completed its acquisition of certain distributors for the Kate Spade and Stuart Weitzman brands. During the first quarter of fiscal 2018, the Company completed its acquisition of Kate Spade & Company. During the third quarter of fiscal 2018, the Company completed its acquisition of certain distributors for the Coach and Stuart Weitzman brands and obtained operational control of the Kate Spade Joint Ventures. The operating results of the respective entities have been consolidated in the Company's operating results commencing on the date of each acquisition. As a result, the Company incurred charges related to the integration and acquisition of the businesses. These charges are primarily associated with purchase price accounting adjustments, acquisition costs, inventory-related charges, contractual payments and organization-related expenses. The Company currently estimates that it will incur approximately \$45-55 million in pre-tax charges, of which the majority are expected to be cash charges, for the remainder of fiscal 2019.

Refer to Note 5, "Integration and Acquisition Costs," Note 7, "Acquisitions," and "GAAP to Non-GAAP Reconciliation," herein, for further information.

Operational Efficiency Plan

During the fourth quarter of fiscal 2016, the Company announced a series of operational efficiency initiatives focused on creating an agile and scalable business model (the "Operational Efficiency Plan"). The significant majority of the charges under this plan were recorded within Selling, general and administrative ("SG&A") expenses. These charges were associated with organizational efficiencies, primarily related to the reduction of corporate staffing levels globally, as well as accelerated depreciation, mainly associated with information systems retirement, technology infrastructure charges related to the initial costs

of replacing and updating our core technology platforms, and international supply chain and office location optimization. Total cumulative charges incurred under the Operational Efficiency Plan were \$87.4 million. The plan was concluded in fiscal 2018.

Refer to Note 6, "Restructuring Activities," and "GAAP to Non-GAAP Reconciliation," herein, for further information.

Current Trends and Outlook

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.

Global consumer retail traffic trends remain under pressure. This, along with other factors, has led to a more promotional environment in the fragmented retail industry due to increased competition and a desire to offset traffic declines with increased levels of conversion. Further declines in traffic could result in store impairment charges if expected future cash flows of the related asset group do not exceed the carrying value.

Several organizations that monitor the world's economy, including the International Monetary Fund, observed that global expansion is slowing at a rate that is somewhat faster than expected. These organizations expect continued softening of the growth rates in the United States throughout the next two years, and also observed inconsistent economic growth across markets around the globe recently. As a result, the current global outlook remains both mixed and uncertain. It is still too early to understand what kind of sustained impact these trends or changes in trade agreements and tax legislation will have on consumer discretionary spending.

Risk of volatility or a worsening of the macroeconomic environment remains due to political uncertainty and potential changes to international trade agreements. During the first quarter of fiscal 2019, the Trump Administration began to impose duties of 10% related to Chinese-made imported products. The administration recently proposed to increase this duty rate to 25%, however some recent positive negotiation developments resulted in the Administration postponing such increase until March 2, 2019. Certain of the Company's offerings are impacted by these tariffs, however the Company believes that there will be minimal impact given the diversity of its sourcing activities. Furthermore, continued increases in trade tensions could impact the Company's ability to grow its business with the Chinese consumer globally.

During the second quarter of fiscal 2019, the Company noted volatility in the spending patterns of certain North American customers, believed to be resellers, in advance of changes in Chinese e-commerce laws effective January 1, 2019. The volatility experienced during the second quarter may continue in the near-term. The Company also observed an acceleration in local customer demand in both the United States and China which has helped to partially offset this trend.

Additional macroeconomic impacts include but are not limited to the United Kingdom ("U.K.") voting to leave the European Union ("E.U."), commonly known as "Brexit." On March 29, 2017, the U.K. triggered Article 50 of the Lisbon Treaty formally starting negotiations with the E.U. The U.K. and E.U. announced in March 2018 an agreement in principle to transitional provisions under which E.U. law would remain in force in the U.K. until the end of December 2020, but this remains subject to the successful conclusion of a final withdrawal agreement between the parties and the ratification by the U.K. parliament. As of the date of this report, such a deal has not been ratified. In the absence of such an agreement, or an intervention to delay Brexit or trigger a second referendum, there would be no transitional provisions, no deal and a "hard" Brexit would occur on March 29, 2019.

We will continue to monitor these 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 I, Item 1A. "Risk Factors" disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2018.

SECOND QUARTER FISCAL 2019 COMPARED TO SECOND QUARTER FISCAL 2018

The following table summarizes results of operations for the second quarter of fiscal 2019 compared to the second quarter of fiscal 2018. All percentages shown in the table below and the discussion that follows have been calculated using unrounded numbers.

	Three Months Ended					
	December 29, 2018		December 30, 2017		Variance	
	(millions, except per share data)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 1,800.8	100.0%	\$ 1,785.0	100.0%	\$ 15.8	0.9 %
Gross profit	1,203.5	66.8	1,176.2	65.9	27.3	2.3
SG&A expenses	822.8	45.7	829.8	46.5	(7.0)	(0.9)
Operating income	380.7	21.1	346.4	19.4	34.3	9.9
Interest expense, net	13.2	0.7	22.2	1.2	(9.0)	(40.0)
Provision for income taxes	112.7	6.3	261.0	14.6	(148.3)	(56.8)
Net income	254.8	14.1	63.2	3.5	191.6	NM
Net income per share:						
Basic	\$ 0.88		\$ 0.22		\$ 0.66	NM
Diluted	\$ 0.88		\$ 0.22		\$ 0.66	NM

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"). The reported results during the second quarter of fiscal 2019 and fiscal 2018 reflect the costs attributable to the ERP system implementation efforts, integration and acquisition costs, the impact of the new tax legislation and the impact of the Operational Efficiency Plan, as noted in the following tables. Refer to "Non-GAAP Measures" herein for further discussion on the Non-GAAP measures.

Second Quarter Fiscal 2019 Items

	Three Months Ended December 29, 2018				
	GAAP Basis (As Reported)	ERP Implementation	Integration & Acquisition	Impact of Tax Legislation	Non-GAAP Basis (Excluding Items)
	(millions, except per share data)				
Gross profit	\$ 1,203.5	\$ —	\$ (3.5)	\$ —	\$ 1,207.0
SG&A expenses	822.8	6.4	11.7	—	804.7
Operating income	380.7	(6.4)	(15.2)	—	402.3
Income before provision for income taxes	367.5	(6.4)	(15.2)	—	389.1
Provision for income taxes	112.7	(1.6)	1.1	34.1	79.1
Net income	254.8	(4.8)	(16.3)	(34.1)	310.0
Diluted net income per share	0.88	(0.01)	(0.06)	(0.12)	1.07

In the second quarter of fiscal 2019 the Company incurred charges as follows:

- *ERP Implementation* - Total charges of \$6.4 million represent technology implementation costs. Refer to the "Executive Overview" herein for further information.
- *Integration & Acquisition Costs* - Total charges of \$15.2 million represent integration and acquisition costs related to organizational costs as a result of integration, professional fees and limited life purchase accounting adjustments.

Refer to the "Executive Overview" herein and Note 5, "Integration and Acquisition Costs," for more information.

- *Impact of Tax Legislation* - Total charges of \$34.1 million primarily related to the impact of the transition tax. Refer to the "Executive Overview" herein and Note 15, "Income Taxes," for further information.

These actions taken together increased the Company's Provision for income taxes by \$33.6 million, SG&A expenses by \$18.1 million and Cost of sales by \$3.5 million, negatively impacting Net income by \$55.2 million or \$0.19 per diluted share.

The following table summarizes the GAAP to Non-GAAP Reconciliation by reportable segment through Operating income for the second quarter of fiscal 2019:

	Three Months Ended December 29, 2018					Non-GAAP Basis (Excluding Items)
	GAAP Basis (As Reported)	Coach	Kate Spade	Stuart Weitzman	Corporate	
	(millions)					
Cost of sales						
Integration & Acquisition		—	(2.5)	(1.0)	—	
Gross profit	\$ 1,203.5	\$ —	\$ (2.5)	\$ (1.0)	\$ —	\$ 1,207.0
SG&A expenses						
Integration & Acquisition		—	3.7	0.6	7.4	
ERP Implementation		—	—	—	6.4	
SG&A expenses	\$ 822.8	\$ —	\$ 3.7	\$ 0.6	\$ 13.8	\$ 804.7
Operating income	\$ 380.7	\$ —	\$ (6.2)	\$ (1.6)	\$ (13.8)	\$ 402.3

Second Quarter Fiscal 2018 Items

	Three Months Ended December 30, 2017				
	GAAP Basis (As Reported)	Operational Efficiency Plan	Integration & Acquisition	Impact of Tax Legislation	Non-GAAP Basis (Excluding Items)
	(millions, except per share data)				
Gross profit	\$ 1,176.2	\$ —	\$ (18.4)	\$ —	\$ 1,194.6
SG&A expenses	829.8	3.5	43.0	—	783.3
Operating income	346.4	(3.5)	(61.4)	—	411.3
Income before provision for income taxes	324.2	(3.5)	(61.4)	—	389.1
Provision for income taxes	261.0	(1.1)	(15.0)	194.2	82.9
Net income	63.2	(2.4)	(46.4)	(194.2)	306.2
Diluted net income per share	0.22	(0.01)	(0.16)	(0.68)	1.07

In the second quarter of fiscal 2018, the Company incurred charges as follows:

- *Operational Efficiency Plan* - Total charges of \$3.5 million primarily related to technology infrastructure costs.
- *Integration & Acquisition Costs* - Total charges of \$61.4 million total charges primarily attributable to the integration and acquisition of Kate Spade. These charges include:
 - Limited life purchase accounting adjustments
 - Severance and related costs as a result of contractual agreements with certain Kate Spade executives
 - Organizational costs as a result of integration
 - Professional fees
- *Impact of Tax Legislation* - Total charges of \$194.2 million primarily related to the net impact of the transition tax and re-measurement of deferred tax balances.

These actions taken together increased the Company's Provision for income taxes by \$178.1 million, SG&A expenses by \$46.5 million and Cost of sales by \$18.4 million, negatively impacting Net income by \$243.0 million or \$0.85 per diluted share.

The following table summarizes the GAAP to Non-GAAP Reconciliation by reportable segment through Operating (loss) income for the second quarter of fiscal 2018:

	Three Months Ended December 30, 2017					Non-GAAP Basis (Excluding Items)
	GAAP Basis (As Reported)	Coach	Kate Spade	Stuart Weitzman	Corporate	
	(millions)					
Cost of sales						
Integration & Acquisition		—	(17.0)	(1.4)	—	
Gross profit	\$ 1,176.2	\$ —	\$ (17.0)	\$ (1.4)	\$ —	\$ 1,194.6
SG&A expenses						
Integration & Acquisition		—	29.7	0.9	12.4	
Operational Efficiency Plan		—	—	—	3.5	
SG&A expenses	\$ 829.8	\$ —	\$ 29.7	\$ 0.9	\$ 15.9	\$ 783.3
Operating income	\$ 346.4	\$ —	\$ (46.7)	\$ (2.3)	\$ (15.9)	\$ 411.3

Tapestry, Inc. Summary – Second Quarter of Fiscal 2019

Currency Fluctuation Effects

The change in net sales for the second quarter of fiscal 2019 compared to the second quarter of fiscal 2018 has been presented both including and excluding currency fluctuation effects.

Net Sales

Net sales in the second quarter of fiscal 2019 increased 0.9% or \$15.8 million to \$1.80 billion, due to increased revenues from Coach and Stuart Weitzman, partially offset by a decrease from Kate Spade. Excluding the effects of foreign currency, net sales increased by 1.7% or \$30.5 million.

Gross Profit

Gross profit increased 2.3% or \$27.3 million to \$1.20 billion in the second quarter of fiscal 2019 from \$1.18 billion in the second quarter of fiscal 2018. Gross margin for the second quarter of fiscal 2019 was 66.8% as compared to 65.9% in the second quarter of fiscal 2018. Excluding non-GAAP charges of \$3.5 million and \$18.4 million in the second quarter of fiscal 2019 and fiscal 2018, respectively, as discussed in the "GAAP to non-GAAP Reconciliation" herein, gross profit increased 1.0% or \$12.4 million to \$1.21 billion in the second quarter of fiscal 2019, and gross margin increased to 67.0% from 66.9% in the second quarter of fiscal 2018. This increase in gross profit was driven by increases in Coach of \$14.1 million and Kate Spade of \$1.1 million, partially offset by a decline in Stuart Weitzman of \$2.8 million.

Selling, General and Administrative Expenses

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.

SG&A expenses decreased 0.9% or \$7.0 million to \$822.8 million in the second quarter of fiscal 2019 as compared to \$829.8 million in the second quarter of fiscal 2018. As a percentage of net sales, SG&A expenses decreased to 45.7% during the second quarter of fiscal 2019 as compared to 46.5% during the second quarter of fiscal 2018. Excluding non-GAAP charges of \$18.1 million and \$46.5 million in the second quarter of fiscal 2019 and fiscal 2018, respectively, SG&A expenses increased 2.7% or \$21.4 million to \$804.7 million from the second quarter of fiscal 2018. This increase was primarily due to increases in Stuart Weitzman of \$8.5 million, Kate Spade of \$7.2 million and Coach of \$3.8 million. SG&A expenses as a percentage of net sales increased to 44.7% in the second quarter of fiscal 2019 from 43.9% in the second quarter of fiscal 2018.

Corporate expenses, which are included within SG&A expenses discussed above but are not directly attributable to a reportable segment, remained relatively flat with declines of 0.2% or \$0.2 million to \$98.2 million in the second quarter of fiscal 2019 as compared to \$98.4 million in the second quarter of fiscal 2018. Excluding non-GAAP charges of \$13.8 million and \$15.9 million in the second quarter of fiscal 2019 and fiscal 2018, respectively, SG&A expenses increased 2.4% or \$1.9 million to \$84.4 million in the second quarter of fiscal 2019 as compared to \$82.5 million in the second quarter of fiscal 2018. This increase in SG&A expenses was primarily driven by additional system expenses as a result of the ERP implementations.

Operating Income

Operating income increased 9.9% or \$34.3 million to \$380.7 million in the second quarter of fiscal 2019 as compared to \$346.4 million in the second quarter of fiscal 2018. Operating margin was 21.1% in the second quarter of fiscal 2019 as compared to 19.4% in the second quarter of fiscal 2018. Excluding non-GAAP charges of \$21.6 million and \$64.9 million in the second quarter of fiscal 2019 and fiscal 2018, respectively, operating income decreased 2.2% or \$9.0 million to \$402.3 million from \$411.3 million in the second quarter of fiscal 2018; and operating margin decreased 70 basis points to 22.3% in the second quarter of fiscal 2019 as compared to 23.0% in the second quarter of fiscal 2018. The decrease in operating income was primarily driven by decreases in Stuart Weitzman of \$11.3 million and Kate Spade of \$6.1 million, partially offset by growth in Coach of \$10.3 million.

Interest Expense, net

Interest expense, net totaled \$13.2 million in the second quarter of fiscal 2019 as compared to \$22.2 million in the second quarter of fiscal 2018. The decrease in net interest expense is due to repayments made in the third quarter of fiscal 2018 related to the Company's debt borrowings.

Provision for Income Taxes

The effective tax rate was 30.7% in the second quarter of fiscal 2019 as compared to 80.5% in the second quarter of fiscal 2018. Excluding non-GAAP charges, the effective tax rate was 20.3% in the second quarter of 2019 as compared to 21.3% in the second quarter of fiscal 2018. The decrease in our effective tax rate was primarily attributable to the Tax Legislation, which lowered the U.S. federal statutory income tax partially offset by the impact of the GILTI provision.

Net Income

Net income increased \$191.6 million to \$254.8 million in the second quarter of fiscal 2019 as compared to \$63.2 million in the second quarter of fiscal 2018. Excluding non-GAAP charges, net income increased 1.2% or \$3.8 million to \$310.0 million in the second quarter of fiscal 2019 as compared to \$306.2 million in the second quarter of fiscal 2018. This increase was primarily due to lower interest expense, net and a decrease in provision for income tax, partially offset by lower operating income.

Net Income per Share

Net income per diluted share increased to \$0.88 in the second quarter of fiscal 2019 as compared to \$0.22 in the second quarter of fiscal 2018. Excluding non-GAAP charges, net income per diluted share remained flat at \$1.07 in the second quarter of fiscal 2019.

Segment Performance - Second Quarter of Fiscal 2019

The following tables summarize results of operations by reportable segment for the second quarter of fiscal 2019 compared to the second quarter of fiscal 2018. All percentages shown in the tables below and the discussion that follows have been calculated using unrounded numbers.

Coach

	Three Months Ended					
	December 29, 2018		December 30, 2017		Variance	
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 1,248.6	100.0%	\$ 1,229.6	100.0%	\$ 19.0	1.5%
Gross profit	860.1	68.9	846.0	68.8	14.1	1.7
SG&A expenses	481.6	38.6	477.8	38.9	3.8	0.8
Operating income	378.5	30.3	368.2	29.9	10.3	2.8

Coach Net Sales increased 1.5% or \$19.0 million to \$1.25 billion in the second quarter of fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales increased 2.4% or \$30.1 million. This increase was due to an increase in non-comparable

stores of \$18.6 million primarily driven by the direct ownership of the business in Australia and New Zealand and non-comparable store sales in Greater China. Comparable store sales increased by \$12.0 million or 1% as compared to the second quarter of fiscal 2018, including a benefit of approximately 1% driven by an increase in global e-commerce. The increase in comparable store sales was primarily led by increases in Asia, including Japan and Greater China, and Europe, primarily due to conversion and improved traffic. These increases were partially offset by a decline in North America comparable store sales.

Coach Gross Profit increased 1.7% or \$14.1 million to \$860.1 million in the second quarter of fiscal 2019 from \$846.0 million in the second quarter of fiscal 2018. Gross margin increased 10 basis points to 68.9% in the second quarter of fiscal 2019 from 68.8% in the second quarter of fiscal 2018. Excluding the impact of foreign currency in both periods, gross margin decreased 40 basis points.

Coach SG&A Expenses increased 0.8% or \$3.8 million to \$481.6 million as compared to \$477.8 million in the second quarter of fiscal 2018. SG&A expenses as a percentage of net sales decreased to 38.6% during the second quarter of fiscal 2019 as compared to 38.9% during the second quarter of fiscal 2018. The \$3.8 million increase was primarily due to timing of marketing expenses and an increase in variable selling related costs due to sales growth.

Coach Operating Income increased 2.8% or \$10.3 million to \$378.5 million in the second quarter of fiscal 2019, resulting in an operating margin of 30.3%, as compared to \$368.2 million and 29.9%, respectively, in the second quarter of fiscal 2018. The increase in operating income was due to an increase in gross profit, partially offset by higher SG&A expenses.

Kate Spade

	Three Months Ended					
	December 29, 2018		December 30, 2017		Variance	
	(millions)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 428.4	100.0%	\$ 434.7	100.0%	\$ (6.3)	(1.4)%
Gross profit	272.4	63.6	256.8	59.1	15.6	6.1
SG&A expenses	183.2	42.8	202.0	46.5	(18.8)	(9.3)
Operating income	89.2	20.8	54.8	12.6	34.4	63.0

Kate Spade Net Sales decreased 1.4% or \$6.3 million to \$428.4 million in the second quarter of fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales decreased 0.9% or \$4.1 million. This decrease was primarily due to a decrease in comparable store sales of \$39.8 million or 11%, including a benefit of approximately 2% driven by the Internet business. The decrease in comparable store sales was primarily due to conversion and traffic. In addition, there was a decline in wholesale sales of \$25.4 million primarily due to the strategic pullback in wholesale disposition. These decreases were partially offset by an increase in non-comparable stores sales of \$60.0 million due to new store openings in North America, Asia and Europe, as well as taking operational control of the Kate Spade Joint Ventures in mainland China and the direct ownership of the businesses in Australia, Malaysia and Singapore.

Kate Spade Gross Profit increased 6.1% or \$15.6 million to \$272.4 million in the second quarter of fiscal 2019 from \$256.8 million in the second quarter of fiscal 2018. Gross margin increased 450 basis points to 63.6% in the second quarter of fiscal 2019 from 59.1% in the second quarter of fiscal 2018. Excluding non-GAAP adjustments of \$2.5 million and \$17.0 million in the second quarter of fiscal 2019 and fiscal 2018, respectively, gross profit increased 0.4% or \$1.1 million to \$274.9 million from \$273.8 million in the second quarter of fiscal 2018, and gross margin increased 120 basis points to 64.2% from 63.0% in the second quarter of fiscal 2018. The gross margin increase of 120 basis points was primarily due to improved product costing as a result of synergies.

Kate Spade SG&A Expenses decreased 9.3% or \$18.8 million to \$183.2 million in the second quarter of fiscal 2019 as compared to \$202.0 million in the second quarter of fiscal 2018. As a percentage of net sales, SG&A expenses decreased to 42.8% during the second quarter of fiscal 2019 as compared to 46.5% during the second quarter of fiscal 2018. Excluding non-GAAP charges of \$3.7 million and \$29.7 million in the second quarter of fiscal 2019 and fiscal 2018, respectively, SG&A expenses increased 4.1% or \$7.2 million to \$179.5 million during the second quarter of fiscal 2019; and SG&A expenses as a percentage of net sales increased, to 41.9% in the second quarter of fiscal 2019 from 39.7% in the second quarter of fiscal 2018. The increase of \$7.2 million was due to taking operational control of the Kate Spade Joint Ventures in mainland China and the direct ownership of the businesses in Australia, Singapore and Malaysia partially offset by lower selling and marketing costs.

Kate Spade Operating Income increased 63.0% or \$34.4 million to \$89.2 million in the second quarter of fiscal 2019, resulting in an operating margin of 20.8%, as compared to an operating income of \$54.8 million and operating margin of 12.6% in the second quarter of fiscal 2018. Excluding non-GAAP charges, Kate Spade operating income decreased 5.8% or \$6.1 million to

\$95.4 million from \$101.5 million in the second quarter of fiscal 2018; and operating margin was 22.3% in the second quarter of fiscal 2019 as compared to 23.3% in the second quarter of fiscal 2018. The decrease in operating income was due to higher SG&A expenses, partially offset by an increase in gross profit.

Stuart Weitzman

	Three Months Ended					
	December 29, 2018		December 30, 2017		Variance	
	(millions)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 123.8	100.0%	\$ 120.7	100.0%	\$ 3.1	2.5 %
Gross profit	71.0	57.3	73.4	60.8	(2.4)	(3.4)
SG&A expenses	59.8	48.2	51.6	42.7	8.2	15.8
Operating income	11.2	9.1	21.8	18.1	(10.6)	(48.6)

Stuart Weitzman Net Sales increased 2.5% or \$3.1 million to \$123.8 million in the second quarter of fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales increased 3.8% or \$4.6 million. This increase was primarily due to higher sales in the retail business of \$9.7 million, primarily due to the direct ownership of the businesses in China, partially offset by lower comparable store sales. This increase was partially offset by a decline in wholesale sales of \$5.7 million primarily due to the trailing impacts as a result of supply chain operational challenges.

Stuart Weitzman Gross Profit decreased 3.4% or \$2.4 million to \$71.0 million during the second quarter of fiscal 2019 from \$73.4 million in the second quarter of fiscal 2018. Gross margin decreased 350 basis points to 57.3% in the second quarter of fiscal 2019 from 60.8% in the second quarter of fiscal 2018. Excluding non-GAAP charges of \$1.0 million and \$1.4 million in the second quarter of fiscal 2019 and fiscal 2018, respectively, *Stuart Weitzman* gross profit decreased 3.9% or \$2.8 million to \$72.0 million from \$74.8 million in the second quarter of fiscal 2018, and gross margin decreased 380 basis points to 58.1% from 61.9% in the second quarter of fiscal 2018. The year over year change in gross margin was negatively impacted by foreign currency by 200 basis points, primarily due to the Euro. Excluding the impact of foreign currency, gross margin decreased 180 basis points primarily due to lower wholesale margins, partially offset by the benefit of the direct ownership of the businesses in China.

Stuart Weitzman SG&A Expenses increased 15.8% or \$8.2 million to \$59.8 million in the second quarter of fiscal 2019 as compared to \$51.6 million in the second quarter of fiscal 2018. As a percentage of net sales, SG&A expenses increased to 48.2% during the second quarter of fiscal 2019 as compared to 42.7% during the second quarter of fiscal 2018. Excluding non-GAAP charges of \$0.6 million and \$0.9 million in the second quarter of fiscal 2019 and fiscal 2018, respectively, SG&A expenses increased 16.8% or \$8.5 million to \$59.2 million during the second quarter of fiscal 2019; and SG&A expenses as a percentage of net sales increased, to 47.8% in the second quarter of fiscal 2019 from 41.9% in the second quarter of fiscal 2018. The increase of \$8.5 million was primarily due to the direct ownership of the businesses in China and new store opening costs.

Stuart Weitzman Operating Income decreased 48.6% or \$10.6 million to \$11.2 million in the second quarter of fiscal 2019, resulting in an operating margin of 9.1%, as compared to an operating income of \$21.8 million and operating margin of 18.1% in the second quarter of fiscal 2018. Excluding non-GAAP charges, *Stuart Weitzman* operating income decreased 47.2% or \$11.3 million to \$12.8 million from \$24.1 million in the second quarter of fiscal 2018; and operating margin was 10.3% in the second quarter of fiscal 2019 as compared to 20.0% in the second quarter of fiscal 2018. This decrease was due to higher SG&A expenses and lower gross profit.

FIRST SIX MONTHS FISCAL 2019 COMPARED TO FIRST SIX MONTHS FISCAL 2018

The following table summarizes results of operations for the first six months of fiscal 2019 compared to the first six months of fiscal 2018. All percentages shown in the table below and the discussion that follows have been calculated using unrounded numbers.

	Six Months Ended					
	December 29, 2018		December 30, 2017		Variance	
	(millions, except per share data)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 3,182.0	100.0%	\$ 3,073.9	100.0%	\$ 108.1	3.5%
Gross profit	2,138.6	67.2	1,939.1	63.1	199.5	10.3
SG&A expenses	1,600.2	50.3	1,614.5	52.5	(14.3)	0.9
Operating income	538.4	16.9	324.6	10.6	213.8	65.9
Interest expense, net	26.3	0.8	42.7	1.4	(16.4)	38.4
Provision for income taxes	135.0	4.2	236.4	7.7	(101.4)	42.9
Net income	377.1	11.9	45.5	1.5	331.6	NM
Net income per share:						
Basic	\$ 1.30		\$ 0.16		\$ 1.14	NM
Diluted	\$ 1.29		\$ 0.16		\$ 1.13	NM

NM - Not meaningful

GAAP to Non-GAAP Reconciliation

The Company's reported results are presented in accordance with GAAP. The reported results during the first six months of fiscal 2019 and fiscal 2018 reflect the impact of the costs attributable to the ERP system implementation efforts, integration and acquisition costs, impact of the new tax legislation and the impact of the Operational Efficiency Plan, as noted in the following tables. Refer to "Non-GAAP Measures" herein for further discussion on the Non-GAAP Measures.

First Six Months of Fiscal 2019 Items

	Six Months Ended December 29, 2018				
	GAAP Basis (As Reported)	ERP Implementation	Integration & Acquisition	Impact of Tax Legislation	Non-GAAP Basis (Excluding Items)
	(millions, except per share data)				
Gross profit	\$ 2,138.6	\$ —	\$ (4.1)	\$ —	\$ 2,142.7
SG&A expenses	1,600.2	10.4	30.6	—	1,559.2
Operating income	538.4	(10.4)	(34.7)	—	583.5
Income before provision for income taxes	512.1	(10.4)	(34.7)	—	557.2
Provision for income taxes	135.0	(2.6)	(2.1)	34.1	105.6
Net income	377.1	(7.8)	(32.6)	(34.1)	451.6
Diluted net income per share	1.29	(0.03)	(0.11)	(0.12)	1.55

In the first six months of fiscal 2019 the Company incurred charges as follows:

- *ERP Implementation* - Total charges of \$10.4 million primarily related to technology implementation costs. Refer to the "Executive Overview" herein for further information.
- *Integration & Acquisitions Costs* - Total charges of \$34.7 million represent integration and acquisition costs related to contract termination charges, organizational costs as a result of integration, professional fees and limited life purchase accounting adjustments.

Refer to the "Executive Overview" herein and Note 5, "Integration & Acquisitions Costs," for more information.

- *Impact of Tax Legislation* - Total charges of \$34.1 million primarily related to the impact of the transition tax. Refer to the "Executive Overview" herein and Note 15, "Income Taxes," for further information.

These actions taken together increased the Company's SG&A expenses by \$41.0 million, Provision for income taxes by \$29.4 million and Cost of sales by \$4.1 million, negatively impacting Net income by \$74.5 million or \$0.26 per diluted share.

The following table summarizes the GAAP to Non-GAAP Reconciliation by reportable segment through Operating income for the first six months of fiscal 2019:

Six Months Ended December 29, 2018						
GAAP Basis (As Reported)	Coach	Kate Spade	Stuart Weitzman	Corporate	Non-GAAP Basis (Excluding Items)	
(millions)						
Cost of sales						
Integration & Acquisition		(2.0)	(1.1)	(1.0)	—	
Gross profit	\$ 2,138.6	\$ (2.0)	\$ (1.1)	\$ (1.0)	\$ —	\$ 2,142.7
SG&A expenses						
Integration & Acquisition		—	7.1	12.1	11.4	
ERP Implementation		—	—	—	10.4	
SG&A expenses	\$ 1,600.2	\$ —	\$ 7.1	\$ 12.1	\$ 21.8	\$ 1,559.2
Operating income	\$ 538.4	\$ (2.0)	\$ (8.2)	\$ (13.1)	\$ (21.8)	\$ 583.5

First Six Months of Fiscal 2018 Items

Six Months Ended December 30, 2017						
GAAP Basis (As Reported)	Operational Efficiency Plan	Integration & Acquisition	Impact of Tax Legislation	Non-GAAP Basis (Excluding Items)		
(millions, except per share data)						
Gross profit	\$ 1,939.1	\$ —	\$ (106.8)	\$ —	\$ 2,045.9	
SG&A expenses	1,614.5	6.6	142.1	—	1,465.8	
Operating income	324.6	(6.6)	(248.9)	—	580.1	
Income before provision for income taxes	281.9	(6.6)	(248.9)	—	537.4	
Provision for income taxes	236.4	(2.1)	(67.2)	194.2	111.5	
Net income	45.5	(4.5)	(181.7)	(194.2)	425.9	
Diluted net income per share	0.16	(0.02)	(0.63)	(0.68)	1.49	

In the first six months of fiscal 2018, the Company incurred charges as follows:

- *Operational Efficiency Plan* - Total charges of \$6.6 million primarily related to technology infrastructure costs and organizational efficiency costs.
- *Integration & Acquisitions Costs* - Total charges of \$248.9 million, primarily attributable to the integration and acquisition of Kate Spade. These charges include:
 - Limited life purchase accounting adjustments
 - Professional fees
 - Severance and related costs as a result of contractual agreements with certain Kate Spade executives
 - Inventory reserves established primarily for the destruction of inventory
 - Organizational costs as a result of integration

- *Impact of Tax Legislation* - Total charges of \$194.2 million primarily related to the net impact of the transition tax and re-measurement of deferred tax balances.

These actions taken together increased the Company's Provision for income taxes by \$124.9 million, SG&A expenses by \$148.7 million and Cost of sales by \$106.8 million, negatively impacting Net income by \$380.4 million, or \$1.33 per diluted share.

The following table summarizes the GAAP to Non-GAAP Reconciliation by reportable segment through Operating income for the first six months of fiscal 2018:

	Six Months Ended December 30, 2017					Non-GAAP Basis (Excluding Items)
	GAAP Basis (As Reported)	Coach	Kate Spade	Stuart Weitzman	Corporate	
(millions)						
Cost of sales						
Integration & Acquisition		—	(105.4)	(1.4)	—	
Gross profit	\$ 1,939.1	\$ —	\$ (105.4)	\$ (1.4)	\$ —	\$ 2,045.9
SG&A expenses						
Integration & Acquisition		—	97.5	1.8	42.8	
Operational Efficiency Plan		—	—	—	6.6	
SG&A expenses	\$ 1,614.5	\$ —	\$ 97.5	\$ 1.8	\$ 49.4	\$ 1,465.8
Operating income	\$ 324.6	\$ —	\$ (202.9)	\$ (3.2)	\$ (49.4)	\$ 580.1

Tapestry, Inc. Summary – First Six Months of Fiscal 2019

Currency Fluctuation Effects

The change in net sales for the first six months of fiscal 2019 compared to fiscal 2018 has been presented both including and excluding currency fluctuation effects.

Net Sales

Net sales in the first six months of fiscal 2019 increased 3.5% or \$108.1 million to \$3.18 billion, due to increased revenues from Coach, Kate Spade and Stuart Weitzman. Excluding the effects of foreign currency, net sales increased by 4.1% or \$126.8 million.

Gross Profit

Gross profit increased 10.3% or \$199.5 million to \$2.14 billion during the first six months of fiscal 2019 from \$1.94 billion in the first six months of fiscal 2018. Gross margin for the first six months of fiscal 2019 was 67.2% as compared to 63.1% in the first six months of fiscal 2018. Excluding non-GAAP charges of \$4.1 million and \$106.8 million in the first six months of fiscal 2019 and 2018, respectively, as discussed in the "GAAP to Non-GAAP Reconciliation" herein, gross profit increased 4.7% or \$96.8 million to \$2.14 billion in the first six months of fiscal 2019, and gross margin increased to 67.3% from 66.6% in the first six months of fiscal 2018. This increase in gross profit is primarily driven by increases in Coach of \$63.7 million and Kate Spade of \$44.2 million, partially offset by a decline of \$11.1 million in Stuart Weitzman.

Selling, General and Administrative Expenses

SG&A expenses decreased 0.9% or \$14.3 million to \$1.60 billion in the first six months of fiscal 2019 as compared to \$1.61 billion in the first six months of fiscal 2018. As a percentage of net sales, SG&A expenses decreased to 50.3% during the first six months of fiscal 2019 as compared to 52.5% during the first six months of fiscal 2018. Excluding non-GAAP charges of \$41.0 million and \$148.7 million in the first six months of fiscal 2019 and 2018, respectively, SG&A expenses increased 6.4% or \$93.4 million from the first six months of fiscal 2018. This increase is primarily due to increases in Kate Spade of \$36.4 million, Coach of \$28.6 million and Stuart Weitzman of \$16.9 million. SG&A expenses as a percentage of net sales increased to 49.0% in the first six months of fiscal 2019 from 47.7% in the first six months of fiscal 2018.

Corporate expenses, which are included within SG&A expenses discussed above but are not directly attributable to a reportable segment, decreased 7.5% or \$16.1 million to \$197.8 million in the first six months of fiscal 2019 as compared to \$213.9 million in the first six months of fiscal 2018. Excluding non-GAAP charges of \$21.8 million and \$49.4 million in the first six months of

fiscal 2019 and 2018, respectively, SG&A expenses increased by 7.1% or \$11.5 million in the first six months of fiscal 2019 as compared to the first six months of fiscal 2018. This increase in SG&A expenses was primarily driven by additional system expenses as a result of the ERP implementations, as well as higher compensation expense.

Operating Income

Operating income increased 65.9% or \$213.8 million to \$538.4 million in the first six months of fiscal 2019 as compared to \$324.6 million in the first six months of fiscal 2018. Operating margin was 16.9% in the first six months of fiscal 2019 as compared to 10.6% in the first six months of fiscal 2018. Excluding non-GAAP charges of \$45.1 million in the first six months of fiscal 2019 and \$255.5 million in the first six months of fiscal 2018, operating income increased 0.5% or \$3.4 million to \$583.5 million from \$580.1 million in the first six months of fiscal 2018; and operating margin was 18.3% in the first six months of fiscal 2019 as compared to 18.9% in the first six months of fiscal 2018. The increase in operating income is driven by growth in Coach of \$35.1 million and Kate Spade of \$7.8 million, offset by a decrease in Stuart Weitzman of \$28.0 million and an increase in Corporate expense of \$11.5 million.

Interest Expense, net

Interest expense, net totaled \$26.3 million in the first six months of fiscal 2019 as compared to \$42.7 million in the first six months of fiscal 2018. The decrease in net interest expense is due to debt repayments made in the third quarter of fiscal 2018.

Provision for Income Taxes

The effective tax rate was 26.4% in the first six months of fiscal 2019 as compared to 83.8% in the first six months of fiscal 2018. Excluding non-GAAP charges, the effective tax rate was 19.0% in the first six months of fiscal 2019 as compared to 20.7% in the first six months of fiscal 2018. The decrease in the effective tax rate was primarily attributable to the Tax Legislation, which lowered the U.S. federal statutory income tax, partially offset by the impact of the GILTI provision.

Net Income

Net income increased \$331.6 million to \$377.1 million in the first six months of fiscal 2019 as compared to \$45.5 million in the first six months of fiscal 2018. Excluding non-GAAP charges, net income increased 6.0% or \$25.7 million to \$451.6 million in the first six months of fiscal 2019 as compared to \$425.9 million in the first six months of fiscal 2018. This increase was due to lower net interest expense and reduced provision for income tax and higher operating income.

Net Income per Share

Net income per diluted share increased to \$1.29 in the first six months of fiscal 2019 as compared to \$0.16 in the first six months of fiscal 2018. Excluding non-GAAP charges, net income per diluted share increased 4.2% to \$1.55 in the first six months of fiscal 2019 from \$1.49 in the first six months of fiscal 2018, due to higher net income partially offset by an increase in shares outstanding.

Segment Performance - First Six Months of Fiscal 2019

The following tables summarize results of operations by reportable segment for the first six months of fiscal 2019 compared to the first six months of fiscal 2018. All percentages shown in the table below and the discussion that follows have been calculated using unrounded numbers.

Coach

	Six Months Ended					
	December 29, 2018		December 30, 2017		Variance	
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 2,209.3	100.0%	\$ 2,153.3	100.0%	\$ 56.0	2.6%
Gross profit	1,539.8	69.7	1,478.1	68.6	61.7	4.2
SG&A expenses	930.4	42.1	901.8	41.9	28.6	3.2
Operating income	609.4	27.6	576.3	26.8	33.1	5.8

Coach Net Sales increased 2.6% or \$56.0 million to \$2.21 billion in the first six months of fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales increased 3.2% or \$69.8 million. Comparable store sales for Coach increased \$39.7 million or 2% as compared to the first six months of fiscal 2018, including a benefit of approximately 1% driven by an increase in global e-commerce. The increase in comparable store sales is primarily due to increases in Asia including Japan, Greater China and North America due to improved traffic and to a lesser extent conversion. Non-comparable store sales increased by \$32.0 million, primarily

driven by the direct ownership of the business in Australia and New Zealand and non-comparable store sales in Greater China and Europe. These increases were partially offset by a decrease in wholesale of \$2.9 million, primarily due to lower international wholesale sales.

Coach Gross Profit increased 4.2% or \$61.7 million to \$1.54 billion in the first six months of fiscal 2019 from \$1.48 billion in the first six months of fiscal 2018. Gross margin increased 110 basis points to 69.7% in the first six months of fiscal 2019 from 68.6% in the first six months of fiscal 2018. Excluding non-GAAP charges of \$2.0 million in the first six months of fiscal 2019, Coach gross profit increased 4.3% or \$63.7 million. Gross margin increased 120 basis points to 69.8% in the first six months of fiscal 2019 from 68.6% in the first six months of fiscal 2018 on a non-GAAP basis. Excluding the impact of foreign currency in both periods, gross margin increased 60 basis points. The increase in gross margin was primarily due to improved product costing, partially offset by promotional activity.

Coach SG&A Expenses increased 3.2% or \$28.6 million to \$930.4 million as compared to \$901.8 million in the first six months of fiscal 2018. As a percentage of net sales, SG&A expenses increased to 42.1% during the first six months of fiscal 2019 as compared to 41.9% during the first six months of fiscal 2018. The \$28.6 million increase is primarily due to costs with owning the Australia and New Zealand distributor, higher compensation expenses and timing of marketing expenses.

Coach Operating Income increased 5.8% or \$33.1 million to \$609.4 million in the first six months of fiscal 2019, resulting in an operating margin of 27.6%, as compared to \$576.3 million and 26.8%, respectively in the first six months of fiscal 2018. Excluding non-GAAP charges, Coach operating income increased 6.1% or \$35.1 million to \$611.4 million from \$576.3 million in the first six months of fiscal 2018; and operating margin was 27.7% in the first six months of fiscal 2019 as compared to 26.8% in the first six months of fiscal 2018. The increase in operating income was due to an increase in gross profit, partially offset by higher SG&A expenses.

Kate Spade

	Six Months Ended					
	December 29, 2018		December 30, 2017		Variance	
	(millions)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 753.8	100.0%	\$ 703.5	100.0%	\$ 50.3	7.2%
Gross profit	480.1	63.7	331.6	47.1	148.5	44.8
SG&A expenses	346.1	45.9	400.1	56.9	(54.0)	(13.5)
Operating income (loss)	134.0	17.8	(68.5)	(9.7)	202.5	NM

NM - Not meaningful

Kate Spade Net Sales increased 7.2% or \$50.3 million to \$753.8 million in the first six months of fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales increased 7.6% or \$53.5 million. This increase was due to an increase in non-comparable stores sales of \$127.3 million which benefited from new store openings in North America, Japan and Europe, taking operational control of the Kate Spade Joint Ventures in mainland China and the direct ownership of the businesses in Australia, Singapore and Malaysia, as well as the additional days under Tapestry ownership in the first quarter of fiscal 2019 when compared to the same period in the prior year. These increases were partially offset by a decline in comparable store sales of \$50.5 million or 9%, including a benefit of approximately 2% driven by an increase in global e-commerce. The decrease in comparable store sales was primarily due to decreased traffic and conversion. In addition, there was a decline in wholesale sales of \$29.3 primarily due to the strategic pullback in wholesale disposition.

Kate Spade Gross Profit increased 44.8% or \$148.5 million to \$480.1 million in the first six months of fiscal 2019 from \$331.6 million in the first six months of fiscal 2018. Gross margin increased 16.6% to 63.7% in the first six months of fiscal 2019 from 47.1% in the first six months of fiscal 2018. Excluding non-GAAP charges of \$1.1 million and \$105.4 million in the first six months of fiscal 2019 and in the first six months of fiscal 2018 respectively, Kate Spade gross profit increased 10.1% or \$44.2 million to \$481.2 million from \$437.0 million in the first six months of fiscal 2018, and gross margin increased 170 basis points to 63.8% from 62.1% in the first six months of fiscal 2018. The gross margin increase of 170 basis points was primarily due to improved product costing as a result of synergies.

Kate Spade SG&A Expenses decreased 13.5% or \$54.0 million to \$346.1 million in the first six months of fiscal 2019 from \$400.1 million in the first six months of fiscal 2018. As a percentage of net sales, SG&A expenses decreased to 45.9% during the first six months of fiscal 2019 as compared to 56.9% during the first six months of fiscal 2018. Excluding non-GAAP charges of \$7.1 million and \$97.5 million in the first six months of fiscal 2019 and 2018, respectively, SG&A expenses increased 12.0% or

\$36.4 million to \$339.0 million in the first six months of fiscal 2019; and SG&A expenses as a percentage of net sales increased, to 45.0% in the first six months of fiscal 2019 from 43.0% in the first six months of fiscal 2018. This increase was due to taking operational control of the Kate Spade Joint Ventures in mainland China and the direct ownership of the businesses in Australia, Singapore and Malaysia, as well as the additional days under Tapestry ownership in the first quarter of fiscal 2019 when compared to the same period in the prior year.

Kate Spade Operating Income increased \$202.5 million to \$134.0 million in the first six months of fiscal 2019, resulting in an operating margin of 17.8%, as compared to an operating loss of \$68.5 million and (9.7)%, respectively in the first six months of fiscal 2018. Excluding non-GAAP charges, Kate Spade operating income increased 5.9% or \$7.8 million to \$142.2 million from \$134.4 million in the first six months of fiscal 2018; and operating margin was 18.9% in the first six months of fiscal 2019 as compared to 19.1% in the first six months of fiscal 2018. The increase in operating income was due to an increase in gross profit, partially offset by higher SG&A expenses.

Stuart Weitzman

	Six Months Ended					
	December 29, 2018		December 30, 2017		Variance	
	(millions)					
	Amount	% of net sales	Amount	% of net sales	Amount	%
Net sales	\$ 218.9	100.0 %	\$ 217.1	100.0%	\$ 1.8	0.8 %
Gross profit	118.7	54.2	129.4	59.6	(10.7)	(8.3)
SG&A expenses	125.9	57.5	98.7	45.4	27.2	27.6
Operating (loss) income	(7.2)	(3.3)	30.7	14.2	(37.9)	NM

NM - Not meaningful

Stuart Weitzman Net Sales increased 0.8% or \$1.8 million to \$218.9 million in the first six months of fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales increased 1.6% or \$3.5 million. This increase was primarily due to higher sales in the retail business of \$16.8 million, primarily due to the direct ownership of the businesses in China and new store openings. This increase was partially offset by a decline in wholesale sales of \$13.0 million primarily due to trailing impacts as a result of supply chain operational challenges.

Stuart Weitzman Gross Profit decreased 8.3% or \$10.7 million to \$118.7 million during the first six months of fiscal 2019 from \$129.4 million in the first six months of fiscal 2018. Gross margin decreased 540 basis points to 54.2% in the first six months of fiscal 2019 from 59.6% in the first six months of fiscal 2018. Excluding non-GAAP charges of \$1.0 million and \$1.4 million in the first six months of fiscal 2019 and fiscal 2018, respectively, Stuart Weitzman gross profit decreased 8.5% or \$11.1 million to \$119.7 million from \$130.8 million in the first six months of fiscal 2018, and gross margin decreased 560 basis points to 54.6% from 60.2% in the first six months of fiscal 2018. The year over year change in gross margin was negatively impacted by foreign currency rates by 370 basis points, primarily due to the Euro. Excluding the impact of foreign currency, there was a decrease in gross margin of 190 basis points primarily due to lower wholesale margins, partially offset by the direct ownership of the businesses in China.

Stuart Weitzman SG&A Expenses increased 27.6% or \$27.2 million to \$125.9 million in the first six months of fiscal 2019 as compared to \$98.7 million in the first six months of fiscal 2018. As a percentage of net sales, SG&A expenses increased to 57.5% during the first six months of fiscal 2019 as compared to 45.4% during the first six months of fiscal 2018. Excluding non-GAAP charges of \$12.1 million and \$1.8 million in the first six months of fiscal 2019 and 2018, respectively, SG&A expenses increased 17.5% or \$16.9 million to \$113.8 million in the first six months of fiscal 2019; and SG&A expenses as a percentage of net sales increased, to 52.0% in the first six months of fiscal 2019 from 44.6% in the first six months of fiscal 2018. This increase is primarily due to the benefit of the direct ownership of the businesses in China and new store openings.

Stuart Weitzman Operating Income decreased \$37.9 million to an operating loss of \$7.2 million in the first six months of fiscal 2019, resulting in an operating margin of (3.3)%, as compared to an operating income of \$30.7 million and an operating margin of 14.2% in first six months of fiscal 2018. Excluding non-GAAP charges, Stuart Weitzman operating income decreased 82.8% or \$28.0 million to \$5.9 million from \$33.9 million in the first six months of fiscal 2018; and operating margin was 2.7% in the first six months of fiscal 2019 as compared to 15.6% in the first six months of fiscal 2018. The decrease in operating income was due to an increase in SG&A expenses and a decrease in gross profit.

NON-GAAP MEASURES

The Company's reported results are presented in accordance with GAAP. The reported gross profit, SG&A expenses, operating income, provision for income taxes, net income and earnings per diluted share in the second quarter of fiscal 2019 and fiscal 2018 reflect certain items, including the impact of the ERP Implementation in fiscal 2019, Integration and Acquisition costs for acquired companies by Tapestry, the impact of Tax Legislation and the Operational Efficiency Plan. As a supplement to the Company's reported results, these metrics are also reported on a non-GAAP basis to exclude the impact of these items, along with a reconciliation to the most directly comparable GAAP measures.

Comparable store sales, which is a non-GAAP measure, reflects sales performance at stores that have been open for at least 12 months, and includes sales from the Internet. In certain instances, orders placed via the Internet are fulfilled by a physical store; such sales are recorded by the physical store. The Company excludes new, 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 have not been adjusted for store expansions. Comparable store sales for Kate Spade have been calculated beginning on the acquisition date.

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, U.S. 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

	Six Months Ended		
	December 29, 2018	December 30, 2017	Change
		(millions)	
Net cash provided by operating activities	\$ 599.0	\$ 431.0	\$ 168.0
Net cash used in investing activities	(405.5)	(1,988.5)	1,583.0
Net cash (used in) provided by financing activities	(187.8)	940.0	(1,127.8)
Effect of exchange rate changes on cash and cash equivalents	(12.1)	9.6	(21.7)
Net decrease in cash and cash equivalents	\$ (6.4)	\$ (607.9)	\$ 601.5

The Company's cash and cash equivalents decreased by \$6.4 million in the first six months of fiscal 2019 as compared to a decrease of \$607.9 million in the first six months of fiscal 2018, as discussed below.

Net cash provided by operating activities

Net cash provided by operating activities increased \$168.0 million due to higher net income of \$331.6 million and higher non-cash adjustments of \$21.7 million, partially offset by changes in operating assets and liabilities of \$185.3 million.

The \$185.3 million decrease in changes in operating asset and liability balances was primarily driven by changes in other liabilities, other assets, inventories and accounts receivable, partially offset by changes in accounts payable and accrued liabilities, as follows:

- Other liabilities were a source of cash of \$40.3 million in the first six months of fiscal 2019 compared to a source of cash of \$233.4 million in the first six months of fiscal 2018, primarily related to the timing of tax payments.
- Other assets were a use of cash of \$55.9 million in the first six months of fiscal 2019 compared to a source of cash of \$28.4 million in the first six months of fiscal 2018, primarily related to the timing of tax payments.
- Inventories were a use of cash of \$42.1 million in the first six months of fiscal 2019 compared to a source of cash of \$12.5 million in the first six months of fiscal 2018, primarily driven by the timing of inventory receipts.
- Accounts receivable were a use of cash of \$34.2 million in the first six months of fiscal 2019 compared to a source of cash of \$14.0 million in the first six months of fiscal 2018, primarily driven by timing of collections and the direct ownership of various distributors.
- Accounts payable was a source of cash of \$12.6 million in the first six months of fiscal 2019 as compared to a use of cash of \$92.0 million in the first six months of fiscal 2018, primarily driven by the timing of Kate Spade inventory payments.
- Accrued liabilities were a source of cash of \$95.2 million in the first six months of fiscal 2019 as compared to a source of cash of \$4.9 million in the first six months of fiscal 2018, primarily driven by the timing of tax payments, as well as reclassifications due to the adoption of the new revenue standard.

Net cash used in investing activities

Net cash used in investing activities in the first six months of fiscal 2019 was \$405.5 million as compared to a use of cash of \$1.99 billion in the first six months of fiscal 2018, resulting in a \$1.58 billion decrease in net cash used in investing activities.

The \$405.5 million use of cash in the first six months of fiscal 2019 is primarily due to net cash used for purchases, maturities and sales of investments of \$251.4 million in the first six months of fiscal 2019 and capital expenditures of \$116.4 million.

The \$1.99 billion use of cash in the first six months of fiscal 2018 is primarily due to the \$2.32 billion purchase of Kate Spade, net of cash acquired, partially offset by the impact of net cash proceeds from purchases, maturities and sales of investments of \$458.2 million in the first six months of fiscal 2018.

Net cash (used in) provided by financing activities

Net cash used in financing activities was \$187.8 million in the first six months of fiscal 2019 as compared to a source of cash of \$940.0 million in the first six months of fiscal 2018, resulting in a net decrease in cash of \$1.13 billion.

The \$187.8 million of cash used in the first six months of fiscal 2019 was primarily due to dividend payments of \$194.9 million.

The \$940.0 million of cash proceeds in the first six months of fiscal 2018 was primarily due to the net proceeds from the issuance of debt of \$1.10 billion, partially offset by dividend payments of \$191.0 million.

Working Capital and Capital Expenditures

As of December 29, 2018, 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⁾	\$ 1,237.0	\$ —	\$ 1,237.0
Short-term investments ⁽¹⁾	258.2	—	258.2
Revolving Credit Facility ⁽²⁾	900.0	—	900.0
3.000% Senior Notes due 2022 ⁽³⁾	400.0	400.0	—
4.250% Senior Notes due 2025 ⁽³⁾	600.0	600.0	—
4.125% Senior Notes due 2027 ⁽³⁾	600.0	600.0	—
Total	\$ 3,995.2	\$ 1,600.0	\$ 2,395.2

⁽¹⁾ As of December 29, 2018, approximately 59% of our cash and short-term investments were held outside the United States. Before the Tax Legislation, the Company considered the earnings of its non-U.S. subsidiaries to be indefinitely reinvested, and accordingly, recorded no deferred income taxes on these earnings. In fiscal 2018, we analyzed our global working capital and cash requirements, and the potential tax liabilities associated with repatriation, and determined that we will likely repatriate some portion of available foreign cash in the foreseeable future. See Note 15, "Income Taxes," for more information.

⁽²⁾ In May 2017, 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 \$900.0 million revolving credit facility, including sub-facilities for letters of credit, with a maturity date of May 30, 2022 (the "Revolving Credit Facility"). Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to, at the Borrowers' option, either (a) an alternate base rate (which is a rate equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% or (iii) the Adjusted LIBO Rate for a one month Interest Period on such day plus 1%) or (b) a rate based on the rates applicable for deposits in the interbank 47 market for U.S. Dollars or the applicable currency in which the loans are made plus, in each case, an applicable margin. The applicable margin will be determined by reference to a grid, defined in the Credit Agreement, based on the ratio of (a) consolidated debt plus 600% of consolidated lease expense to (b) consolidated EBITDAR. Additionally, the Company pays a commitment fee at a rate determined by the reference to the aforementioned pricing grid. The Company had no outstanding borrowings under the Revolving Credit Facility as of December 29, 2018. Refer to Note 12, "Debt," for further information on our existing debt instruments.

⁽³⁾ In March 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"). Furthermore, on June 20, 2017, the Company issued \$400.0 million aggregate principal amount of 3.000% senior unsecured notes due July 15, 2022 at 99.505% of par (the "2022 Senior Notes"), and \$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"). Furthermore, the indentures for the 2025 Senior Notes, 2022 Senior Notes and 2027 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 December 29, 2018, no known events of default have occurred. Refer to Note 12, "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 December 29, 2018, there were 13 financial institutions participating in the Revolving Credit Facility, with no one participant maintaining a maximum commitment percentage in excess of 13%. We have no reason at this time to believe 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, our restructuring initiatives, acquisition or integration-related costs, 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 the foreseeable future, our plans for acquisitions, further business expansion and restructuring-related initiatives. Future events, such as acquisitions or joint ventures, and other similar transactions may require additional capital. 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, dividend payments 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, which in turn are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond the Company's control.

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. The Company expects total fiscal 2019 capital expenditures to be in the range of \$300 to \$325 million.

Seasonality

The Company's results are typically affected by seasonal trends. During the first fiscal quarter, we build inventory for the holiday selling 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 months of November and December. Accordingly, the Company's net sales, operating income and operating cash flows for the three months ended December 29, 2018 are not necessarily indicative of that expected for the full fiscal 2019. 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.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 2 to the audited consolidated financial statements in our fiscal 2018 10-K. 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 MD&A in our fiscal 2018 10-K. In the first quarter of fiscal 2019, we adopted new revenue accounting guidance which resulted in certain changes to our accounting policies. Refer to Note 4, "Revenue," for additional information about our accounting policies and estimates. As of December 29, 2018, there have been no material changes to any of the critical accounting policies other than the changes mentioned above.

The Company performs its annual impairment assessment of goodwill as well as brand intangibles during the fourth quarter of each fiscal year. The Company determined that there was no impairment of goodwill in fiscal 2018 as the fair values of the Coach and Kate Spade brand reporting units and the Kate Spade indefinite-lived brand intangible significantly exceeded their respective carrying values. The fair values of the Stuart Weitzman brand reporting unit and indefinite-lived brand exceeded their respective carrying values by approximately 15% and 90%. Several factors could impact the Stuart Weitzman brand's ability to achieve future cash flows, including uncertainty around global macroeconomic conditions as well as trade tensions that may present challenges in growing our business with the Chinese consumer globally, the management of trailing impacts as a result of the supply chain operational challenges at Stuart Weitzman, the success of international expansion strategies, the optimization of the store fleet productivity, the simplification of certain corporate overhead structures and other initiatives aimed at expanding higher performing categories of the business. While there was no impairment recorded in the three-month period ended December 29, 2018, given the relatively small excess of fair value over carrying value as noted above, if profitability trends continue to decline during fiscal 2019 from those that are expected or if there is a significant adverse change in the business climate, it is possible that an interim test or our annual impairment test could result in an impairment of these 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' U.S. dollar and Euro denominated inventory purchases. To mitigate such risk, certain subsidiaries enter into forward currency contracts. As of December 29, 2018 and June 30, 2018, forward currency contracts designated as cash flow hedges with a notional amount of \$378.5 million and \$257.4 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 December 29, 2018.

The Company is also exposed to transaction risk from foreign currency exchange rate fluctuations with respect to various cross-currency intercompany loans which are not long term in investment nature. This primarily includes exposure to exchange rate fluctuations in the Euro, the Japanese Yen, the Australian dollar and the Singapore dollar. To manage the exchange rate risk related to these loans, the Company enters into forward currency contracts. As of December 29, 2018 and June 30, 2018 the total notional values of outstanding forward foreign currency contracts related to these loans were \$116.0 million and \$160.7 million, respectively.

The fair value of outstanding forward currency contracts included in current assets at December 29, 2018 and June 30, 2018 was \$4.1 million and \$6.0 million, respectively. The fair value of outstanding foreign currency contracts included in current liabilities at December 29, 2018 and June 30, 2018 was \$3.3 million and \$2.4 million, respectively.

Interest Rate Risk

The Company is exposed to interest rate risk in relation to its Revolving Credit Facility entered into under the credit agreement dated May 30, 2017, the 2025 Senior Notes, 2022 Senior Notes, 2027 Senior Notes (collectively the "Senior Notes") and investments.

Our exposure to changes in interest rates is primarily attributable to debt outstanding under the Revolving Credit Facility. Borrowings under the Facility bear interest at a rate per annum equal to, at the Company's option, either (a) an alternate base rate (which is a rate equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus ½ of 1% or (iii) the Adjusted LIBO Rate for a one month Interest Period on such day plus 1%) or (b) a rate based on the rates applicable for deposits in the interbank market for U.S. dollars or the applicable currency in which the loans are made plus, in each case, an applicable margin. The applicable margin will be determined by reference to a grid, as defined in the Credit Agreement, based on the ratio of (a) consolidated debt plus 600% of consolidated lease expense to (b) consolidated EBITDAR.

The Company is exposed to changes in interest rates related to the fair value of the Senior Notes. At December 29, 2018, the fair value of the 2025 Senior Notes, 2022 Senior Notes and 2027 Senior Notes was approximately \$576 million, \$387 million and \$561 million, respectively. At June 30, 2018, the fair value of the 2025 Senior Notes, 2022 Senior Notes and 2027 Senior Notes was approximately \$593 million, \$389 million and \$574 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 2022 and 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 of such series.

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 December 29, 2018.

During the second quarter of fiscal 2019, the Company completed the first phase of its ERP implementation, SAP's S4/HANA, migrating the global finance functions for Corporate, Coach and Stuart Weitzman. The finance and supply chain functions will be implemented for Kate Spade during the third quarter of fiscal 2019, with the supply chain functions for Coach and Stuart Weitzman to follow in early fiscal 2020. As a result of the implementations to date, there were certain changes to processes and procedures, which resulted in changes to the Company's internal control over financial reporting. The implementation of SAP's S4/HANA is expected to strengthen the financial controls by automating certain manual processes and standardizing business processes and reporting across the organization. The Company will continue to evaluate and monitor the internal controls over financial reporting during this period of change and will continue to evaluate the operating effectiveness of related key controls. For a discussion of risks related to the implementation of new systems, see Part I, Item 1A, Risk Factors, in the Company's most recent Annual Report on Form 10-K.

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. Other than the ERP system implementation noted above, there were no other changes in our internal control over financial reporting during the quarter ended December 29, 2018 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

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, 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 a defendant is routine and incidental to the conduct of Tapestry's business, as well as for any business of its size, such litigation can result in large monetary awards when a civil jury is allowed to determine compensatory and/or punitive damages.

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

The Company has not entered into any transactions that have been identified by the IRS as abusive or that have a significant tax avoidance purpose. Accordingly, we have not been required to pay a penalty to the IRS for failing to make disclosures required with respect to certain transactions that have been identified by the IRS as abusive or that have a significant tax avoidance purpose.

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 June 30, 2018.

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

The Company did not repurchase any shares during the second quarter of fiscal 2019. As of December 29, 2018, the Company had zero availability remaining in the stock repurchase program.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 6. EXHIBITS

10.1*†	Form of Stock Option Grant Notice and Agreement under the Tapestry, Inc. 2018 Stock Incentive Plan
10.2*†	Form of Restricted Stock Unit Grant Notice and Agreement under the Tapestry, Inc. 2018 Stock Incentive Plan
10.3*†	Form of Stock Option Grant Notice and Agreement for Outside Directors under the Tapestry, Inc. 2018 Stock Incentive Plan
10.4*†	Form of Restricted Stock Unit Grant Notice and Agreement for Outside Directors under the Tapestry, Inc. 2018 Stock Incentive Plan
10.5*†	Separation and Release Agreement, dated December 6, 2018, between Tapestry and Kevin Wills
31.1*	Rule 13(a) – 14(a)/15(d) – 14(a) Certifications
32.1*	Section 1350 Certifications
101.INS*	XBRL Instance 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/ Brian Satenstein
Name: Brian Satenstein
Title: Corporate Controller
(Principal Accounting Officer)

Dated: February 7, 2019

**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 (the “**Agreement**”) pursuant to the 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**”).

Number of Option Shares

Grant Price Per Option Share

Option Shares Granted

of Options

Grant Price

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 your employment is terminated by the Tapestry Companies without Cause (as defined below) upon, or during the twelve (12)-month period immediately following, a Change in Control (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.

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) 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 Option Shares that become vested upon your Severance Event Termination 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.

(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 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 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, 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; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; L Brands, Inc.; LVMH Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; Prada, S.p.A; Proenza Schouler; PVH Corp.; Rag & Bone; Ralph Lauren Corporation; Tory Burch LLC; Tumi Holdings, Inc.; and V.F. Corporation.

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; 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; Michael Kors Holdings Limited; Prada, S.p.A;

PVH Corp.; Ralph Lauren Corporation; Salvatore Ferragamo S.p.A; Tod's 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. 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 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 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.** In 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 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;

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

(g) the Option and the underlying Option Shares and the income 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, pension 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 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 labor laws or the terms of your employment or service agreement, if any), and in consideration of the grant of the Option 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 labor 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 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.

Prior to 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; or (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 (on your behalf and at your direction pursuant to this authorization).

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum rates. 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 Option Share equivalent) or, if not refunded, you may seek a refund from the local tax authorities. 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 are 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, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that the Company and the Employer may 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 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 Stock Plan Services 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 Company and its Affiliates 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 further notice to you.

(g) **Language:** 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 10.2 of the Plan shall apply to this Award with respect to Dividend Equivalents. Any cash dividends 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 this Option vests under this Agreement.

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. The Annex 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 acknowledge that, depending on your country of residence, 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 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 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: _____

ANNEX A

SPECIAL PROVISIONS FOR AWARD RECIPIENTS OUTSIDE THE UNITED STATES

This Annex A includes additional terms and conditions that govern this Option if you reside and/or work outside the United States. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement or the Plan.

Part I of this Annex A includes special terms and conditions that govern this Option if you reside and/or work outside of the United States.

Part II of this Annex A includes special terms and conditions that govern this Option if you reside and/or work in the specific countries listed therein.

This Annex A may also include information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws concerning options, as applicable, in effect as of August 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan as the information may be out of date at the time you exercise this Option or sell Option Shares acquired under the Plan.

In addition, the information in this Annex A is general in nature, does not discuss all of the various laws, rules and regulations which may apply to your particular situation and the Company is not in a position to assure you of any particular result. **Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country apply to your specific situation.**

Finally, if you are a citizen or resident of a country other than the one in which you currently are residing and/or working, transfer employment and/or residency after the Option is granted to you, or are considered a resident of another country for local law purposes, the terms and conditions contained herein for the country you are residing and/or working in at the time of grant may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you. Similarly, the information contained herein may no longer be applicable in the same manner.

PART I

SPECIAL PROVISIONS APPLICABLE TO ALL AWARD RECIPIENTS
OUTSIDE THE UNITED STATES

A1. Retirement. The following provision supplements Section 5 of the Agreement:

Notwithstanding anything in Section 5 of the Agreement to the contrary, if the Company receives a legal opinion that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable treatment that applies to this Option or in the event of your Retirement being deemed unlawful and/or discriminatory, the provisions in Section 5 of the Agreement regarding the treatment of this Option in the event of your Retirement shall not be applicable to you.

A.2 Data Privacy. The following provision replaces Section 15 of the Agreement if you are in the European Union or European Economic Area:

15. Data Privacy Notice.

- a) **Data Collection and Usage.** Pursuant to applicable data protection laws, you are hereby notified that the Company collects, processes, uses and transfers certain personal data about you for the purpose of administering your participation in the Plan. Specifics of the data processing are described below.
- b) **Controller, EU Representative and DPO.** The Company is the controller responsible for the processing of your personal data in connection with the Plan. The Company's representative in the European Union is your employing company, being the entity with which you have an employment contract. You can reach the data protection officer (DPO) of the Company at dpo@tapestry.com.
- c) **Personal Data Subject to Processing.** The Company collects, processes and uses the following types of personal data about you: your name, home address and telephone number, email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to Option Shares awarded, canceled, settled, vested, unvested or outstanding in your favor, which the Company receives from you or your employer ("Personal Data").
- d) **Purposes and Legal Bases of Processing.** The Company processes the Personal Data for the purpose of performing its contractual obligations under this Agreement, granting Options, implementing, administering and managing your participation in the Plan and facilitating compliance with applicable tax and securities law. The legal basis for the processing of the Personal Data by the Company and the third party service providers described below is the necessity of the data processing for the Company to perform its contractual obligations under this Agreement and for the Company's legitimate business interests of managing the Plan and generally administering employee equity awards.
- e) **Stock Plan Administration Service Providers.** The Company transfers Personal Data to Fidelity Stock Plan Services and its affiliated companies (collectively, "Fidelity")

who is an independent stock plan administrator with operations, relevant to the Company, in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select different service providers and may share Personal Data with such service providers. As separate data controllers, the Company's stock plan administrators will open an account for you to receive and trade Shares. You will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of your ability to participate in the Plan. Your Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating your participation in the Plan. You understand that you may request a list with the names and addresses of any potential recipients of Personal Data by contacting your local human resources representative.

- f) **International Data Transfers.** *The Company and its service providers, including, without limitation, Fidelity, operate, relevant to the Company, in the United States, which means that it will be necessary for Personal Data to be transferred to, and processed in, the United States. You understand and acknowledge that the United States is not subject to an unlimited adequacy finding by the European Commission and that your Personal Data may not have an equivalent level of protection as compared to your country of residence. To provide appropriate safeguards for the protection of your Personal Data, the Personal Data is transferred to the Company based on data transfer and processing agreements implementing the EU Standard Contractual Clauses. You may request a copy of the safeguards used to protect your Personal Data by contacting the Company at: privacy@tapestry.com.*
- g) **Data Retention.** *The Company will use the Personal Data only as long as necessary to implement, administer and manage your participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs the Personal Data, the Company will remove it from its systems. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.*
- h) **Data Subject Rights.** *To the extent provided by law, you have the right to (i) inquire whether and what kind of Personal Data the Company holds about you and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, or (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing or processed in non-compliance with applicable legal requirements. In addition, you have, to the extent provided by law, the right to (iv) request the Company to restrict the processing of Personal Data in certain situations where you feel its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of Personal Data that you have actively or passively provided to the Company, where the processing of such Personal Data is based on consent or a contractual agreement with you and is carried out by automated means. In case of concerns, you also have the right to (vii) lodge a complaint with the competent local data protection authority. To receive additional information regarding your rights, raise any other questions regarding the practices*

described in this Agreement or to exercise your rights, you should contact the Company at: privacy@tapestry.com.

- i) ***Contractual Requirement.*** Your provision of Personal Data and its processing as described above is a contractual requirement and a condition to your ability to participate in the Plan. You understand that, as a consequence of your refusing to provide Personal Data, the Company may not be able to allow you to participate in the Plan, grant Options to you or administer or maintain such Options. However, your participation in the Plan and your acceptance of this Agreement are purely voluntary. While you will not receive Options if you decide against participating in the Plan or providing Personal Data as described above, your career and salary will not be affected in any way. For more information on the consequences of the refusal to provide Personal Data, you may contact the Company at: privacy@tapestry.com.

PART II COUNTRY SPECIFIC PROVISIONS

AUSTRALIA

Tax Information. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to Options granted under the Plan, such that the Options are intended to be subject to deferred taxation.

Australian Offer Document. The offer of Options is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of the Options to Australian-resident employees, which will be provided to you with the Agreement.

CAMBODIA

Method of Exercise. The method of exercise of the Option shall be limited to mandatory cashless, sell-all exercise, meaning that upon your exercise of the Options, all of the Option Shares issuable upon exercise will be sold and the sale proceeds (net from the payment of the Option Exercise Price and tax withholding) will be paid to you in cash.

Exchange Control Information. You may be required to execute any foreign exchange transactions in connection with participation in the Plan (e.g., transfers of proceeds from the sale of Shares into Cambodia) through an authorized intermediary, such as a bank licensed to operate in Cambodia by the National Bank of Cambodia. You should consult your personal legal advisor to ensure compliance with the applicable requirements.

CANADA

Nature of Grant. The following provision replaces Section 13(m) of the Agreement:

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 labor 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 earlier of (i) the date on which your employment is terminated; (ii) the date on which you receive written notice of termination of your employment; or (iii) the date on which you are no longer actively employed or providing services to the Tapestry Companies regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to, statutory law, regulatory law and/or common 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).

Securities Law Information. You are permitted to sell any Option Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the sale of any Option Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Option Shares are listed (*i.e.*, the New York Stock Exchange).

Foreign Asset/Account Reporting Information. You must report annually on Form T1135 (Foreign Income Verification Statement) the foreign specified property (including Option Shares and Options acquired under the Plan), if the total value of such foreign specified property exceeds C\$100,000 at any time during the year. Thus, such Options must be reported - generally at a nil cost - if the C\$100,000 threshold is exceeded due to other foreign specified property you hold. If Option Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Option Shares. The ACB would normally equal the fair market value of the Option Shares at the time of acquisition but if you own other shares of Common Stock, this ACB may have to be averaged with the ACB of the other Shares. The form T1135 must be filed at the same time you file your annual tax return. You should consult your personal legal advisor to ensure compliance with applicable reporting obligations.

Consent to Receive Information in English. The following provisions will apply if you are a resident of Quebec:

The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé que cette convention («Agreement») soit rédigée en anglais, ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente.

Data Privacy. This provision supplements Section 15 of the Agreement:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and any Affiliates and the administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize your employer to record such information and to keep such information in your employee file.

CHINA

The following provisions apply if you are subject to the exchange control regulations in China, as determined by the Company in its sole discretion:

Manner of Exercise. This provision supplements Section 7 of the Agreement:

You understand and agree that due to local exchange control requirements, you will be required, at the Company's discretion, to exercise the Option using either the "cashless sell-all" method or the "cashless sell-to-cover" method. To complete a cashless sell-to-cover transaction, upon your instruction to exercise the Option, the Company's designated broker will (i) sell (out of the Option Shares subject to the Option exercised) the number of Option Shares that is sufficient to pay the Exercise Price, applicable brokerage fees and commissions, and any Tax-Related Items; (ii) use the proceeds of such sale to pay the Exercise Price and applicable brokerage fees; and (iii) remit the balance of the proceeds, including any amounts required to cover the Tax-Related Items, in U.S. denominated cash to the designated Company sponsored bank account that has been authorized for use by the appropriate State Administration of Foreign Exchange ("SAFE"). To complete a "cashless sell-all" transaction, you consent and agree to: (i) instruct a broker designated by the Company to immediately sell all of the Option Shares issued upon exercise; (ii) use the proceeds of such sale to pay the Exercise Price and applicable brokerage fees; and (iii) remit the balance of the proceeds, including any amounts required to cover the Tax-Related Items, in U.S. denominated cash to the designated Company sponsored bank account that has been authorized for use by SAFE.

You further agree that the Company may remit any Tax-Related Items directly from the designated Company sponsored bank account to the appropriate tax authorities on your behalf and any remaining proceeds to you. Alternatively, if you are required to complete a cashless sell-all transaction, you agree (i) that the Company may initially instruct the bank to issue 50% of the proceeds to you, (ii) you then will remit to the Company the entire Tax-Related Items calculated by Company in local currency (RMB), (iii) the Company will subsequently remit the Tax-Related Items to the appropriate tax authorities on your behalf; and (iv) the Company will then authorize the designated bank to release the remaining balance to the proceeds to you.

You acknowledge that the amount of Tax-Related Items calculated by the Company is an estimate, and you may be liable for additional taxes on the proceeds. You agree to bear any currency fluctuation risk between the time the Option Shares are sold and the time any sale proceeds (net of the Exercise Price, applicable brokerage fees and Tax-Related Items) are distributed to you.

Exchange Control Requirements. By accepting the Option, you understand and agree that, pursuant to local exchange control requirements, any Option Shares you acquire upon exercise of the Option must be held in an account with the Company's designated broker. You further understand that you are only permitted to sell Option Shares acquired under the Plan through the Company's designated broker.

You further understand and agree that you will be required to repatriate any cash proceeds from the sale of Option Shares. You further understand that, under local law, such repatriation of cash proceeds may need to be effectuated through a special exchange control account established by the Company, the Employer or another Affiliate, and you hereby consent and agree that any proceeds from the sale may be transferred to such special account prior to being delivered to you.

You further understand that the proceeds will be delivered to you as soon as possible, but there may be delays in distributing the funds to you due to exchange control requirements in China. Proceeds may be paid to you in U.S. dollars or local currency, at the Company's discretion. If the proceeds are paid in U.S. dollars, you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid in local currency, you understand and agree that the Company is under no obligation to secure any particular exchange conversion rate and there may be delays in converting the cash proceeds to local currency due to exchange control restrictions. You agree to bear any currency fluctuation risk between the time the cash proceeds are received and the time the cash proceeds are distributed to you through the special account described above.

You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Sale of Option Shares. You agree that, at the Company's discretion and instruction, any or all of the Option Shares issued upon exercise may be sold at any time (including immediately upon exercise or upon termination of your employment, as described below). Your acceptance of the Option constitutes your authorization for the Company to instruct its designated broker to assist with the sale of such Option Shares (on your behalf pursuant to this authorization without further consent) and you expressly authorize the Company's designated broker to complete the sale of such Option Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Option Shares at any particular price. Upon the sale of the Option Shares, the Company agrees to pay you the cash proceeds from the sale of the Option Shares, less brokerage fees and subject to any obligation to satisfy Tax-Related Items.

Treatment of Option Shares and Options upon Termination of Employment. Due to exchange control regulations in China, you understand and agree that any Option Shares acquired under the Plan and held by you in your brokerage account must be sold within six months following your termination of employment, or within such other period as determined by the Company or required by SAFE (the "Mandatory Sale Date"). You understand that any Shares held by you that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sale of Option Shares" above.

You further understand and agree that, notwithstanding any provision in the Agreement, you must exercise any vested Option no later than six months from your termination of employment, or within any such other period as may be permitted by the Company or required by SAFE. You understand that any vested Option not exercised within six months of your termination or within such other period as may be permitted by the Company or required by SAFE will be forfeited.

FRANCE

Non-Qualified Option. This Option is not granted as a "French-qualified" Option and is not intended to qualify for the special tax and social security treatment applicable to options granted under Sections L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting this Option, you confirm having read and understood the Plan and the Agreement which were provided in the English language. You accept the terms of those documents accordingly.

Consentement Relatif à la Langue Utilisée. *En acceptant l'attribution, vous confirmez avoir lu et compris le Plan et ce Contrat, qui ont été communiqués en langue anglaise. Vous acceptez les termes de ces documents en connaissance de cause.*

Foreign Asset/Account Reporting Information. If you are a French resident, you will be required to report all foreign accounts (whether open or closed) to the French tax authorities when filing your annual tax return. You should consult with your personal advisor to ensure proper compliance with applicable reporting requirements in France.

GERMANY

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In case of payments in connection with securities (including proceeds realized upon the sale of Option Shares or the receipt of dividends), the report must be made by the 5th day of the month following the month in which the payment was received. The report must be filed electronically and the form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de), in both German and English. You are responsible for making this report.

HONG KONG

Sale of Shares. In the event the Option vests within six months of the Grant Date, you agree that you will not dispose of the Option Shares acquired prior to the six-month anniversary of the Grant Date.

Securities Law Notification. *WARNING: The Option and the Option Shares issued upon exercise do not constitute a public offering of securities under Hong Kong law and are available only to certain Eligible Individuals. The Agreement, the Plan and other incidental communication materials distributed in connection with the Option have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. In addition, the documents have not been reviewed by any regulatory authority in Hong Kong. The Option is intended only for the personal use of each Holder, and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement or the Plan, you should obtain independent professional advice.*

INDIA

Manner of Exercise. This provision supplements Section 7 of the Agreement

You may not exercise the Option using a cashless sell-to-cover exercise, whereby you direct a broker or transfer agent to sell some (but not all) of the exercised Option Shares subject to the Option and deliver to the Company the amount of the sale proceeds to pay the Exercise Price and any Tax-Related Items. The Company reserves the right to provide you with this method of payment depending on the development of local law.

Exchange Control Information. You understand that you must repatriate any cash dividends paid on Option Shares acquired under the Plan or proceeds from the sale of Option Shares to India and convert the proceeds into local currency within a reasonable amount of time (*i.e.*, within 180

days of receipt of cash dividends and within 90 days of receipt of sale proceeds). You will receive a foreign inward remittance certificate ("FIRC") from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of fund in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Asset/Account Reporting Information. You are required to declare foreign bank accounts and any foreign financial assets (including Option Shares held outside India) in your annual tax return. You are responsible for complying with this reporting obligation and you should consult your personal tax advisor in this regard as significant penalties may apply in the case of non-compliance with foreign asset/account reporting requirements and because such requirements may change.

INDONESIA

Exchange Control Information. If you remit funds into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description must be included in the report. Although the bank through which the transaction is made is required to make the report, you must complete a "Transfer Report Form." The Transfer Report Form will be provided to you by the bank through which the transaction is to be made.

ITALY

Method of Exercise. Notwithstanding anything to the contrary in the Agreement, you must exercise the Option using the cashless-sell-all exercise method. To complete a cashless-sell-all exercise, you must instruct the broker designated by the Company to: (i) immediately sell all of the Option Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, applicable brokerage fees and Tax-Related Items; and (iii) remit the balance in cash to you. If you do not complete this procedure, the Company may refuse to allow you to exercise the Option. The Company reserves the right to provide you with additional methods of exercise depending on local developments.

Plan Document Acknowledgment. In accepting the Option grant, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Agreement: Section 13. Nature of Grant; Section 14. Tax Obligations; Section 16(b). Governing Law; Section 16(c). Binding Arbitration; Section 16(e). Severability; Section 16(g). Language; Section 16(h). Electronic Delivery and Acceptance; Section 18. Imposition of Other Requirements; and the Data Privacy Notice in Part I of this Annex A.

Foreign Asset/Account Reporting Information. If you are an Italian resident and at any time during the fiscal year hold investments or financial assets outside of Italy (e.g., cash, Option Shares) which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset, even if you do not directly hold the investment or asset under Italian money laundering provisions), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if you are not required to file a tax return.

JAPAN

Exchange Control Information. If you pay more than ¥30,000,000 in a single transaction for the purchase of Option Shares when you exercise the Option, you must file a Payment Report with the Ministry of Finance through the Bank of Japan. If you pay more than ¥100,000,000 in a single transaction for the purchase of Option Shares when you exercise the Option, you must file a Securities Acquisition Report, in addition to the Payment Report, with the Ministry of Finance through the Bank of Japan.

Foreign Asset/Account Reporting Information. You are required to report details of any assets held outside of Japan (including Option Shares acquired under the Plan as of December 31), to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 of the following year. You should consult with his or her personal tax advisor to determine if the reporting obligation applies to your personal situation.

KOREA

Exchange Control Information. If you remit funds out of Korea to purchase Option Shares under the Plan, a foreign exchange bank in Korea may need to “confirm” the remittance. This is an automatic procedure, *i.e.*, the bank does not need to “approve” the remittance, and it should take no more than a single day to process. You may need to present to the bank processing the transaction the following supporting documents evidencing the nature of the remittance: (i) the Agreement; (ii) the Plan; and (iii) your certificate of employment. This confirmation is not necessary for cashless exercises since there is no remittance out of Korea.

Foreign Asset/Account Reporting Information. You are required to declare all foreign financial accounts (*e.g.*, non-Korean bank accounts, brokerage accounts holding Option Shares, *etc.*) to the Korean tax authority and file a report regarding such accounts if the monthly balance of such accounts exceeds KRW500,000,000 (or an equivalent amount in foreign currency) on any month-end date during a calendar year. It is your responsibility to comply with this reporting obligation or you should consult a personal tax advisor to ensure compliance with this requirement.

MALAYSIA

Data Privacy. The following provisions replace Section 15 of the Agreement:

You hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Agreement and any other Option documentation by and among, as applicable, the Company, the Employer and any other Affiliate or any third parties authorized by same in assisting in the implementation, administration and management of your participation in the Plan.

You may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about you, including, but not limited to, your name, home address, email address, and telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of your participation in the Plan, details of all Options exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing and managing the Plan.

You also authorize any transfer of Data, as may be required, to Fidelity Stock Plan Services, 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 and/or with whom any Option Shares acquired upon exercise of the Options are deposited. You acknowledge that these recipients may be located in your country or elsewhere, and that the recipient’s country (e.g., the United States) may have different data privacy laws and protections to your country, which may not give the same level of protection to Data. You authorize the Company, Fidelity Stock Plan Services and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing your participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan.

Anda dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang dinyatakan dalam Perjanjian dan apa-apa dokumentasi Penganugerahan oleh dan di antara, sebagaimana yang berkenaan, Syarikat, Majikan dan Syarikat Sekutu lain atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan anda dalam Pelan tersebut.

Sebelum ini, anda mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah, alamat e-mel dan nombor telefon, tarikh lahir, nombor insurans sosial, nombor pasport atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan anda dalam Pelan tersebut, butir-butir semua Option atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah anda (“Data”), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.

Anda juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada Fidelity Stock Plan Services, atau pembekal perkhidmatan pelan saham lain sebagaimana yang dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan tersebut dan/atau dengan sesiapa yang memperolehi Saham melalui pemberian hak Option yang didepositkan. Anda mengakui bahawa penerima-penerima ini mungkin berada di negara anda atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Anda memberi kuasa kepada Syarikat, Fidelity Stock Plan Services dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut.

You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You understand that Data will be held only as long as is 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 the consent, your employment status and career with the Employer will not be affected; the only consequence of refusing or withdrawing the consent is that the Company would not be able to grant future Options or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Anda memahami bahawa anda boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatan anda. Anda faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemrosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan anda. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela. Jika anda tidak bersetuju, atau jika anda kemudian membatalkan persetujuan anda, status pekerjaan dan kerjaya anda dengan Majikan tidak akan terjejas; satunya akibat jika anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan RSU pada masa depan atau anugerah-anugerah ekuiti lain kepada anda atau mentadbir atau mengekalkan anugerah-anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjejaskan keupayaan anda untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan anda.

Director Notification Obligation. If you are a director of the Company's Malaysian Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when you receive or dispose of an interest (e.g., an Option, Option Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MYANMAR

Exchange Control Requirements. Approval from the Central Bank of Myanmar is required prior to making any direct investment abroad, which may include the acquisition of Option Shares under the Plan. The Company reserves the right to (i) require that you sell all Option Shares acquired under the Plan, either immediately upon receipt of such Option Shares or upon termination of your employment, or (ii) require that you exercise the Option using a cashless sell-to-cover or a cashless sell-all method of exercise, if the Company it determines it is necessary or advisable to do so in light of regulatory requirements in Myanmar.

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND***Securities Law Notification.******Warning***

This is an offer of options to purchase Shares (Options). Upon exercise of Options in accordance with this Agreement, you will acquire Shares of Tapestry, Inc. You may receive a return if dividends are paid.

The Options are not quoted. However, Shares are quoted on the New York Stock Exchange ("NYSE").

The Options are not able to be sold or transferred. However, once you exercise Options and receive Shares, these Shares will be quoted on the NYSE. This means that you may be able to sell the Shares on the NYSE if there are interested buyers. You may get less than the Exercise Price. The price will depend on the demand for the Shares.

If the Company runs into financial difficulties and is wound up, you understand that you will be paid only after all creditors have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, you may not be given all the information usually required. You also will have fewer other legal protections for this investment.

In compliance with applicable New Zealand securities laws, you are entitled to receive, in electronic or other form and free of cost, copies of the Company's latest annual report, relevant financial statements and the auditor's report on said financial statements (if any). You may obtain copies of such documents on written request to Tapestry, Inc., 10 Hudson Yard, New York, New York 10001, Attention: General Counsel.

You understand and acknowledge that you are advised to ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

PHILIPPINES

Securities Law Alert. If you exercise your Option and acquire Option Shares, you acknowledge that you are permitted to dispose of or sell such Option Shares, provided the offer and resale of the Option Shares takes place outside of the Philippines through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange in the United States of America.

Method of Exercise. The Company reserves the right to limit the method of exercise of the Option to mandatory cashless, sell-all exercise, meaning upon your exercise of the Option, all of your

Option Shares issuable upon exercise will be sold and the sale proceeds (net from the payment of the Option Exercise Price and any tax withholding) will be paid to you in cash.

PUERTO-RICO

There are no country-specific provisions.

SINGAPORE

Securities Law Information. The grant of the Option is being made pursuant to the "Qualifying Person" exemption under Section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore and the grant of this Option is not made with a view to the Option or Option Shares being subsequently offered to another party. You should note that the Option is subject to Section 257 of the SFA and you should not make any subsequent sale in Singapore of the Option Shares or any offer of such sale in Singapore unless such sale or offer is made after six months from the Grant Date or pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than Section 280) of the SFA. The Option Shares are currently traded on the New York Stock Exchange, which is located outside of Singapore, under the ticket symbol "TPR," and the Option Shares may be sold through this exchange.

Director Notification Obligation. If you are the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a Singapore Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Affiliate in writing when you receive an interest (*i.e.*, Options, Option Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, you must notify the Singapore Affiliate when you sell Shares of the Company or any related companies (including when you sell Option Shares acquired through exercise of your Options). These notifications must be made within two (2) days of acquiring or disposing of any interest in the Company or any related companies. In addition, a notification must be made of your interests in the Company or any related companies within two (2) days of becoming the CEO or director.

Exit Tax Information. If you are (i) neither a Singapore citizen nor a Singapore permanent resident, and you (a) intend to leave Singapore for any period exceeding three months, (b) will be posted overseas on a secondment, or (c) are about to cease employment with the Singaporean Entity with which you were employed at the time of grant, regardless of whether you intend to remain in Singapore, or (ii) a Singapore permanent resident, and you (a) intend to leave Singapore for any period exceeding three months, (b) will be posted overseas on a secondment or (c) are about to cease employment with the Singaporean Entity with which you were employed at the time of grant and intend to leave Singapore on a permanent basis, you may be subject to an exit tax upon your departure from Singapore or cessation of employment, as applicable. In such case, you will be taxed on your Options on a "deemed exercise" basis, *i.e.*, you will be deemed to have vested in your Options on the later of (i) one month before the date you depart Singapore or cease employment, or (ii) the date on which your Options were granted. If you are subject to the exit tax, you acknowledge and agree that your employer will report details of your departure from Singapore or cessation of employment to the Inland Revenue Authority of Singapore and will withhold any income payable to you for a period of up to 30 days. You are hereby advised to consult with a personal tax advisor in the event you may be subject to these exit tax rules.

SPAIN

Labor Law Acknowledgment. The following provisions supplement Section 13 of the Agreement:

By accepting this Award, you agree to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand and agree that, except as otherwise provided in the Agreement, you will forfeit any Options in the event of termination of your employment by reason of, but not limited to, resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a “*despido improcedente*,” individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Service Recipient and under Article 10.3 of the Royal Decree 1382/1985.

You understand that the Company has unilaterally, gratuitously and discretionally decided to grant Options under the Plan to individuals who are employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Affiliates on an ongoing basis except as set forth under the terms of the Plan and the Agreement. Consequently, you understand that any Option is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, you understand and freely accept that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant since the future value of the Options and Option Shares is unknown and unpredictable and you may forfeit the Option if you terminate employment prior to exercise. In addition, you understand that the Option would not be made but for the assumptions and conditions referred to above; thus, you understand, acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the Option shall be null and void.

Exchange Control Information. The acquisition, ownership and sale of Option Shares under the Plan must be declared for statistical purposes to the *Spanish Dirección General de Comercio e Inversiones* (the “DGCI”), the Bureau for Commerce and Investments, which is a department of the Ministry of Industry, Tourism and Commerce. Generally, the declaration must be made in January for Shares owned as of December 31 of the prior year and/or Option Shares acquired or disposed of during the prior year; however, if the value of Option Shares acquired or disposed of or the amount of the sale proceeds exceeds €1,502,530 (or if you hold 10% or more of the share capital of the Company), the declaration must be filed within one month of the acquisition or disposition, as applicable.

In addition, you may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Option Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Option Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Foreign Asset/Account Reporting Information. To the extent that you hold rights or assets (*i.e.*, cash or Option Shares held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, Shares, cash, etc.) as of December 31 each year, you are required to report information on such rights and assets on your tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000.

You should consult with your personal tax and legal advisors to ensure that he or she is properly complying with your reporting obligations.

Securities Law Information. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of this Award. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWITZERLAND

Securities Law Information. The Options are not intended to be publicly offered in or from Switzerland. Because the offer of the Options is considered a private offering, it is not subject to registration in Switzerland. Neither this Annex A nor any other materials relating to the Options (i) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (ii) may be publicly distributed or otherwise made publicly available in Switzerland, or (iii) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Supervisory Authority (FINMA)).

TAIWAN

Securities Law Information. This Award and any Option Shares issued pursuant to the Plan are available only for Eligible Individuals. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

Exchange Control Information. Individuals may acquire and remit foreign currency (including proceeds from the sale of Option Shares) into Taiwan up to US\$5,000,000 per year without justification. There is no need to aggregate all remittances into Taiwan when calculating the limitation. If the transaction amount is TWD\$500,000 or more in a single transaction, you must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

UNITED KINGDOM

Disapplication of Retirement Provision.

The provisions set forth in Section 5 of the Agreement regarding continued vesting and the right to exercise your Option following termination of employment with the Tapestry Companies due to Retirement do not apply to Participants in the United Kingdom. In the event of such termination, the provisions set forth in Section 6(b) shall govern.

Withholding. The following provisions supplement Section 14 of the Agreement.

Without limitation to Section 14 of the Agreement, the you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on your behalf.

Notwithstanding the foregoing, if you are a director or executive officer (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you understand that you may not be able to indemnify the Company for the amount of any Tax-Related Items not collected from or paid by you, in case the indemnification could be considered to be a loan. In this case, the Tax-Related Items not collected or paid may constitute a benefit to you on which additional income tax and National Insurance contributions ("NICs") may be payable. You understand that you will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company and/or the Employer (as appropriate) the amount of any NICs due on this additional benefit, which may also be recovered from you by any of the means referred to in Section 14 of the Agreement.

VIETNAM

The following provisions apply if you are subject to the exchange control regulations in Vietnam, as determined by the Company in its sole discretion:

Manner of Exercise. This provision supplements Section 7 of the Agreement:

Due to regulatory requirements, you will be required to exercise the Option using the (cashless) "exercise and sell" method. To complete a (cashless) "exercise and sell" transaction, you consent and agree to: (i) instruct a broker designated by the Company to immediately sell all of the Option Shares issued upon exercise; and (ii) use the proceeds to pay the Exercise Price and applicable brokerage fees and Tax-Related Items.

The Company reserves the right to limit the method of exercise of the Option to mandatory cashless, sell-all exercise, meaning upon your exercise of the Option, all of your Option Shares issuable upon exercise will be sold and the sale proceeds (net from the payment of the Option Exercise Price and any tax withholding) will be paid to you in cash.

Exchange Control Requirements. You understands and agree that, pursuant to local exchange control requirements, you may be required to repatriate the proceeds from the sale of the Option Shares issued upon exercise of the Options to Vietnam. You further understand that, under local law, such repatriation may need to be effectuated through a special exchange control account established by the Company or an Affiliate, and you hereby consent and agree that any proceeds may be transferred to such special account prior to being delivered to you. You agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in Vietnam.

You further understand and agree that the Company is under no obligation to secure any particular exchange conversion rate and there may be delays in converting the cash proceeds to local

currency due to exchange control restrictions. You agree to bear any currency fluctuation risk between the time the proceeds are received and the time the cash proceeds are distributed to you.

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 (the “**Agreement**”) pursuant to the 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 your employment is terminated by the Tapestry Companies without Cause (as defined below) upon, or during the twelve (12)-month period immediately following, a Change in Control (a “**Change in Control Termination**”), then all unvested RSUs will become fully vested, effective immediately upon such termination.

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 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) 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 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.

(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 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**”), 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 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, 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; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; L Brands, Inc.; LVMH Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; Prada, S.p.A; Proenza Schouler; PVH Corp.; Rag & Bone; Ralph Lauren Corporation; Tory Burch LLC; Tumi Holdings, Inc.; and V.F. Corporation.

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; 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; Michael Kors Holdings Limited; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Salvatore Ferragamo S.p.A; Tod’s 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, the Shares you will 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 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 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.** In 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;

(e) this Award of RSUs and the Shares subject to the RSUs 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;

(f) the RSUs and the Shares subject to the RSUs, and the income 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 the income 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, pension 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 the 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 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 labor 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;

(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 labor 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);

(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 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.

(b) Unless you determine (or are required) to satisfy the Tax-Related Items by some other means in accordance with the next following paragraph, or the Company provides for an alternative means for you to satisfy the Tax-Related Items, if permissible under applicable law, your acceptance of these RSUs constitutes your instruction and authorization to the Company, and any brokerage firm determined acceptable to the Company for such purpose to withhold cash or Shares the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any company withholding obligation for applicable Tax-Related Items.

(c) The Company will not issue any Shares to you until you satisfy the Tax-Related Items. In the event that withholding Shares is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the RSU, you authorize and direct the Company and any brokerage firm determined acceptable to the Company to sell on your behalf a whole number of Shares from those Shares issued to you as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any applicable withholding obligations for Tax-Related Items or to satisfy such obligations by withholding from your salary or other cash compensation paid to you by the Company and/or the Employer. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum rates. 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 Share equivalent) or, if not refunded, you may seek a refund from the local tax authorities. 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 are 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.

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, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may 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 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 Stock Plan Services 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 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 Company and its Affiliates 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://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 further notice to you.

(g) **Language.** 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 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. The Annex 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 acknowledge that 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 under the Plan 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 encouraged to 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 should consult your personal legal advisor for any details.

18. **Code Section 409A.**

(a) **In General.** The parties acknowledge and agree that, to the extent applicable, the Agreement shall be interpreted in accordance with Section 409A of the U.S. Internal Revenue Code of 1986, as amended, 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 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.

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: _____

ANNEX A

SPECIAL PROVISIONS FOR AWARD RECIPIENTS OUTSIDE THE UNITED STATES

This Annex A includes additional terms and conditions that govern your Award if you reside and/or work outside the United States. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement or the Plan.

Part I of this Annex A includes special terms and conditions that govern your Award if you reside and/or work outside of the United States.

Part II of this Annex A includes special terms and conditions that govern your Award if you reside and/or work in the specific countries listed therein.

This Annex A may also include information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws concerning RSUs, as applicable, in effect as of August 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan as the information may be out of date at the time you vest in your RSUs or sell your Shares acquired under the Plan.

In addition, the information in this Annex A is general in nature, does not discuss all of the various laws, rules and regulations which may apply to your particular situation and the Company is not in a position to assure you of any particular result. **Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country apply to your specific situation.**

Finally, if you are a citizen or resident of a country other than the one in which you currently are residing and/or working, transfer employment and/or residency after the RSUs are granted to you, or are considered a resident of another country for local law purposes, the terms and conditions contained herein for the country you are residing and/or working in at the time of grant may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you. Similarly, the information contained herein may no longer be applicable in the same manner.

PART I

SPECIAL PROVISIONS APPLICABLE TO ALL AWARD RECIPIENTS
OUTSIDE THE UNITED STATES

A1. Retirement. The following provision supplements Section 4 of the Agreement:

Notwithstanding anything to the contrary in this Section 4 of the Agreement, if the Company receives a legal opinion that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable treatment that applies to the RSUs or in the event of your Retirement being deemed unlawful and/or discriminatory, the provisions of Section 4 of the Agreement regarding the treatment of the RSUs in the event of your Retirement shall not be applicable to you.

A2. Data Privacy. The following provision replaces Section 12 of the Agreement if you are in the European Union or European Economic Area:

12. Data Privacy Notice.

- a) **Data Collection and Usage.** Pursuant to applicable data protection laws, you are hereby notified that the Company collects, processes, uses and transfers certain personal data about you for the purpose of administering your participation in the Plan. Specifics of the data processing are described below.
- b) **Controller, EU Representative and DPO.** The Company is the controller responsible for the processing of your personal data in connection with the Plan. The Company's representative in the European Union is your employing company, being the entity with which you have an employment contract. You can reach the data protection officer (DPO) of the Company at dpo@tapestry.com.
- c) **Personal Data Subject to Processing.** The Company collects, processes and uses the following types of personal data about you: your name, home address and telephone number, email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, settled, vested, unvested or outstanding in your favor, which the Company receives from you or your employer ("Personal Data").
- d) **Purposes and Legal Bases of Processing.** The Company processes the Personal Data for the purpose of performing its contractual obligations under this Agreement, granting RSUs, implementing, administering and managing your participation in the Plan and facilitating compliance with applicable tax and securities law. The legal basis for the processing of the Personal Data by the Company and the third party service providers described below is the necessity of the data processing for the Company to perform its contractual obligations under this Agreement and for the Company's legitimate business interests of managing the Plan and generally administering employee equity awards.
- e) **Stock Plan Administration Service Providers.** The Company transfers Personal Data to Fidelity Stock Plan Services and its affiliated companies (collectively, "Fidelity") who is an independent stock plan administrator with operations, relevant to the Company, in the United States, which assists the Company with the implementation, administration

and management of the Plan. In the future, the Company may select different service providers and may share Personal Data with such service providers. As separate data controllers, the Company's stock plan administrators will open an account for you to receive and trade Shares. You will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of your ability to participate in the Plan. Your Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating your participation in the Plan. You understand that you may request a list with the names and addresses of any potential recipients of Personal Data by contacting your local human resources representative.

- f) **International Data Transfers.** The Company and its service providers, including, without limitation, Fidelity, operate, relevant to the Company, in the United States, which means that it will be necessary for Personal Data to be transferred to, and processed in, the United States. You understand and acknowledge that the United States is not subject to an unlimited adequacy finding by the European Commission and that your Personal Data may not have an equivalent level of protection as compared to your country of residence. To provide appropriate safeguards for the protection of your Personal Data, the Personal Data is transferred to the Company based on data transfer and processing agreements implementing the EU Standard Contractual Clauses. You may request a copy of the safeguards used to protect your Personal Data by contacting the Company at: privacy@tapestry.com.
- g) **Data Retention.** The Company will use the Personal Data only as long as necessary to implement, administer and manage your participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs the Personal Data, the Company will remove it from its systems. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.
- h) **Data Subject Rights.** To the extent provided by law, you have the right to (i) inquire whether and what kind of Personal Data the Company holds about you and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, or (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing or processed in non-compliance with applicable legal requirements. In addition, you have, to the extent provided by law, the right to (iv) request the Company to restrict the processing of Personal Data in certain situations where you feel its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of Personal Data that you have actively or passively provided to the Company, where the processing of such Personal Data is based on consent or a contractual agreement with you and is carried out by automated means. In case of concerns, you also have the right to (vii) lodge a complaint with the competent local data protection authority. To receive additional information regarding your rights, raise any other questions regarding the practices described in this Agreement or to exercise your rights, you should contact the Company at: privacy@tapestry.com.
- i) **Contractual Requirement.** Your provision of Personal Data and its processing as described above is a contractual requirement and a condition to your ability to participate

in the Plan. You understand that, as a consequence of your refusing to provide Personal Data, the Company may not be able to allow you to participate in the Plan, grant RSUs to you or administer or maintain such RSUs. However, your participation in the Plan and your acceptance of this Agreement are purely voluntary. While you will not receive RSUs if you decide against participating in the Plan or providing Personal Data as described above, your career and salary will not be affected in any way. For more information on the consequences of the refusal to provide Personal Data, you may contact the Company at: privacy@tapestry.com.

PART II

COUNTRY SPECIFIC PROVISIONS

AUSTRALIA

Tax Information. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to RSUs granted under the Plan, such that the RSUs are intended to be subject to deferred taxation.

Australian Offer Document. The offer of RSUs is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of the RSUs to Australian-resident employees, which will be provided to you with the Agreement.

CAMBODIA

Exchange Control Information. You may be required to execute any foreign exchange transactions in connection with participation in the Plan (e.g., transfers of proceeds from the sale of Shares into Cambodia) through an authorized intermediary, such as a bank licensed to operate in Cambodia by the National Bank of Cambodia. You should consult your personal legal advisor to ensure compliance with the applicable requirements.

CANADA

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

Nature of Grant. The following provision replaces Section 10(l) of the Agreement:

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 labor 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 earlier of (i) the date your employment is terminated, (ii) the date on which you receive notice of termination, or (iii) the date on which you are no longer actively employed or providing services regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to statutory law, regulatory law and/or common 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).

Securities Law Information. You are permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the sale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (i.e., the New York Stock Exchange).

Foreign Asset/Account Reporting Information. You must report annually on Form T1135 (Foreign Income Verification Statement) the foreign specified property (including RSUs and Shares acquired under the Plan) you hold, if the total value of such foreign specified property exceeds C\$100,000 at any time during the year. Unvested RSUs also must be reported (generally at nil cost) on Form 1135 if the C\$100,000 threshold is exceeded due to other foreign specified property you hold. If Shares are acquired, their cost generally is the adjusted cost base (“ACB”) of the Shares. The ACB would normally equal the fair market value of the Shares at vesting, but if you own other shares of common stock, this ACB may have to be averaged with the ACB of the other shares. The Form T1135 must be filed at the same time you file your annual tax return. You should consult your personal legal advisor to ensure compliance with applicable reporting obligations.

The following provisions will apply if you are a resident of Quebec:

Data Privacy. This provision supplements Section 12 of the Agreement:

You hereby authorize the Company and the Company’s representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company, any Affiliates and the Administrator to disclose and discuss the Plan with their advisors. You further authorize your Employer to record such information and to keep such information in your employee file.

Consent to Receive Information in English. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé que cette convention («Agreement») soit rédigée en anglais, ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente.

CHINA

The following provisions apply if you are subject to the exchange control regulations in China, as determined by the Company in its sole discretion:

Exchange Control Requirements. By accepting the RSUs, you understand and agree that pursuant to local exchange control requirements, any Shares you acquire upon vesting of the RSUs must be held in an account with the Company’s designated broker and may not be transferred from such account. You further understand that you are permitted to sell Shares acquired under the Plan only through the Company’s designated broker.

You further understand and agree that, due to exchange control laws in China, you must immediately repatriate the proceeds from the sale of Shares and any cash dividends paid on such Shares to China. You understand that such repatriation of the proceeds will need to be effected through a special exchange control account established by the Company or an Affiliate, and you hereby consent and agree that the proceeds from the sale of Shares or the receipt of any cash dividends may be transferred to such special account prior to being delivered to you. The Company may deliver the proceeds to you in U.S. dollars or local currency at the Company’s discretion. If the proceeds are paid in U.S. dollars, you understand that you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds

are converted to local currency, there may be delays in delivering the proceeds to you and due to fluctuations in the Common Stock trading price and/or the U.S. dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that you receive may be more or less than the market value of the Common Stock on the sale/payment date. You agree to bear any currency fluctuation risk between the time the Shares are sold or dividends are paid and the time the proceeds are distributed to you. The Company is under no obligation to secure any particular exchange conversion rate. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Sale of Shares. This provision supplements Section 3 of the Agreement:

You agree that, at the Company's discretion and instruction, any or all of the Shares issued upon vesting/settlement of the RSUs may be sold at any time (including immediately upon vesting or upon termination of your employment, as described below). Your acceptance of the RSUs constitutes your authorization for the Company to instruct its designated broker to assist with the sale of such Shares (on your behalf pursuant to this authorization without further consent) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less brokerage fees and subject to any obligation to satisfy Tax-Related Items.

Treatment of Shares and RSUs Upon Termination of Employment. Due to exchange control regulations in China, you understand and agree that any Shares acquired under the Plan and held by you in your brokerage account must be sold within six months following your termination of employment, or within such other period as determined by the Company or required by the China State Administration of Foreign Exchange ("SAFE") (the "Mandatory Sale Date"). This includes any Shares that vest upon your termination of employment. You understand that any Shares held by you that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sale of Shares" above.

If all or a portion of your RSUs become vested upon your termination of employment or at some time following your termination of employment, that portion will vest and become distributable immediately upon termination of your employment. Any Shares distributed to you according to this paragraph must be sold by the Mandatory Sale Date or will be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sale of Shares" above. You will not continue to vest in RSUs or be entitled to any portion of RSUs after your termination of employment.

FRANCE

Non-Qualified Award. The RSUs are not granted as a "French-qualified" Award and are not intended to qualify for the special tax and social security treatment applicable to shares granted for no consideration under Sections L. 225-197 to L. 225-197-6 of the French Commercial Code, as amended.

Consent to Receive Information in English. By accepting this Award, you confirm having read and understood the Plan and the Agreement which were provided in the English language. You accept the terms of those documents accordingly.

Consentement Relatif à la Langue Utilisée. *En acceptant l'attribution, vous confirmez avoir lu et compris le Plan et ce Contrat, qui ont été communiqués en langue anglaise. Vous acceptez les termes de ces documents en connaissance de cause.*

Foreign Asset/Account Reporting Information. If you are a French resident, you will be required to report all foreign accounts (whether open or closed) to the French tax authorities when filing your annual tax return. You should consult with your personal advisor to ensure proper compliance with applicable reporting requirements in France.

GERMANY

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In case of payments in connection with securities (including proceeds realized upon the sale of Shares or the receipt of dividends), the report must be made by the 5th day of the month following the month in which the payment was received. The report must be filed electronically and the form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de), in both German and English. You are responsible for making this report.

HONG KONG

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

Sale of Shares. In the event the RSUs vest within six months of the Grant Date, you agree that you will not dispose of the Shares acquired prior to the six-month anniversary of the Grant Date.

Securities Law Notification. *WARNING: The RSUs and the Shares issued at settlement do not constitute a public offering of securities under Hong Kong law and are available only to certain Eligible Individuals. The Agreement, the Plan and other incidental communication materials distributed in connection with the RSUs, have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The RSUs are intended only for the personal use of each Holder and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement or the Plan, you should obtain independent professional advice.*

INDIA

Exchange Control Information. You understand that you must repatriate any cash dividends paid on Shares acquired under the Plan or proceeds from the sale of Shares to India and convert the proceeds into local currency within a reasonable amount of time (*i.e.*, within 180 days of receipt of cash dividends and within 90 days of receipt of sale proceeds). You will receive a foreign inward remittance certificate ("FIRC") from the bank where you deposit the foreign currency. You should

maintain the FIRC as evidence of the repatriation of fund in the event the Reserve Bank of India or the Employer requests proof of repatriation.

Foreign Asset/Account Reporting Information. You are required to declare foreign bank accounts and any foreign financial assets (including Shares held outside India) in your annual tax return. You are responsible for complying with this reporting obligation and you should consult your personal tax advisor in this regard as significant penalties may apply in the case of non-compliance with foreign asset/account reporting requirements and because such requirements may change.

INDONESIA

Exchange Control Information. If you remit funds into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description must be included in the report. Although the bank through which the transaction is made is required to make the report, you must complete a "Transfer Report Form." The Transfer Report Form will be provided to you by the bank through which the transaction is to be made.

ITALY

Plan Document Acknowledgment. In accepting this Award, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Agreement: Section 10. Nature of Grant; Section 11. Tax Obligations; Section 13(b). Governing Law; Section 13(c). Binding Arbitration; Section 13(e). Severability; Section 13(g). Language; Section 13(h). Electronic Delivery and Acceptance; Section 15. Imposition of Other Requirements; and the Data Privacy Notice in Part I of this Annex A.

Foreign Asset/Account Reporting Information. If you are an Italian resident and at any time during the fiscal year hold investments or financial assets outside of Italy (e.g., cash, Shares) which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset, even if you do not directly hold the investment or asset under Italian money laundering provisions), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if you are not required to file a tax return.

JAPAN

Foreign Asset/Account Reporting Information. You are required to report details of any assets held outside of Japan (including Shares acquired under the Plan as of December 31), to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15 of the following year. You should consult with your personal tax advisor to determine if the reporting obligation applies to your personal situation.

KOREA

Foreign Asset/Account Reporting Information. You are required to declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts holding Shares, etc.) to the Korean tax authority and file a report regarding such accounts if the monthly balance of such accounts exceeds KRW500,000,000 (or an equivalent amount in foreign currency) on any month-end date during a calendar year. It is your responsibility to comply with this reporting obligation or you should consult a personal tax advisor to ensure compliance with this requirement.

MACAU

There are no country-specific provisions.

MALAYSIA

Data Privacy. The following provisions replace Section 12 of the Agreement:

You hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Agreement and any other Award documentation by and among, as applicable, the Company, the Employer and any other Affiliate or any third parties authorized by same in assisting in the implementation, administration and management of your participation in the Plan.

Anda dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang dinyatakan dalam Perjanjian dan apa-apa dokumentasi Penganugerahan oleh dan di antara, sebagaimana yang berkenaan, Syarikat, Majikan dan Syarikat Sekutu lain atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan anda dalam Pelan tersebut.

You may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of your participation in the Plan, details of all RSUs or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Sebelum ini, anda mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah, alamat e-mel dan nombor telefon, tarikh lahir, nombor insurans sosial, nombor pasport atau nombor pengenalan lain, gaji, kewarganegaraan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan anda dalam Pelan tersebut, butir-butir semua RSUs atau apa-apa hak syer dalam saham yang dianugerahkan, dibatalkan, terletak hak, tidak diletak hak ataupun yang belum dilaksanakan, terletak hak, tidak diletak hak ataupun yang belum dijelaskan bagi faedah anda ("Data"), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.

You also authorize any transfer of Data, as may be required, to Anda juga memberi kuasa untuk membuat apa-apa pemindahan Fidelity Stock Plan Services, or such other stock plan service Data, sebagaimana yang diperlukan, kepada Fidelity Stock Plan provider as may be selected by the Company in the future, Services, atau pembekal perkhidmatan pelan saham lain which is assisting the Company with the implementation, sebagaimana yang dipilih oleh Syarikat pada masa depan, yang administration and management of the Plan and/or with whom membantu Syarikat dalam pelaksanaan, pentadbiran dan any Shares acquired upon vesting of the RSUs are deposited. pengurusan Pelan tersebut dan/atau dengan sesiapa yang You acknowledge that these recipients may be located in your memperoleh Saham melalui pemberian hak RSUs yang country or elsewhere, and that the recipient's country (e.g., the didepositkan. Anda mengakui bahawa penerima-penerima ini United States) may have different data privacy laws and mungkin berada di negara anda atau di tempat lain, dan bahawa protections to your country, which may not give the same level negara penerima (contohnya, Amerika Syarikat) mungkin of protection to Data. You authorize the Company, Fidelity Stock mempunyai undang-undang privasi data dan perlindungan yang Plan Services and any other possible recipients which may berbeza daripada negara anda, yang mungkin tidak boleh memberi assist the Company (presently or in the future) with tahap perlindungan yang sama kepada Data. Anda memberi kuasa implementing, administering and managing your participation in kepada Syarikat, Fidelity Stock Plan Services dan mana-mana the Plan to receive, possess, use, retain and transfer Data, in penerima lain yang mungkin membantu Syarikat (masa sekarang electronic or other form, for the sole purpose of implementing, atau pada masa depan) untuk melaksanakan, mentadbir dan administering and managing your participation in the Plan. menguruskan penyertaan anda dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut.

You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You understand that Data will be held only as long as is 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 the consent, your employment status and career with the Employer will not be affected; the only consequence of refusing or withdrawing the consent is that the Company would not be able to grant future RSUs or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Anda memahami bahawa anda boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatan anda. Anda faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan anda. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela. Jika anda tidak bersetuju, atau jika anda kemudian membatalkan persetujuan anda, status pekerjaan dan kerjaya anda dengan Majikan tidak akan terjejas; satunya akibat jika anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan RSU pada masa depan atau anugerah-anugerah ekuiti lain kepada anda atau mentadbir atau mengekalkan anugerah-anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjejaskan keupayaan anda untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan anda.

Director Notification Obligation. If you are a director of the Company's Malaysian Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when you receive or dispose of an interest (*i.e.*, RSUs, Shares) in the Company or any related company. Such notifications must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

MYANMAR

Exchange Control Requirements. Approval from the Central Bank of Myanmar is required prior to making any direct investment abroad, which may include the acquisition of Shares under the Plan. The Company reserves the right to (i) require that you sell all Shares acquired under the Plan, either immediately upon receipt of such Shares or upon termination of your employment, or (ii) settle the RSUs in cash, if it determines it is necessary or advisable to do so in light of regulatory requirements in Myanmar. In the event that the RSUs are settled in cash, the amount of the cash payment shall be based on the Fair Market Value of the Shares on the date the Shares would otherwise be issued to you.

NETHERLANDS

There are no country-specific provisions.

NEW ZEALAND

Securities Law Notification.

Warning

This is an offer of restricted stock units (RSUs). Upon vesting in accordance with this Agreement, RSUs become Shares of Tapestry, Inc. You may receive a return if dividends are paid.

The RSUs are not quoted. However, Shares are quoted on the New York Stock Exchange (“NYSE”).

The RSUs are not able to be sold or transferred until they have vested in accordance with the terms of this Agreement (as set out in further detail herein). However, once vested and converted into Shares, these Shares will be quoted on the NYSE. This means that you may be able to sell the Shares on the NYSE if there are interested buyers. You may get less than the face value of the Shares at the time of this Agreement and/or at the time of vesting. The price will depend on the demand for the Shares.

If the Company runs into financial difficulties and is wound up, you understand that you will be paid only after all creditors have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, you may not be given all the information usually required. You also will have fewer other legal protections for this investment.

In compliance with applicable New Zealand securities laws, you are entitled to receive, in electronic or other form and free of cost, copies of the Company’s latest annual report, relevant financial statements and the auditor’s report on said financial statements (if any). You may obtain copies of such documents on written request to Tapestry, Inc., 10 Hudson Yards, New York, New York 10001, Attention: General Counsel.

You understand and acknowledge that you are advised to ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

PHILIPPINES

Securities Law Information. You acknowledge that if you acquire Shares from vested RSUs, you are permitted to sell such Shares through the designated Plan broker appointed by the Company (or such other broker to whom you may transfer the Shares), provided that such sale takes place outside of the Philippines through the facilities of New York Stock Exchange on which the Shares are listed.

Further, you understand and agree that the Company reserves the right to settle the RSUs in cash, if it determines it is necessary or advisable to do so in light of regulatory requirements in the Philippines. In the event that the RSUs are settled in cash, the amount of the cash payment shall be based on the Fair Market Value of the Shares on the date the Shares would otherwise be issued to you.

PUERTO RICO

There are no country-specific provisions.

SINGAPORE

Securities Law Information. The grant of RSUs is being made pursuant to the "Qualifying Person" exemption under Section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore and the grant of RSUs is not made with a view to the RSUs or Shares being subsequently offered to another party. You should note that the RSUs are subject to Section 257 of the SFA and you should not make any subsequent sale in Singapore of the Shares acquired through the vesting of the RSUs or any offer of such sale in Singapore unless such sale or offer is made after six months from the Grant Date or pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than Section 280) of the SFA. The Shares are currently traded on the New York Stock Exchange, which is located outside of Singapore, under the ticket symbol "TPR," and the Shares may be sold through this exchange.

Chief Executive Officer and Director Notification Obligation. If you are the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a Singapore Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Affiliate in writing when you receive an interest (*i.e.*, RSUs, Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, you must notify the Singapore Affiliate when you sell Shares of the Company or any related companies (including when you sell Shares acquired through the vesting of your RSUs). These notifications must be made within two (2) days of acquiring or disposing of any interest in the Company or any related companies. In addition, a notification must be made of your interests in the Company or any related companies within two (2) days of becoming the CEO or director.

Exit Tax Information. If you are (i) neither a Singapore citizen nor a Singapore permanent resident, and you (a) intend to leave Singapore for any period exceeding three months, (b) will be posted overseas on a secondment, or (c) are about to cease employment with the Singaporean Entity with which you were employed at the time of grant, regardless of whether you intend to remain in Singapore, or (ii) a Singapore permanent resident, and you (a) intend to leave Singapore for any period exceeding three months, (b) will be posted overseas on a secondment or (c) are about to cease employment with the Singaporean Entity with which you were employed at the time of grant and intend to leave Singapore on a permanent basis, you may be subject to an exit tax upon your departure from Singapore or cessation of employment, as applicable. In such case, you will be taxed on your RSUs on a "deemed vesting" basis, *i.e.*, you will be deemed to have vested in your RSUs on the later of (i) one month before the date you depart Singapore or cease employment, or (ii) the date on which your RSUs were granted. If you are subject to the exit tax, you acknowledge and agree that your employer will report details of your departure from Singapore or cessation of

employment to the Inland Revenue Authority of Singapore and will withhold any income payable to you for a period of up to 30 days. You are hereby advised to consult with a personal tax advisor in the event you may be subject to these exit tax rules.

SPAIN

Labor Law Acknowledgment. The following provisions supplement Section 10 of the Agreement:

By accepting this Award, you agree to participation in the Plan and acknowledge that you have received a copy of the Plan.

You understand and agree that, except as otherwise provided in the Agreement, you will forfeit any RSUs in the event of termination of your employment by reason of, but not limited to, resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a “*despido improcedente*,” individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Service Recipient and under Article 10.3 of the Royal Decree 1382/1985.

You understand that the Company has unilaterally, gratuitously and discretely decided to grant RSUs under the Plan to individuals who are employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Affiliates on an ongoing basis except as set forth under the terms of the Plan and the Agreement. Consequently, you understand that any Award is given on the assumption and condition that it shall not become a part of any employment contract (either with the Company or any Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. Further, you understand and freely accept that there is no guarantee that any benefit whatsoever shall arise from any gratuitous and discretionary grant since the future value of the RSUs and Shares is unknown and unpredictable and you may forfeit the RSUs if you terminate employment prior to vesting. In addition, you understand that this Award would not be made but for the assumptions and conditions referred to above; thus, you understand, acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then this Award shall be null and void.

Exchange Control Information. The acquisition, ownership and sale of Shares under the Plan must be declared for statistical purposes to the *Spanish Dirección General de Comercio e Inversiones* (the “DGCI”), the Bureau for Commerce and Investments, which is a department of the Ministry of Industry, Tourism and Commerce. Generally, the declaration must be made in January for Shares owned as of December 31 of the prior year and/or Shares acquired or disposed of during the prior year; however, if the value of Shares acquired or disposed of or the amount of the sale proceeds exceeds €1,502,530 (or if you hold 10% or more of the share capital of the Company), the declaration must be filed within one month of the acquisition or disposition, as applicable.

In addition, you may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of

Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Foreign Asset/Account Reporting Information. To the extent that you hold rights or assets (*i.e.*, cash or Shares held in a bank or brokerage account) outside Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, Shares, cash, etc.) as of December 31 each year, you are required to report information on such rights and assets on your tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000.

You should consult with your personal tax and legal advisors to ensure that he or she is properly complying with your reporting obligations.

Securities Law Information. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of this Award. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

SWITZERLAND

Securities Law Information. The RSUs are not intended to be publicly offered in or from Switzerland. Because the offer of the RSUs is considered a private offering, it is not subject to registration in Switzerland. Neither this Annex A nor any other materials relating to the RSUs (i) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (ii) may be publicly distributed or otherwise made publicly available in Switzerland, or (iii) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Supervisory Authority (FINMA)).

TAIWAN

Securities Law Information. This Award and any Shares issued pursuant to the Plan are available only for Eligible Individuals. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

Exchange Control Information. Individuals may acquire and remit foreign currency (including proceeds from the sale of Shares) into Taiwan up to US\$5,000,000 per year without justification. There is no need to aggregate all remittances into Taiwan when calculating the limitation. If the transaction amount is TWD\$500,000 or more in a single transaction, you must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

UNITED KINGDOM

Disapplication of Retirement Provisions. The provisions set forth in Section 4 of the Agreement regarding continued vesting following termination of employment with the Tapestry Companies due to Retirement do not apply to you if you are subject to the laws of the United Kingdom. In the event of such termination, the provisions set forth in Section 5(b) regarding voluntary termination of employment shall govern.

Withholding. The following provisions supplement Section 11 of the Agreement.

Without limitation to Section 11 of the Agreement, the you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on your behalf.

Notwithstanding the foregoing, if you are a director or executive officer (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you understand that you may not be able to indemnify the Company for the amount of any Tax-Related Items not collected from or paid by you, in case the indemnification could be considered to be a loan. In this case, the Tax-Related Items not collected or paid may constitute a benefit to you on which additional income tax and National Insurance contributions ("NICs") may be payable. You understand that you will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company and/or the Employer (as appropriate) the amount of any NICs due on this additional benefit, which may also be recovered from you by any of the means referred to in Section 11 of the Agreement.

RSUs Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Agreement, the grant of RSUs does not provide any right for you to receive a cash payment, and the RSUs are payable in Shares only.

VIETNAM

The following provisions apply if you are subject to the exchange control regulations in Vietnam, as determined by the Company in its sole discretion:

Time and Form of Payment. The following provision supplements Section 3 of the Agreement:

To facilitate compliance with local regulatory requirements in Vietnam, you agree to the immediate sale of any Shares to be issued to you upon vesting and settlement of the RSUs. The sale will occur (i) immediately upon vesting of the Shares and settlement of the RSUs, (ii) following your termination of employment, or (iii) within any other time frame as the Company determines to be necessary to comply with local regular requirements. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to your authorization) and you expressly authorize the Company's designated broker to complete the sale of the Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items. You agree that the payment of cash proceeds will be subject to the repatriation requirements described below.

Finally, you understand and agree that the Company reserves the right to settle the RSUs in cash, if it determines it is necessary or advisable to do so in light of regulatory requirements in Vietnam. In the event that the RSUs are settled in cash, the amount of the cash payment shall be based on the Fair Market Value of the Shares on the date the Shares would otherwise be issued to you.

Exchange Control Requirements. You understand and agree that, pursuant to local exchange control requirements, you may be required to repatriate the proceeds from the sale of the Shares issued upon vesting of the RSUs and any dividends paid on such Shares to Vietnam. You further understand that, under local law, such repatriation may need to be effectuated through a special exchange control account established by the Company or an Affiliate, and you hereby consent and agree that any proceeds may be transferred to such special account prior to being delivered to you. You agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in Vietnam.

You further understand and agree that the Company is under no obligation to secure any particular exchange conversion rate and there may be delays in converting the cash proceeds to local currency due to exchange control restrictions. You agree to bear any currency fluctuation risk between the time the proceeds are received and the time the cash proceeds are distributed to you.

**Tapestry, Inc.
2018 Stock Incentive Plan
Stock Option Grant Notice and Agreement
For Outside Directors**

NAME

Tapestry, Inc. (the “**Company**”) is pleased to confirm that you have been granted a stock option (this “**Option**”), effective as of **GRANT DATE** (the “**Grant Date**”), as provided in this agreement (the “**Agreement**”) pursuant to the Tapestry, Inc. 2018 Stock Incentive Plan (as may be 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**”).

	<u>Number of Option Shares</u>	<u>Grant Price Per Option Share</u>
Option Shares Granted	# of Options	Grant Price

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 Section 5, Option Shares that are vested as of the date you cease active service with the Company’s Board of Directors will be exercisable until the earlier of (a) the Expiration Date or (b) such earlier date indicated in Section 5 of the Agreement.

4. **Vesting.** This Option may be exercised (subject to the restrictions contained in this Agreement) only to the extent it has vested, which shall be twelve (12) months after the Grant Date (the “**Vesting Date**”); provided that, subject to Section 5 of the Agreement, you remain in continuous service as a Director of the Company during the period beginning on the Grant Date and ending on the Vesting Date.

5. Death or Permanent and Total Disability; Change in Control; Cause; Other Resignation or Removal

a) If you cease active service with the Company’s Board of Directors prior to the Vesting Date because of your death or Permanent and Total Disability (as defined below), then the Option will vest in full as of the date of your death or the date you are determined to be Permanently and Totally Disabled 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 months.

- b) If you cease active service with the Company’s Board of Directors, upon the consummation of Change in Control, the Option will immediately vest and become exercisable with respect to all Option Shares.
- c) If you cease active service with the Company’s Board of Directors prior to the Vesting Date for Cause (as defined below), the Option subject to this agreement, whether or not vested, will be forfeited in its entirety for no consideration on the date you cease active service. For purposes of this Agreement, (1) “**Cause**” shall mean violation of the Company’s Code of Conduct, the Company’s Corporate Governance Principles, or any other material written policy of the Company and its Affiliates applicable to members of the Company’s Board of Directors or removal from the Board of Directors for a reason that constitutes “cause” under the General Corporate Law of the State of Maryland.
- d) If you cease active service with the Company’s Board of Directors prior to the Vesting Date for reasons other than the situations described in Section 5(a), 5(b) or 5(c) (including, but not limited to, your resignation from or decision not to stand for re-election to the Board, failure to be nominated by the Board for election or re-election to the Board, failure to be elected to the Board by the Company’s stockholders in cases where your resignation is accepted by the Board), you will receive pro-rata vesting based on the number of days you served during the period beginning on the Grant Date and ending on your last date of service for the Board and the last day on which this Option may be exercised is the earlier of (a) the Expiration Date or (b) ninety (90) days after you cease active service.

6. **Exercise.** This Option may be exercised (subject to the restrictions contained in the Agreement) in whole or in part for the number of Option Shares specified (which in all cases must be at least the lesser of two-hundred and fifty (250) or the total number of shares outstanding under this Option) in a written notice (including any 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 specified Option Shares in cash. Subject to Section 1 above, this Option will be considered exercised on the date on which (a) your written notice of exercise and your payment of the Grant Price, have both been received by the Company or its designated agent, and (b) any condition to exercise, as described herein, has been satisfied.

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

8. **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 6 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.

9. **Transferability of Option Shares.** Option Shares generally are freely tradable in the United States. 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 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 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.

10. **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 of the Agreement and the Plan.

11. **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 Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that the Company may 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 Options 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 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 Stock Plan Services 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 exercise of the Options.

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 service relationship with the Company 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 Company and its Affiliates 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, you agree to provide an executed acknowledgment or data privacy consent (or any other acknowledgments, agreements or consents) to the Company that the Company 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.

12. Miscellaneous.

(a) **Amendment or Modifications.** The grant of this Option is documented by the minutes of the Board 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 Board may amend or modify this Option in any manner to the extent that the Board 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, 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.** All disputes, claims, controversies or causes of action between you and the Company or any of its Affiliates (collectively, 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 10(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) **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 should consult your personal legal advisor for any details.

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: _____

ANNEX

SPECIAL PROVISIONS FOR AWARD RECIPIENTS OUTSIDE THE UNITED STATES

This Annex includes additional terms and conditions that govern this Option if you reside and/or work outside the United States. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement or the Plan.

This Annex may also include information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws concerning options, as applicable, in effect as of the date of the Agreement. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan as the information may be out of date at the time you exercise this Option or sell Option Shares acquired under the Plan.

In addition, the information in this Annex is general in nature, does not discuss all of the various laws, rules and regulations which may apply to your particular situation and the Company is not in a position to assure you of any particular result. **Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country apply to your specific situation.**

Finally, if you are a citizen or resident of a country other than the one in which you currently are residing and/or working, transfer employment and/or residency after the Option is granted to you, or are considered a resident of another country for local law purposes, the terms and conditions contained herein for the country you are residing and/or working in at the time of grant may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you. Similarly, the information contained herein may no longer be applicable in the same manner.

COUNTRY SPECIFIC PROVISIONS

EUROPEAN UNION/EUROPEAN ECONOMIC AREA

The following provision replaces Section 10 of the Agreement if you are in the European Union or European Economic Area:

10. Data Privacy Notice.

- a) Data Collection and Usage. Pursuant to applicable data protection laws, you are hereby notified that the Company collects, processes, uses and transfers certain personal data about you for the purpose of administering your participation in the Plan. Specifics of the data processing are described below.
- b) Controller, EU Representative and DPO. The Company is the controller responsible for the processing of your personal data in connection with the Plan. You can reach the data protection officer (DPO) of the Company at dpo@tapestry.com.
- c) Personal Data Subject to Processing. The Company collects, processes and uses the following types of personal data about you: your name, home address and telephone number, email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, settled, vested, unvested or outstanding in your favor, which the Company receives from you ("Personal Data").
- d) Purposes and Legal Bases of Processing. The Company processes the Personal Data for the purpose of performing its contractual obligations under this Agreement, granting Options, implementing, administering and managing your participation in the Plan and facilitating compliance with applicable tax and securities law. The legal basis for the processing of the Personal Data by the Company and the third party service providers described below is the necessity of the data processing for the Company to perform its contractual obligations under this Agreement and for the Company's legitimate business interests of managing the Plan and generally administering director equity awards.
- e) Stock Plan Administration Service Providers. The Company transfers Personal Data to Fidelity Stock Plan Services and its affiliated companies (collectively, "Fidelity") who is an independent stock plan administrator with operations, relevant to the Company, in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select different service providers and may share Personal Data with such service providers. As separate data controllers, the Company's stock plan administrators will open an account for you to receive and trade Shares. You will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of your ability to participate in the Plan. Your Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating your participation in the Plan. You understand that you may request a list with the names and addresses of any potential recipients of Personal Data by contacting your local human resources representative.
- f) International Data Transfers. The Company and its service providers, including, without limitation, Fidelity, operate, relevant to the Company, in the United States, which means that it will be necessary for Personal Data to be transferred to, and processed in, the United States. You understand and acknowledge that the United States is not subject to an unlimited adequacy finding by the European Commission and that your Personal Data may not have an equivalent level of protection as compared to your country of residence. To provide appropriate safeguards

for the protection of your Personal Data, the Personal Data is transferred to the Company based on data transfer and processing agreements implementing the EU Standard Contractual Clauses. You may request a copy of the safeguards used to protect your Personal Data by contacting the Company at: privacy@tapestry.com.

- g) **Data Retention.** The Company will use the Personal Data only as long as necessary to implement, administer and manage your participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs the Personal Data, the Company will remove it from its systems. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.
- h) **Data Subject Rights.** To the extent provided by law, you have the right to (i) inquire whether and what kind of Personal Data the Company holds about you and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, or (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing or processed in non-compliance with applicable legal requirements. In addition, you have, to the extent provided by law, the right to (iv) request the Company to restrict the processing of Personal Data in certain situations where you feel its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of Personal Data that you have actively or passively provided to the Company, where the processing of such Personal Data is based on consent or a contractual agreement with you and is carried out by automated means. In case of concerns, you also have the right to (vii) lodge a complaint with the competent local data protection authority. To receive additional information regarding your rights, raise any other questions regarding the practices described in this Agreement or to exercise your rights, you should contact the Company at: privacy@tapestry.com.
- i) **Contractual Requirement.** Your provision of Personal Data and its processing as described above is a contractual requirement and a condition to your ability to participate in the Plan. You understand that, as a consequence of your refusing to provide Personal Data, the Company may not be able to allow you to participate in the Plan, grant Options to you or administer or maintain such Options. However, your participation in the Plan and your acceptance of this Agreement are purely voluntary. While you will not receive Options if you decide against participating in the Plan or providing Personal Data as described above, your career and salary will not be affected in any way. For more information on the consequences of the refusal to provide Personal Data, you may contact the Company at: privacy@tapestry.com.

CHINA

The following provisions apply if you are subject to the exchange control regulations in China, as determined by the Company in its sole discretion:

Manner of Exercise. This provision supplements Section 5 of the Agreement:

You understand and agree that due to local exchange control requirements, you will be required, at the Company's discretion, to exercise the Option using either the "cashless sell-all" method or the "cashless sell-to-cover" method. To complete a cashless sell-to-cover transaction, upon your instruction to exercise the Option, the Company's designated broker will (i) sell (out of the Option Shares subject to the Option exercised) the number of Option Shares that is sufficient to pay the Grant Price, applicable brokerage fees and commissions, and any Tax-Related Items; (ii) use the proceeds of such sale to pay the Grant Price and applicable brokerage fees; and (iii) remit the

balance of the proceeds, including any amounts required to cover the Tax-Related Items, in U.S. denominated cash to the designated Company sponsored bank account that has been authorized for use by the appropriate State Administration of Foreign Exchange ("SAFE"). To complete a "cashless sell-all" transaction, you consent and agree to: (i) instruct a broker designated by the Company to immediately sell all of the Option Shares issued upon exercise; (ii) use the proceeds of such sale to pay the Grant Price and applicable brokerage fees; and (iii) remit the balance of the proceeds, including any amounts required to cover the Tax-Related Items, in U.S. denominated cash to the designated Company sponsored bank account that has been authorized for use by SAFE.

You further agree that the Company may remit any Tax-Related Items directly from the designated Company sponsored bank account to the appropriate tax authorities on your behalf and any remaining proceeds to you. Alternatively, if you are required to complete a cashless sell-all transaction, you agree (i) that the Company may initially instruct the bank to issue 50% of the proceeds to you, (ii) you then will remit to the Company the entire Tax-Related Items calculated by Company in local currency (RMB), (iii) the Company will subsequently remit the Tax-Related Items to the appropriate tax authorities on your behalf; and (iv) the Company will then authorize the designated bank to release the remaining balance to the proceeds to you.

You acknowledge that the amount of Tax-Related Items calculated by the Company is an estimate, and you may be liable for additional taxes on the proceeds. You agree to bear any currency fluctuation risk between the time the Option Shares are sold and the time any sale proceeds (net of the Grant Price, applicable brokerage fees and Tax-Related Items) are distributed to you.

Exchange Control Requirements. By accepting the Option, you understand and agree that, pursuant to local exchange control requirements, any Option Shares you acquire upon exercise of the Option must be held in an account with the Company's designated broker. You further understand that you are only permitted to sell Option Shares acquired under the Plan through the Company's designated broker.

You further understand and agree that you will be required to repatriate any cash proceeds from the sale of Option Shares. You further understand that, under local law, such repatriation of cash proceeds may need to be effectuated through a special exchange control account established by the Company or another Affiliate, and you hereby consent and agree that any proceeds from the sale may be transferred to such special account prior to being delivered to you.

You further understand that the proceeds will be delivered to you as soon as possible, but there may be delays in distributing the funds to you due to exchange control requirements in China. Proceeds may be paid to you in U.S. dollars or local currency, at the Company's discretion. If the proceeds are paid in U.S. dollars, you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid in local currency, you understand and agree that the Company is under no obligation to secure any particular exchange conversion rate and there may be delays in converting the cash proceeds to local currency due to exchange control restrictions. You agree to bear any currency fluctuation risk between the time the cash proceeds are received and the time the cash proceeds are distributed to you through the special account described above.

You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Sale of Option Shares. You agree that, at the Company's discretion and instruction, any or all of the Option Shares issued upon exercise may be sold at any time (including immediately upon

exercise or upon termination of your service relationship, as described below). Your acceptance of the Option constitutes your authorization for the Company to instruct its designated broker to assist with the sale of such Option Shares (on your behalf pursuant to this authorization without further consent) and you expressly authorize the Company's designated broker to complete the sale of such Option Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Option Shares at any particular price. Upon the sale of the Option Shares, the Company agrees to pay you the cash proceeds from the sale of the Option Shares, less brokerage fees and subject to any obligation to satisfy Tax-Related Items.

Treatment of Option Shares and Options upon Termination of Service Relationship. Due to exchange control regulations in China, you understand and agree that any Option Shares acquired under the Plan and held by you in your brokerage account must be sold within six months following termination of your service relationship, or within such other period as determined by the Company or required by SAFE (the "Mandatory Sale Date"). You understand that any Shares held by you that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sale of Option Shares" above.

You further understand and agree that, notwithstanding any provision in the Agreement, you must exercise any vested Option no later than six months from termination of your service relationship, or within any such other period as may be permitted by the Company or required by SAFE. You understand that any vested Option not exercised within six months of your termination or within such other period as may be permitted by the Company or required by SAFE will be forfeited.

ITALY

Method of Exercise. Notwithstanding anything to the contrary in the Agreement, you must exercise the Option using the cashless-sell-all exercise method. To complete a cashless-sell-all exercise, you must instruct the broker designated by the Company to: (i) immediately sell all of the Option Shares issued upon exercise; (ii) use the proceeds to pay the Grant Price, applicable brokerage fees and Tax-Related Items; and (iii) remit the balance in cash to you. If you do not complete this procedure, the Company may refuse to allow you to exercise the Option. The Company reserves the right to provide you with additional methods of exercise depending on local developments.

Plan Document Acknowledgment. In accepting the Option grant, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Agreement: Section 10(b). Governing Law; Section 10(c). Binding Arbitration; Section 10(e). Severability; and the Data Privacy section of this Annex.

Foreign Asset/Account Reporting Information. If you are an Italian resident and at any time during the fiscal year hold investments or financial assets outside of Italy (e.g., cash, Option Shares) which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset, even if you do not directly hold the investment or asset under Italian money laundering provisions), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if you are not required to file a tax return.

**Tapestry, Inc.
2018 Stock Incentive Plan
Restricted Stock Unit Award Grant Notice and Agreement
For Outside Directors**

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 (the “**Agreement**”) pursuant to the Tapestry, Inc. 2018 Stock Incentive Plan (as may be 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**”)

Each RSU represents the right to receive one share (an “**Award Share**”) of the Company’s Common Stock, par value \$.01 per share (the “**Common Stock**”) upon the satisfaction of terms and conditions set forth in the Agreement and 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 Award Shares underlying the RSUs are not transferable by you by means of sale, assignment, exchange, pledge, or otherwise.

2. **Vesting.** The RSUs shall become vested twelve (12) months after the Grant Date (the “**Vesting Date**”); provided, that, subject to Section 3 of the Agreement, you remain in continuous service as a Director of the Company during the period beginning on the Grant Date and ending on the Vesting Date.

3. **Death or Total Disability; Change of Control; Other Resignation or Removal.**

- a) If you cease active service with the Company’s Board of Directors prior to the Vesting Date because of your death or Permanent and Total Disability (as defined below), then all RSUs will vest as of the date of your death or the date you are determined to be Permanently and Totally Disabled and will be distributed to you in accordance with Section 4 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 months.
- b) If you cease active service with the Company’s Board of Directors upon the consummation of a Change in Control, all RSUs will vest and will be distributed to you in accordance with Section 4 of the Agreement.
- c) If you cease active service with the Company’s Board of Directors prior to the Vesting Date for Cause (as defined below), this Award will be forfeited in its entirety for no consideration on the date you cease active service. For purposes of this Agreement, (1) “**Cause**” shall mean violation of the Company’s Code of Conduct, the Company’s Corporate Governance Principles, or any other material written policy of the

Company and its Affiliates applicable to members of the Company's Board of Directors or removal from the Board of Directors for a reason that constitutes "cause" under the General Corporate Law of the State of Maryland.

- d) If you cease active service with the Company's Board of Directors prior to the Vesting Date for reasons other than the situations described in Section 3(a), 3(b) or 3(c) (including, but not limited to, your resignation from or decision not to stand for re-election to the Board, failure to be nominated by the Board for election or re-election to the Board, failure to be elected to the Board by the Company's stockholders in cases where your resignation is accepted by the Board), you will receive pro-rata vesting based on the number of days you served during the period beginning on the Grant Date and ending on your last date of service for the Board, and all RSUs will be distributed to you in accordance with Section 4 of the Agreement.

4. Distribution of the Award.

(a) **In General.** Except as set forth in paragraph 4(b), as soon as practicable after the Vesting Date, but in no event later than sixty (60) days following the Vesting Date, the Company shall, subject to Section 9.5 of the Plan, transfer to you all of the Award Shares subject to the Award.

(b) **Election to Defer.** Notwithstanding paragraph 4(a), you shall have the right to elect to defer receipt of some or all of the Award Shares that would otherwise be transferred to you on the Vesting Date pursuant to the Plan. Any such election shall be made in accordance with the terms of the RSU Deferral Election Form in substantially the form attached hereto as Exhibit A and shall be made not later than the "Election Deadline" set forth in the applicable RSU Deferral Election Form.

5. **Rights as a Stockholder.** You will have no right as a stockholder with respect to any Award Shares underlying the RSUs until and unless ownership of such Award Shares has been transferred to you in accordance with the Agreement and the Plan.

6. **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.

7. **Transferability of Award Shares.** The Shares you will receive under the 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 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 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.

8. **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.

9. **Section 409A.** The parties acknowledge and agree that, to the extent applicable, the Agreement shall be interpreted in accordance with Section 409A of the U.S. Internal Revenue Code of 1986, as amended, 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 (as defined below) or any of their employees or agents pursuant to the terms of the Agreement or otherwise.

10. **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 Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that the Company may 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 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 Stock Plan Services 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 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 service relationship with the Company 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 Company and its Affiliates 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, you agree to provide an executed acknowledgment or data privacy consent (or any other acknowledgments, agreements or consents) to the Company that the Company 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.

11. Miscellaneous.

(a) **Amendment or Modifications.** The grant of this Award is documented by the minutes of the Board 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 Board may amend or modify this Award in any manner to the extent that the Board 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, 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.** All disputes, claims, controversies or causes of action between you and the Company or any of its Affiliates (collectively, 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 10(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) **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 should consult your personal legal advisor for any details.

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



Sarah Dunn

Global Human Resources Officer

Date: **DATE OF GRANT**

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: _____

ANNEX

SPECIAL PROVISIONS FOR AWARD RECIPIENTS OUTSIDE THE UNITED STATES

This Annex includes additional terms and conditions that govern your Award if you reside and/or work outside the United States in the specific countries listed therein. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Agreement or the Plan.

This Annex may also include information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws concerning RSUs, as applicable, in effect as of August 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan as the information may be out of date at the time you vest in your RSUs or sell your Shares acquired under the Plan.

In addition, the information in this Annex is general in nature, does not discuss all of the various laws, rules and regulations which may apply to your particular situation and the Company is not in a position to assure you of any particular result. **Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country apply to your specific situation.**

Finally, if you are a citizen or resident of a country other than the one in which you currently are residing and/or working, transfer employment and/or residency after the RSUs are granted to you, or are considered a resident of another country for local law purposes, the terms and conditions contained herein for the country you are residing and/or working in at the time of grant may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you. Similarly, the information contained herein may no longer be applicable in the same manner.

COUNTRY SPECIFIC PROVISIONS**EUROPEAN UNION/EUROPEAN ECONOMIC AREA**

The following provision replaces Section 10 of the Agreement if you are in the European Union or European Economic Area:

10. Data Privacy Notice.

- a) Data Collection and Usage. Pursuant to applicable data protection laws, you are hereby notified that the Company collects, processes, uses and transfers certain personal data about you for the purpose of administering your participation in the Plan. Specifics of the data processing are described below.
- b) Controller, EU Representative and DPO. The Company is the controller responsible for the processing of your personal data in connection with the Plan. You can reach the data protection officer (DPO) of the Company at dpo@tapestry.com.
- c) Personal Data Subject to Processing. The Company collects, processes and uses the following types of personal data about you: your name, home address and telephone number, email address, date of birth, social insurance, passport number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, settled, vested, unvested or outstanding in your favor, which the Company receives from you ("Personal Data").
- d) Purposes and Legal Bases of Processing. The Company processes the Personal Data for the purpose of performing its contractual obligations under this Agreement, granting RSUs, implementing, administering and managing your participation in the Plan and facilitating compliance with applicable tax and securities law. The legal basis for the processing of the Personal Data by the Company and the third party service providers described below is the necessity of the data processing for the Company to perform its contractual obligations under this Agreement and for the Company's legitimate business interests of managing the Plan and generally administering director equity awards.
- e) Stock Plan Administration Service Providers. The Company transfers Personal Data to Fidelity Stock Plan Services and its affiliated companies (collectively, "Fidelity") who is an independent stock plan administrator with operations, relevant to the Company, in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select different service providers and may share Personal Data with such service providers. As separate data controllers, the Company's stock plan administrators will open an account for you to receive and trade Shares. You will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of your ability to participate in the Plan. Your Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating your participation in the Plan. You understand that you may request a list with the names and addresses of any potential recipients of Personal Data by contacting your local human resources representative.
- f) International Data Transfers. The Company and its service providers, including, without limitation, Fidelity, operate, relevant to the Company, in the United States, which means that it will be necessary for Personal Data to be transferred to, and processed in, the United States. You understand and acknowledge that the United States is not subject to an unlimited adequacy finding by the European Commission and that your Personal Data may not have an equivalent level of protection as compared to your country of residence. To provide appropriate safeguards

for the protection of your Personal Data, the Personal Data is transferred to the Company based on data transfer and processing agreements implementing the EU Standard Contractual Clauses. You may request a copy of the safeguards used to protect your Personal Data by contacting the Company at: privacy@tapestry.com.

- g) **Data Retention.** The Company will use the Personal Data only as long as necessary to implement, administer and manage your participation in the Plan, or as required to comply with legal or regulatory obligations, including tax and securities laws. When the Company no longer needs the Personal Data, the Company will remove it from its systems. If the Company keeps data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations.
- h) **Data Subject Rights.** To the extent provided by law, you have the right to (i) inquire whether and what kind of Personal Data the Company holds about you and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, or (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing or processed in non-compliance with applicable legal requirements. In addition, you have, to the extent provided by law, the right to (iv) request the Company to restrict the processing of Personal Data in certain situations where you feel its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of Personal Data that you have actively or passively provided to the Company, where the processing of such Personal Data is based on consent or a contractual agreement with you and is carried out by automated means. In case of concerns, you also have the right to (vii) lodge a complaint with the competent local data protection authority. To receive additional information regarding your rights, raise any other questions regarding the practices described in this Agreement or to exercise your rights, you should contact the Company at: privacy@tapestry.com.
- i) **Contractual Requirement.** Your provision of Personal Data and its processing as described above is a contractual requirement and a condition to your ability to participate in the Plan. You understand that, as a consequence of your refusing to provide Personal Data, the Company may not be able to allow you to participate in the Plan, grant RSUs to you or administer or maintain such RSUs. However, your participation in the Plan and your acceptance of this Agreement are purely voluntary. While you will not receive RSUs if you decide against participating in the Plan or providing Personal Data as described above, your career and salary will not be affected in any way. For more information on the consequences of the refusal to provide Personal Data, you may contact the Company at: privacy@tapestry.com.

CHINA

The following provisions apply if you are subject to the exchange control regulations in China, as determined by the Company in its sole discretion:

Exchange Control Requirements. By accepting the RSUs, you understand and agree that pursuant to local exchange control requirements, any Shares you acquire upon vesting of the RSUs must be held in an account with the Company's designated broker and may not be transferred from such account. You further understand that you are permitted to sell Shares acquired under the Plan only through the Company's designated broker.

You further understand and agree that, due to exchange control laws in China, you must immediately repatriate the proceeds from the sale of Shares and any cash dividends paid on such Shares to China. You understand that such repatriation of the proceeds will need to be effected through a special exchange control account established by the Company or an Affiliate, and you hereby consent and agree that the proceeds from the sale of Shares or the receipt of any cash dividends may be transferred to such special account prior to being delivered to you. The Company may deliver the proceeds to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, you understand that you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to you and due to fluctuations in the Common Stock trading price and/or the U.S. dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that you receive may be more or less than the market value of the Common Stock on the sale/payment date. You agree to bear any currency fluctuation risk between the time the Shares are sold or dividends are paid and the time the proceeds are distributed to you. The Company is under no obligation to secure any particular exchange conversion rate. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Sale of Shares. This provision supplements Section 2 of the Agreement:

You agree that, at the Company's discretion and instruction, any or all of the Shares issued upon vesting/settlement of the RSUs may be sold at any time (including immediately upon vesting or upon termination of your service relationship, as described below). Your acceptance of the RSUs constitutes your authorization for the Company to instruct its designated broker to assist with the sale of such Shares (on your behalf pursuant to this authorization without further consent) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less brokerage fees and subject to any obligation to satisfy Tax-Related Items.

Treatment of Shares and RSUs Upon Termination of Service Relationship. Due to exchange control regulations in China, you understand and agree that any Shares acquired under the Plan and held by you in your brokerage account must be sold within six months following the termination of your service relationship, or within such other period as determined by the Company or required by the China State Administration of Foreign Exchange ("SAFE") (the "Mandatory Sale Date"). This includes any Shares that vest upon the termination of your service relationship. You understand that any Shares held by you that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sale of Shares" above.

If all or a portion of your RSUs become vested upon your termination of your service relationship or at some time following the termination of your service relationship, that portion will vest and become distributable immediately upon the termination of your service relationship. Any Shares distributed to you according to this paragraph must be sold by the Mandatory Sale Date or will be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sale of Shares" above. You will not continue to vest in RSUs or be entitled to any portion of RSUs after the termination of your service relationship.

ITALY

Plan Document Acknowledgment. In accepting the Award, you acknowledge that you have received a copy of the Plan and the Agreement and reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

You further acknowledge that you have read and specifically and expressly approve the following sections of the Agreement: Section 10(b). Governing Law; Section 10(c). Binding Arbitration; Section 10(e). Severability; and the Data Privacy section of this Annex.

Foreign Asset/Account Reporting Information. If you are an Italian resident and at any time during the fiscal year hold investments or financial assets outside of Italy (e.g., cash, Shares) which may generate income taxable in Italy (or if you are the beneficial owner of such an investment or asset, even if you do not directly hold the investment or asset under Italian money laundering provisions), you are required to report such investments or assets on your annual tax return for such fiscal year (on UNICO Form, RW Schedule) or on a special form if you are not required to file a tax return.

Separation and Release Agreement

Tapestry, Inc. and its subsidiaries (“**Employer**”) and Kevin Wills (“**Executive**”) enter into this Separation and Release Agreement (“**Agreement**”), which was received by Executive on November 19, 2018, signed by Executive on the date shown below Executive’s signature on the last page of this Agreement and is effective eight days (8) after the date of execution by Executive unless Executive revokes the agreement before that date, for and in consideration of the promises made among the parties and other good and valuable consideration as follows:

1. Separation Date. Effective February 8, 2019 Executive’s employment with Employer shall terminate (the “**Separation Date**”). The Separation Date is intended to constitute Executive’s “separation from service” within the meaning of Section 409A (as defined below). Prior to the Separation Date, Executive shall continue to perform all duties, obligations and responsibilities of his role as Chief Financial Officer of Employer, including, but not limited to, all such duties, obligations and responsibilities in connection with the preparation, completion and filing with the SEC of Employer’s Quarterly Report on Form 10-Q for the Fiscal Quarter Ended December 29, 2018.

2. Equity, Payments and Benefits

a. Pro Rata Equity Vesting. Provided Executive timely executes this Agreement, returns it to Employer no later than December 10, 2018 and does not revoke this Agreement within the period specified in **Paragraph 3.a.iii.** hereof, and provided further that Executive timely executes and does not revoke the Supplemental Release (as defined below) according to the provisions of **Paragraph 18**, and provided further that Executive makes the payments to Employer described in **Paragraph 2.b**, then subject to the terms and conditions of this Agreement, a pro-rata portion of the second tranche of Executive’s joining grant of restricted stock units, granted on March 6, 2017 (the “2017 RSU Grant”), which is equal to 95.83% of the portion of the 2017 RSU Grant eligible to vest on March 6, 2019 (the “Second Vesting Date”), shall remain eligible to vest on the Second Vesting Date in accordance with the terms and conditions of the 2017 RSU Grant agreement in force between Employer and the Executive (the “Pro Rata RSU Vesting”). The portion of the 2017 RSU Grant that is not vested and does not become vested as of the Second Vesting Date shall be forfeited. Executive and Employer agree that, (1) other than the Pro Rata RSU Vesting of the 2017 RSU Grant described above, all of Executive’s unvested outstanding restricted stock units (“RSUs”), performance restricted stock units (“PRSUs”) and stock options (“Stock Options”) shall be automatically forfeited on the Separation Date and (2) the last day on which any vested stock options held by Executive may be exercised is the earlier of (i) the expiration date as defined in the applicable stock option agreement, or (ii) ninety (90) days after the Separation Date.

b. Pro Rata Sign-On Bonus Repayment. Executive and Employer agree that, notwithstanding anything in Executive's Offer Letter (as defined below) to the contrary, on Executive's Separation Date, Executive shall pay back to Employer the gross amount of \$500,000 (five hundred thousand dollars and no cents), which is a portion of his \$1,500,000 sign-on cash bonus (the "Sign-On Bonus"). The payment shall be made by Executive in a check made payable to "Tapestry, Inc." and provided to Sarah Dunn or by wire per instructions provided by Employer.

c. Benefits. Executive's participation in the benefit plans available to the executives of Tapestry, Inc. shall also cease as of the Separation Date. Executive shall have the right, however, at Executive's expense, to exercise such conversion privileges as may be available under such plans. Executive will be entitled to fulfillment of any matching grant obligations under Employer's Matching Grants Program with respect to commitments made by Executive prior to the Separation Date.

d. Executive Acknowledgements. Executive acknowledges and agrees that other than any items specifically set forth in this Agreement, Executive is not and will not be due any other compensation, including, but not limited to, compensation for unpaid salary (except for amounts unpaid and owing for Executive's employment with Employer and its affiliates prior to the Separation Date), unpaid bonus and severance from Employer or any of its affiliates. In addition, Executive acknowledges and agrees that, as of and after the Separation Date, except as specifically provided herein, Executive will not be eligible to participate in any of the benefit plans of Employer or any of its affiliates, including, without limitation, Employer's 401(k) Savings Plan, Employer's Executive Deferred Compensation Plan, business travel accident insurance, accidental death & dismemberment, and short-term and group long-term disability insurance. Executive will be entitled to receive benefits, which are vested and accrued prior to the Separation Date pursuant to the benefit plans of Employer in which Executive participated prior to the Separation Date. Employer shall promptly reimburse Executive for business expenses incurred in the ordinary course of Executive's employment on or before the Separation Date, but not previously reimbursed, provided Employer's policies of documentation and approval are satisfied. Except as specifically herein, notwithstanding anything to the contrary contained herein, Executive shall only be entitled to the Pro Rata RSU Vesting described in Paragraph 2.a if Executive remains employed by Employer through the Separation Date. Nothing herein limits Employer's right to discharge Executive for "cause" (as defined in the offer letter between Executive and Employer, dated December 12, 2016, (the "Offer Letter")) between the date of this Agreement and the Separation Date.

e. Tax Withholding and Adequacy of Payments. All payments and benefits to be made or provided to Executive will be subject to all applicable tax withholding as required by applicable federal, state and local withholding tax laws. The payments received in this Section are adequate and sufficient for entering into this Agreement and the Supplemental Release and include benefits to which Executive is not otherwise entitled.

3. Release. Executive, for himself, Executive's successors, administrators, heirs and assigns, hereby fully releases, waives and forever discharges Employer, any affiliated company or subsidiary, each of its and their respective predecessors, successors, subsidiaries, affiliates, assigns, shareholders, directors, officers, agents, attorneys, employees, employee benefit plans and their administrators and trustees, in their individual and official capacities,

whether past, present, or future (the “**Released Parties**”) from and against any and all actions, suits, debts, demands, damages, claims, judgments, or liabilities of any nature, including costs and attorneys’ fees, whether known or unknown, which Executive ever had, now has or may have against any of the Release Parties in the future, including, but not limited to, all claims arising out of Executive’s employment with or separation from any of the Released Parties, such as (by way of example only) any claim for bonus, severance, or other benefits apart from the benefits expressly stated herein; breach of contract (express or implied); wrongful discharge; whistleblowing; detrimental reliance; defamation; emotional distress or compensatory and/or punitive damages; impairment of economic opportunity; any claim under common-law or at equity; any tort; claims for reimbursements; claims for commissions; or claims for employment discrimination under any state, federal and local law, statute, or regulation or claims related to any other restriction or the right to terminate employment, including without limitation, Title VII of the Civil Rights Act of 1964, as amended; the Americans with Disabilities Act of 1990, as amended; the Human Rights Act, as Amended; the Age Discrimination in Employment Act, as amended; the National Labor Relations Act; the Employee Retirement Income Security Act; the Family and Medical Leave Act of 1993, as amended; the New York State Human Rights Law; the New York City Administrative Code; the New York Labor Law; the New York Minimum Wage Act; the statutory provisions regarding retaliation/discrimination under the New York Worker’s Compensation Law; the New York City Earned Sick Time Act; the New York City Human Rights Law; the Maryland Fair Employment Practices Act, Reasonable Accommodations for Disabilities Due to Pregnancy Law, anti-retaliation provisions of the Maryland workers’ compensation laws, Baltimore City (Baltimore City, Md., Code art. 4, §§ 3-1, *et seq.*), Prince George’s County (Prince George’s Cty., Md., Code, Subtitle 2, Sections 2-185, *et seq.*), Howard County (Howard Cty., Md., Code §§ 12.208, *et seq.*), and Montgomery County (Montgomery Cty., Md., Code §§ 27-11, *et seq.*); and any other claim of discrimination or retaliation in employment (whether based on federal, state, or local law, statutory or decisional) that may be lawfully waived by agreement and corresponding state and local anti-discrimination laws, as applicable. Nothing herein shall release any party from any obligation under this Agreement. Executive acknowledges and agrees that this release in this **Paragraph 3** and the covenant not to sue set forth in **Paragraph 4** are essential and material terms of this Agreement and that, without such release and covenant not to sue, no agreement would have been reached by the parties and no benefits would have been paid. Executive understands and acknowledges the significance and consequences of this release and this Agreement.

- a. EXECUTIVE SPECIFICALLY WAIVES AND RELEASES THE RELEASED PARTIES FROM ALL CLAIMS EXECUTIVE MAY HAVE AS OF THE DATE EXECUTIVE SIGNS THIS AGREEMENT REGARDING CLAIMS OR RIGHTS ARISING UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, 29 U.S.C. 621 (“**ADEA**”) AND THE OLDER WORKERS BENEFIT PROTECTION ACT (“**OWBPA**”). THIS **PARAGRAPH** DOES NOT WAIVE RIGHTS OR CLAIMS THAT MAY ARISE UNDER THE ADEA AFTER THE DATE EXECUTIVE SIGNS THIS AGREEMENT.

- (i) EXECUTIVE AGREES THAT THIS AGREEMENT PROVIDES BENEFITS TO WHICH EXECUTIVE IS NOT OTHERWISE

ENTITLED, AND THAT EMPLOYER HAS ADVISED EXECUTIVE TO CONSULT AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

(ii) EXECUTIVE HAS BEEN PROVIDED TWENTY-ONE (21) DAYS WITHIN WHICH TO CONSIDER WHETHER EXECUTIVE SHOULD SIGN THIS AGREEMENT AND WAIVE AND RELEASE ALL CLAIMS AND RIGHTS ARISING UNDER ADEA AND OWBPA. ANY MODIFICATIONS TO THIS AGREEMENT, MATERIAL OR OTHERWISE, DO NOT RE-START THE 21-DAY CONSIDERATION PERIOD.

(iii) EXECUTIVE SHALL HAVE SEVEN (7) DAYS WITHIN WHICH TO REVOKE THIS AGREEMENT AFTER ITS EXECUTION BY EXECUTIVE AND THIS AGREEMENT SHALL BECOME EFFECTIVE AND ENFORCEABLE ON THE EIGHTH (8th) DAY FOLLOWING THE DATE EXECUTIVE EXECUTES THIS AGREEMENT. ANY REVOCATION WITHIN THE 7-DAY REVOCATION PERIOD MUST BE SUBMITTED IN WRITING TO EMPLOYER'S GENERAL COUNSEL AT 10 HUDSON YARDS, NEW YORK, NY 10001 AND MUST STATE: "I HEREBY REVOKE MY ACCEPTANCE OF OUR AGREEMENT AND GENERAL RELEASE."

a. IN THE EVENT EXECUTIVE RETAINS ANY AMOUNT PAID UNDER THIS AGREEMENT AND LATER ASSERTS OR FILES A CLAIM, CHARGE, COMPLAINT, OR ACTION AND OBTAINS A JUDGMENT, IT IS THE INTENT OF THE PARTIES THAT ALL PAYMENTS MADE TO THE EXECUTIVE HEREUNDER SHALL BE OFFSET AGAINST ANY JUDGMENT EXECUTIVE OBTAINS.

4. Covenant Not to Sue. To the maximum extent permitted by law, Executive covenants not to sue or to institute or cause to be instituted any action in any federal, state, or local agency or court against any of the Released Parties, including but not limited to any of the claims released in **Paragraph 3** of this Agreement. In the event of Executive's breach of the terms of this Agreement, without prejudice to Employer's other rights and remedies available at law or in equity, except as prohibited by law, Executive shall be liable for all costs and expenses (including, without limitation, reasonable attorney's fees and legal expenses) incurred by Employer as a result of such breach. Nothing herein shall prevent Executive or Employer from instituting any action required to enforce the terms of this Agreement or to determine the validity of this Agreement.

5. EEOC, NLRB, SEC, and Governmental Agencies. Nothing in this Agreement shall be construed to prevent or limit Executive from (i) responding truthfully to a valid subpoena; (ii) filing a charge or complaint with, or participating in any investigation conducted by, a governmental agency including the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Equal Employment Opportunity Commission and/or any state or local human rights agency; or (iii) filing, testifying or participating in or otherwise assisting in a proceeding relating to, or reporting, an alleged violation of any federal, state or municipal law relating to fraud or any rule or regulation of the Securities Exchange Commission ("SEC"), the Commodity Futures Trading Commission ("CFTC") or any self-regulatory organization (including, but not limited to, the Financial Industry Regulatory Authority), or making other disclosures that

are protected under the whistleblower provisions of federal or state law or regulation. Prior authorization of the Company shall not be required to make any reports or disclosures under this **Paragraph 5** and Executive is not required to notify Employer that Executive has made such reports or disclosures. Nevertheless, Executive acknowledges and agrees that by virtue of the release set forth in **Paragraph 3** above, Executive has waived any relief available to Executive (including without limitation, monetary damages, equitable relief and reinstatement) under any of the claims and/or causes of action waived in this Agreement. Therefore, except as set forth herein, Executive agrees that Executive will not seek or accept any award or settlement from any source or proceeding (including but not limited to any proceeding brought by any other person or by any government agency) with respect to any claim or right waived in this Agreement. This Agreement does not, however, waive or release Executive's right to receive a monetary award from the SEC or CFTC for information provided to the SEC or CFTC. In addition, nothing herein shall be construed to prevent Executive from enforcing any rights to vested and accrued benefits Executive may have under the Executive Retirement Income Security Act of 1974, commonly known as ERISA.

6. Confidentiality. At all times hereafter, Executive will maintain the confidentiality of all information in whatever form concerning Employer or any of its affiliates relating to its or their businesses, customers, finances, strategic or other plans, marketing, employees, trade practices, trade secrets, know-how or other matters which are not generally known outside Employer, and Executive will not, directly or indirectly, make any disclosure thereof to anyone, or make any use thereof, on her/his own behalf or on behalf of any third party, unless specifically requested by or agreed to in writing by an executive officer of Employer.

In addition, Executive agrees that, except as required by law or regulation, he will not, at any time, discuss publicly (including, without limitation, any member of the media) the terms of Executive's employment severance (including, without limitation, the terms of this Agreement), except with Executive's attorneys, immediate family and financial advisors, and to the extent necessary to enforce the terms and conditions of this Agreement or as otherwise required by law, or pursuant to a valid subpoena, discovery notice, demand or request, or Court order or process.

In the event that Executive breaches this **Paragraph 6**, Executive shall be required to reimburse Employer any proceeds received as a result of the Pro Rata RSU Vesting and shall be required to repay Employer the full amount of his Sign-On Bonus. In addition, Employer shall be entitled to preliminarily or permanently enjoin Executive from violating this **Paragraph 6** in order to prevent the continuation of such harm.

7. Return of Company Property. Executive will promptly after the Separation Date return to Employer all reports, files, memoranda, records, computer equipment and software, credit cards, cardkey passes, door and file keys, computer access codes or disks and instructional manuals, and other physical or personal property which he received or prepared or helped prepare in connection with his employment with Employer, its subsidiaries and affiliates, and Executive will not retain any copies, duplicates, reproductions or excerpts thereof.

8. Non-Disparagement. Executive agrees to refrain from making public or private comments or taking any actions which disparage, or are disparaging, derogatory or

negative about the business of Employer, or the products, policies or decisions of Employer, or any present or former officers, directors or employees of Employer or any of its operating divisions, subsidiaries or affiliates. In the event that Executive breaches this **Paragraph 8**, Executive shall be required to reimburse Employer any proceeds received as a result of the Pro Rata RSU Vesting and shall be required to repay Employer the full amount of his Sign-On Bonus. In addition, Employer shall be entitled to preliminarily or permanently enjoin Executive from violating this **Paragraph 8** in order to prevent the continuation of such harm.

9. Re-Affirmation of Restrictive Covenants. Executive acknowledges and agrees that the non-competition, non-solicitation and non-interference covenants contained in the Offer Letter and the restrictive covenants contained in the award agreements evidencing Executive's equity awards will continue in full force and effect in accordance with their terms and that Employer will, in addition to the rights and remedies contained in this **Paragraph 9**, retain all rights and remedies under the Offer Letter and the award agreements evidencing Executive's equity awards to enforce the terms of such covenants. Executive acknowledges that compliance with this **Paragraph 9** is necessary to protect the business and good will of Employer and that a breach of any of these provisions will irreparably and continually damage Employer, for which money damages may not be adequate. Accordingly, in the event that Executive breaches this **Paragraph 9**, Executive shall be required to reimburse Employer any proceeds received as a result of the Pro Rata RSU Vesting and shall be required to repay Employer the full amount of his Sign-On Bonus. In addition, Employer shall be entitled to preliminarily or permanently enjoin Executive from violating this **Paragraph 9** in order to prevent the continuation of such harm.

10. Future Employment. Executive shall be restricted from, directly or indirectly, counseling, advising, or becoming employed by, or providing any and all services to a competitor of Employer during the twelve (12) month period following the Separation Date. Executive acknowledges that compliance with this **Paragraph 10** is necessary to protect the business and good will of Employer and that a breach of any of these provisions will irreparably and continually damage Employer, for which money damages may not be adequate. Accordingly, in the event that Executive breaches this **Paragraph 10**, Executive shall be required to reimburse Employer any proceeds received as a result of the Pro Rata RSU Vesting and shall be required to repay Employer the full amount of his Sign-On Bonus. In addition, Employer shall be entitled to preliminarily or permanently enjoin Executive from violating this **Paragraph 10** in order to prevent the continuation of such harm. For the purposes of this provision, "**Competitors**" include the following companies together with their respective subsidiaries, parent entities and all other affiliates, provided that Employer shall be permitted in its discretion to update this list of Competitors from time to time through the Separation Date: Adidas AG; Burberry Group PLC; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; L Brands, Inc.; LVMH Moet Hennessy Louis Vuitton SA; Michael Kors Holdings Limited; Prada, S.p.A; Proenza Schouler; PVH Corp.; Rag & Bone; Ralph Lauren Corporation; Tory Burch LLC; Tumi Holdings, Inc.; and V.F. Corporation. Executive understands and agrees that the list of Competitors in effect as of the Separation Date will be the authoritative list of "**Competitors**" for all purposes under this Agreement. Any requests for exceptions to these restrictions and Employer's ability to seek injunctive relief shall be made in writing to Employer's Global Head of Human

Resources. Following receipt of such request, Employer hereby reserves the right, in its sole discretion, to grant such exception and forego the right to seek injunctive relief. Such decision by Employer shall not, in any way, effect any other right Employer has pursuant to this Agreement, the Offer Letter or the award agreements evidencing Executive's equity awards, and all such rights are hereby explicitly reserved. In addition, Executive agrees that s/he shall not apply for, and shall not be eligible for, any future employment with Employer.

11. Information/Privacy Obligations. In addition to the obligations set forth above, Executive shall not retain, copy, transfer or otherwise obtain, use, hold or possess any information whatsoever that resides on Employer's premises, databases, electronic servers and/or storage devices/facilities, including any and all information that Executive had access to as a result of being employed by Employer, whether in electronic or hard copy format. Notwithstanding this requirement, Executive may make a copy and maintain, but shall not delete from Employer's systems, Executive's Outlook Contacts and Executive's Outlook Calendar to the extent Executive's Outlook Contacts and Outlook Calendar do not contain proprietary, confidential or trade secret information of Employer and its subsidiaries and affiliates. Executive may also take possession of Executive's own personal items (i.e., family photos and family records/documents). In the event that Executive breaches this **Paragraph 11**, Executive shall be required to reimburse Employer any proceeds received as a result of the Pro Rata RSU Vesting and shall be required to repay Employer the full amount of his Sign-On Bonus. In addition, Employer shall be entitled to preliminarily or permanently enjoin Executive from violating this **Paragraph 11** in order to prevent the continuation of such harm and to recover all damages and other remedies to which it is entitled under law.

12. Future Cooperation. In further consideration of Executive's agreement to the terms contained herein, Executive agrees to cooperate and provide all responsive information to Employer's reasonable requests concerning any investigation, litigation, or any other matter which relates to any fact or circumstance known to Executive during his or her employment with Employer. Executive agrees to respond to Employer's request for cooperation and assistance within three (3) business days of any such request, or as soon thereafter as is reasonably practicable. Executive acknowledges that he or she is not entitled to further compensation or consideration from Employer for such cooperation or assistance.

13. Executive's Understanding. Executive acknowledges by signing this Agreement that Executive has read and understands this document, as well as the Executive has conferred with or had opportunity to confer with attorneys regarding the terms and meaning of this Agreement, that Executive has had sufficient time to consider the terms provided for in this Agreement, that no representations or inducements have been made to Executive except as set forth herein, and that Executive has signed the same KNOWINGLY AND VOLUNTARILY.

14. Provisions. It is intended that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. The provisions of this Agreement shall be construed in accordance with the internal laws of the State of New York notwithstanding any conflict of laws provisions. In the event that any paragraph, subparagraph or provision of this Agreement shall be determined to be partially contrary to governing law or otherwise partially unenforceable, the paragraph, subparagraph, or provision and this Agreement shall

be enforced to the maximum extent permitted by law, and if any paragraph, subparagraph, or provision of this Agreement shall be determined to be totally contrary to governing law or otherwise totally unenforceable, the paragraph, subparagraph, or provision shall be severed and disregarded and the remainder of this Agreement shall be enforced to the maximum extent permitted by law.

15. Non-Admission of Liability. Neither this Agreement nor performance hereunder constitutes an admission by any of the Released Parties of any violation of any federal, state, or local law, regulation, common-law, breach of any contract, or any other wrongdoing of any type. The Released Parties specifically deny that they or any of their officers, directors or employees engaged in any wrongdoing concerning Executive.

16. Section 409A.

a. This Agreement (and all payments and benefits under this Agreement) is intended to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”) and the regulations and other interpretive guidance thereunder (collectively, “**Section 409A**”), and shall be construed and interpreted in accordance with such intent. To the extent that any amount payable pursuant to this Agreement is subject to Code Section 409A, it shall be paid in a manner that will comply therewith, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect to Code Section 409A (the “**Guidance**”); provided, however, that nothing hereunder shall (i) guarantee that the payments will not be subject to taxes, interest and penalties under Section 409A of the Code; (ii) entitle Executive to a reimbursement on any tax liability incurred in connection with payments provided hereunder; or (iii) transfer any liability from Executive or any other individual to Employer or any of its affiliates, employees or agents pursuant to the terms of this Agreement or otherwise. In the event that any provision of this Agreement would fail to satisfy the requirement of Code Section 409A and the Guidance, Employer shall be permitted to reform this Agreement to maintain to the maximum extent practicable the original intent thereof without violating the requirements of Code Section 409A or the Guidance.

b. Each payment made under this Agreement (including each separate installment payment in the case of a series of installment payments) shall be deemed to be a separate payment for purposes of Section 409A. Amounts payable under this Agreement shall be deemed not to be a “deferral of compensation” subject to 409A to the extent provided in the Treasury Regulations 1.409A-1(b)(4) (“short terms deferrals”) and (b)(9) (“separation pay plans,” including the exception under subparagraphs (iii)) and other applicable provisions of Section 409A.

17. Overpayments, Employee Reimbursements and Return of Company Property.

a. Executive agrees to repay any overpayment of any amount miscalculated hereunder to which Executive is not expressly entitled under the terms of the Offer Letter as memorialized by this Agreement.

b. Executive further agrees that if Executive does not return all Employer property or reimburse Employer for all personal expenses charged to Employer within 7 days of executing this Agreement, then Employer may reconcile or set off the value of the property or the amount of the personal charges against any remaining unpaid amount due hereunder. For purposes of this **paragraph**, the value of any Employer property shall be determined by Employer in its sole discretion.

18. Additional Release. Executive agrees that his entitlement to the Pro Rata RSU Vesting and the partial repayment of his Sign-On Bonus is expressly conditioned on his execution of a supplemental release in the form annexed hereto as Addendum A (the “**Supplemental Release**”) no earlier than the Separation Date and no later than March 1, 2019. If Executive does not execute the Supplemental Release, he will not be entitled to the Pro Rata RSU Vesting and will be required to repay the full amount of his Sign-On Bonus.

[Remainder of page intentionally left blank]

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

Tapestry, Inc.

/s/ Sarah Dunn_____

Sarah Dunn
Global Human Resources Officer

Date: 12/6/18_____

Accepted and agreed to.

EXECUTIVE:

/s/ Kevin Wills_____

KEVIN WILLS

Date: 11/28/18_____

ADDNEDUM A

Supplemental Release Agreement

Tapestry, Inc. and its subsidiaries (“**Employer**”) and Kevin Wills (“**Executive**”) enter into this Supplemental Release Agreement (“**Supplemental Release**”), which was received by Executive on November 19, 2018, signed by Executive on the date shown below Executive’s signature on the last page of this Agreement and is effective eight days (8) after the date of execution by Executive unless Executive revokes the agreement before that date. Employer and Executive previously entered into a Separation Agreement and Release between Employer and the Executive, dated as of [●] (the “**Separation Agreement**”). Capitalized terms used but not defined herein have the meanings given to such terms in the Separation Agreement. Pursuant to Section 20 of the Separation Agreement, Executive’s receipt of the Pro Rata RSU Vesting and his partial repayment of his Sign-On Bonus (each as defined in the Separation Agreement) is subject to and conditioned upon Executive’s execution and non-revocation of this Supplemental Release. Therefore, for and in consideration of the promises and agreements made in the Separation Agreement and this Supplemental Release and for other good and valuable consideration as follows, Executive and Employer hereby agree as follows:

1. Separation Date. The Executive’s employment with the Employer terminated on the Separation Date.
2. Release. Executive, for himself, Executive’s successors, administrators, heirs and assigns, hereby fully releases, waives and forever discharges Employer, any affiliated company or subsidiary, each of its and their respective predecessors, successors, subsidiaries, affiliates, assigns, shareholders, directors, officers, agents, attorneys, employees, employee benefit plans and their administrators and trustees, in their individual and official capacities, whether past, present, or future (the “**Released Parties**”) from and against any and all actions, suits, debts, demands, damages, claims, judgments, or liabilities of any nature, including costs and attorneys’ fees, whether known or unknown, which Executive ever had, now has or may have against any of the Released Parties in the future, including, but not limited to, all claims arising out of Executive’s employment with or separation from any of the Released Parties, such as (by way of example only) any claim for bonus, severance, or other benefits apart from the benefits expressly stated herein; breach of contract (express or implied); wrongful discharge; whistleblowing; detrimental reliance; defamation; emotional distress or compensatory and/or punitive damages; impairment of economic opportunity; any claim under common-law or at equity; any tort; claims for reimbursements; claims for commissions; or claims for employment discrimination under any state, federal and local law, statute, or regulation or claims related to any other restriction or the right to terminate employment, including without limitation, Title VII of the Civil Rights Act of 1964, as amended; the Americans with Disabilities Act of 1990, as amended; the Human Rights Act, as Amended; the Age Discrimination in Employment Act, as amended; the National Labor Relations Act; the Employee Retirement Income Security Act; the Family and Medical Leave Act of 1993, as amended; the New York State Human Rights Law; the New York City Administrative Code; the New York Labor Law; the New York Minimum Wage Act; the statutory provisions regarding retaliation/discrimination under the New York Worker’s

Compensation Law; the New York City Earned Sick Time Act; the New York City Human Rights Law; the Maryland Fair Employment Practices Act, Reasonable Accommodations for Disabilities Due to Pregnancy Law, anti-retaliation provisions of the Maryland workers' compensation laws, Baltimore City (Baltimore City, Md., Code art. 4, §§ 3-1, *et seq.*), Prince George's County (Prince George's Cty., Md., Code, Subtitle 2, Sections 2-185, *et seq.*), Howard County (Howard Cty., Md., Code §§ 12.208, *et seq.*), and Montgomery County (Montgomery Cty., Md., Code §§ 27-11, *et seq.*); and any other claim of discrimination or retaliation in employment (whether based on federal, state, or local law, statutory or decisional) that may be lawfully waived by agreement and corresponding state and local anti-discrimination laws, as applicable. Nothing herein shall release any party from any obligation under this Supplemental Release. Executive acknowledges and agrees that this release in this **Paragraph 2** and the covenant not to sue set forth in **Paragraph 3** are essential and material terms of this Supplemental Release and that, without such release and covenant not to sue, no agreement would have been reached by the parties and no benefits would have been paid. Executive understands and acknowledges the significance and consequences of this Supplemental Release.

a. EXECUTIVE SPECIFICALLY WAIVES AND RELEASES THE RELEASED PARTIES FROM ALL CLAIMS EXECUTIVE MAY HAVE AS OF THE DATE EXECUTIVE SIGNS THIS SUPPLEMENTAL RELEASE REGARDING CLAIMS OR RIGHTS ARISING UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, 29 U.S.C. 621 ("ADEA") AND THE OLDER WORKERS BENEFIT PROTECTION ACT ("OWBPA"). THIS **PARAGRAPH** DOES NOT WAIVE RIGHTS OR CLAIMS THAT MAY ARISE UNDER THE ADEA AFTER THE DATE EXECUTIVE SIGNS THIS AGREEMENT.

(i) EXECUTIVE AGREES THAT THE SEPARATION AGREEMENT AND THIS SUPPLEMENTAL RELEASE PROVIDE BENEFITS TO WHICH EXECUTIVE IS NOT OTHERWISE ENTITLED, AND THAT EMPLOYER HAS ADVISED EXECUTIVE TO CONSULT AN ATTORNEY PRIOR TO SIGNING THIS SUPPLEMENTAL RELEASE.

(ii) EXECUTIVE HAS BEEN PROVIDED TWENTY-ONE (21) DAYS WITHIN WHICH TO CONSIDER WHETHER EXECUTIVE SHOULD SIGN THIS SUPPLEMENTAL RELEASE AND WAIVE AND RELEASE ALL CLAIMS AND RIGHTS ARISING UNDER ADEA AND OWBPA. ANY MODIFICATIONS TO THIS SUPPLEMENTAL RELEASE, MATERIAL OR OTHERWISE, DO NOT RE-START THE 21-DAY CONSIDERATION PERIOD.

(iii) EXECUTIVE SHALL HAVE SEVEN (7) DAYS WITHIN WHICH TO REVOKE THIS SUPPLEMENTAL RELEASE AFTER ITS EXECUTION BY EXECUTIVE AND THIS SUPPLEMENTAL RELEASE SHALL BECOME EFFECTIVE AND ENFORCEABLE ON THE EIGHTH (8th) DAY FOLLOWING THE DATE EXECUTIVE EXECUTES THIS SUPPLEMENTAL RELEASE. ANY REVOCATION WITHIN THE 7-DAY REVOCATION PERIOD MUST BE SUBMITTED IN WRITING TO EMPLOYER'S GENERAL COUNSEL AT 10 HUDSON YARDS, NEW YORK, NY 10001 AND MUST STATE: "I HEREBY REVOKE MY ACCEPTANCE OF THE SUPPLEMENTAL RELEASE."

a. IN THE EVENT EXECUTIVE RETAINS ANY AMOUNT PAID UNDER THE SEPARATION AGREEMENT OR THIS SUPPLEMENTAL RELEASE AND LATER ASSERTS OR FILES A CLAIM, CHARGE, COMPLAINT, OR ACTION AND OBTAINS A JUDGMENT, IT IS THE INTENT OF THE PARTIES THAT ALL PAYMENTS MADE TO THE EXECUTIVE THEREUNDER AND HEREUNDER SHALL BE OFFSET AGAINST ANY JUDGMENT EXECUTIVE OBTAINS.

3. Covenant Not to Sue. To the maximum extent permitted by law, Executive covenants not to sue or to institute or cause to be instituted any action in any federal, state, or local agency or court against any of the Released Parties, including but not limited to any of the claims released in **Paragraph** 2 of this Supplemental Release. In the event of Executive's breach of the terms of the Separation Agreement or this Supplemental Release, without prejudice to Employer's other rights and remedies available at law or in equity, except as prohibited by law, Executive shall be liable for all costs and expenses (including, without limitation, reasonable attorney's fees and legal expenses) incurred by Employer as a result of such breach. Nothing herein shall prevent Executive or Employer from instituting any action required to enforce the terms of this Supplemental Release or to determine the validity of this Supplemental Release.

4. Incorporation by Reference. The terms, conditions and restrictions set forth in **Paragraphs** 2, and 5 through 18, inclusive, of the Separation Agreement are incorporated by reference herein as if fully set forth herein.

[Remainder of page intentionally left blank]

In witness whereof, the parties hereto have executed and delivered this Supplemental Release.

Tapestry, Inc.

Sarah Dunn
Global Human Resources Officer

Date: _____

Accepted and agreed to.

EXECUTIVE:

KEVIN WILLS

Date: _____

I, Victor Luis, 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: February 7, 2019

By: /s/ Victor Luis

Name: Victor Luis

Title: Chief Executive Officer

I, Kevin Wills, 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: February 7, 2019

By: /s/ Kevin Wills

Name: Kevin Wills

Chief Financial Officer

Title:

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 December 29, 2018 (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: February 7, 2019

By: /s/ Victor Luis
Name: Victor Luis
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 December 29, 2018 (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: February 7, 2019

By: /s/ Kevin Wills
Name: Kevin Wills
Title: Chief Financial Officer