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

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended June 29, 2019
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	**52-2242751**
(State or other jurisdiction of incorporation or organization)	(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)

Securities Registered Pursuant to Section 12(b) of the Act:

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

Securities Registered Pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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 and posted 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 and post such files). Yes ☑ No ☐

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

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The aggregate market value of Tapestry, Inc. common stock held by non-affiliates as of December 28, 2018 (the last business day of the most recently completed second fiscal quarter) was approximately $9.6 billion. For purposes of determining this amount only, the registrant has excluded shares of common stock held by directors and officers. Exclusion of shares held by any person should not be construed to indicate that such person possesses the power, direct or indirect, to cause the direction of the management or policies of the registrant, or that such person is controlled by or under common control with the registrant.

On August 2, 2019, the Registrant had 286,849,656 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Documents	Form 10-K Reference
Proxy Statement for the 2019 Annual Meeting of Stockholders	Part III, Items 10 – 14

TAPESTRY, INC.

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SPECIAL NOTE ON FORWARD-LOOKING INFORMATION

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

Tapestry, Inc.’s actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in the sections of this Form 10-K filing entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These factors are not necessarily all of the factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements.

In this Form 10-K, references to "we," "our," "us," "Tapestry" and the "Company" refer to Tapestry, Inc., including consolidated subsidiaries as of June 29, 2019 ("fiscal 2019"). References to "Coach," "Kate Spade," "kate spade new york" or "Stuart Weitzman" refer only to the referenced brand. The fiscal years ended June 29, 2019 ("fiscal 2019"), June 30, 2018 ("fiscal 2018") and July 1, 2017 ("fiscal 2017") were 52-week periods.

PART I

ITEM 1. BUSINESS

Tapestry, Inc. (the "Company") 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 fashion landscape for over 25 years.

GENERAL DEVELOPMENT OF BUSINESS

Founded in 1941, Coach, Inc., the predecessor company to Tapestry, Inc., was acquired by Sara Lee Corporation ("Sara Lee") in 1985. In June 2000, Coach, Inc. was incorporated in the state of Maryland. In October 2000, Coach, Inc. was listed on the New York Stock Exchange and sold approximately 19.5% of the then outstanding shares. In April 2001, Sara Lee completed a distribution of its remaining ownership in Coach, Inc. via an exchange offer, which allowed Sara Lee stockholders to tender Sara Lee common stock for Coach, Inc. common stock. During fiscal 2015, the Company acquired Stuart Weitzman Holdings LLC, a luxury women's footwear company. During the first quarter of fiscal 2018, the Company acquired Kate Spade & Company, a lifestyle accessories and ready-to-wear company.

During fiscal 2018, the Company changed its name to Tapestry, Inc., a leading luxury lifestyle company with a diverse multi-brand portfolio supported by significant expertise in handbag design, merchandising, supply chain and retail operations as well as solid financial acumen.

The Company's international expansion strategy has been to enter into joint ventures and establish distributor relationships to build market presence and capability. To further accelerate brand awareness, aggressively grow market share and to exercise greater control of our brands, the Company has historically acquired its joint venture partner's interests or distribution rights in these international regions.

Tapestry acquired or obtained operational control of the retail businesses from its distributors or its joint venture partners during fiscal 2018 and fiscal 2019 as follows:

Fiscal 2018

- Coach: Australia and New Zealand
- Stuart Weitzman: Northern China
- Kate Spade: Greater China (including mainland China, Hong Kong, Macau and Taiwan)

Fiscal 2019

- Stuart Weitzman: Southern China and Australia
- Kate Spade: Australia, Singapore and Malaysia

OUR BRANDS

The Company has three reportable segments:

- Coach includes global sales of Coach products to customers through Coach operated stores, including the Internet and concession shop-in-shops, and sales to wholesale customers and through independent third party distributors. This segment represented 70.9% of total net sales in fiscal 2019.
- 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. This segment represented 22.7% of total net sales in fiscal 2019.
- 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 independent third party distributors. This segment represented 6.4% of total net sales in fiscal 2019.

Corporate, which is not a reportable segment, represents certain costs that are not directly attributable to a brand. These costs primarily include administrative and information systems expense.

Coach

Coach is a leading design house of modern luxury accessories and lifestyle collections, with a long-standing reputation built on quality craftsmanship. As a pioneer in the leather goods and accessories space, the brand established itself as the original American house of leather. Coach remains inspired by its rich heritage, with the spirit of innovation it has had for more than 75 years. Defined by a free-spirited, all-American attitude, the brand approaches design with a modern vision, reimagining luxury for today with an authenticity that is uniquely Coach. All over the world, the Coach name is synonymous with effortless New York style. We present a sophisticated, modern and inviting environment, both in bricks & mortar stores and online, to showcase our product assortment and reinforce a consistent brand positioning.

Stores — Coach operates freestanding flagship, retail and outlet stores as well as concession shop-in-shop locations. These stores are located in regional shopping centers, metropolitan areas throughout the world and established outlet centers.

Coach flagship stores, which offer the fullest expression of the Coach brand, are located in tourist-heavy, densely populated cities globally. Retail stores carry an assortment of products depending on their size, location and customer preferences. Coach outlet stores serve as an efficient means to sell manufactured-for-outlet product and discontinued retail inventory outside the retail channel. The outlet store design, visual presentations and customer service levels support and reinforce the brand's image. Through these outlet stores, we target value-oriented customers in established outlet centers that are close to major markets.

The following table shows the number of Coach directly-operated locations and their total and average square footage:

	Coach		
	North America	International[1]	Total
Store Count			
Fiscal 2019	**391**	**595**	**986**
Net change vs. prior year	**(11)**	**10**	**(1)**
% change vs. prior year	**(2.7)%**	**1.7%**	**(0.1)%**
Fiscal 2018	402	585	987
Net change vs. prior year	(17)	42	25
% change vs. prior year	(4.1)%	7.7%	2.6 %
Fiscal 2017	419	543	962
Net change vs. prior year	(13)	21	8
% change vs. prior year	(3.0)%	4.0%	0.8 %
Square Footage			
Fiscal 2019	**1,802,410**	**1,304,618**	**3,107,028**
Net change vs. prior year	**(33,133)**	**48,093**	**14,960**
% change vs. prior year	**(1.8)%**	**3.8%**	**0.5 %**
Fiscal 2018	1,835,543	1,256,525	3,092,068
Net change vs. prior year	(48,661)	89,605	40,944
% change vs. prior year	(2.6)%	7.7%	1.3 %
Fiscal 2017	1,884,204	1,166,920	3,051,124
Net change vs. prior year	(7,942)	80,605	72,663
% change vs. prior year	(0.4)%	7.4%	2.4 %
Average Square Footage			
Fiscal 2019	**4,610**	**2,193**	**3,151**
Fiscal 2018	4,566	2,148	3,133
Fiscal 2017	4,497	2,149	3,172

(1) Fiscal 2018 includes the addition of 21 stores acquired as a result of the Coach distributor acquisition in Australia and New Zealand completed during the third quarter of fiscal 2018.

In fiscal 2020, we expect little change in overall store count. Furthermore, we expect to continue investing in the elevation of our existing store environments.

Internet — We view our www.coach.com website as a key communications vehicle for the brand to promote traffic in retail stores and department store locations and build brand awareness, as well as an additional channel to sell Coach brand products directly to customers. Consumers also have the ability to place e-commerce orders through point-of-sale mobile devices located within our retail stores. Our online store provides a showcase environment where consumers can browse through a selected offering of the latest styles and colors. To a lesser extent, our e-commerce programs also include our invitation-only outlet flash sales site.

Wholesale — We work closely with our wholesale partners to ensure a clear and consistent product presentation. We enhance our presentation through the creation of shop-in-shops with proprietary Coach brand fixtures within the department store environment. We custom tailor our assortments through wholesale product planning and allocation processes to match the attributes of our department store consumers in each local market. We continue to closely manage inventories in this channel given the current highly promotional environment at point-of-sale. We utilize automatic replenishment with major accounts in an effort to optimize inventory levels across wholesale doors. The wholesale business for Coach brand comprised approximately 8% of total brand net sales for fiscal 2019.

As of June 29, 2019, Coach's products are sold in over approximately 1,600 wholesale and distributor locations globally. Coach's most significant wholesale partnerships are with department stores including Macy's (including Bloomingdale's), Dillard's, Hudson's Bay Company (including The Bay, Saks 5th Ave and Lord & Taylor), Nordstrom,Von Maur, Zappos, Neiman Marcus and Belk. Coach products are also available on these customers' websites.

Coach has developed relationships with a select group of distributors who sell Coach products through travel retail locations and in certain international countries where Coach does not have directly operated retail locations. During the fiscal year ended June 29, 2019, Coach's most significant distributors are Korea Duty Free, the DFS Group, Al Tayer Insignia and China Duty Free.

As of June 29, 2019 and June 30, 2018, Coach did not have any customers who individually accounted for more than 10% of the segment's total net sales.

Kate Spade

Since its launch in 1993 with a collection of six essential handbags, Kate Spade has always stood for optimistic femininity. Today, the brand is a global life and style house with handbags, ready-to-wear, jewelry, footwear, gifts, home décor and more. Polished ease, thoughtful details and a modern, sophisticated use of color—Kate Spade’s founding principles define a unique style synonymous with joy.

Stores — Kate Spade operates freestanding flagship, specialty retail and outlet stores as well as concession shop-in-shops. These stores are located in regional shopping centers, metropolitan areas throughout the world and established outlet centers.

Kate Spade flagship locations, which offer the fullest expression of the Kate Spade brand, are located in key strategic markets including tourist-heavy, densely populated cities globally. Retail stores carry an assortment of products depending on their size, location and customer preferences. Kate Spade outlet stores serve as an efficient means to sell manufactured-for-outlet product and discontinued retail inventory outside the retail channel. Through these outlet stores, we target value-oriented customers in established outlet centers that are close to major markets.

The following table shows the number of Kate Spade directly-operated locations and their total and average square footage:

	Kate Spade[1]		
	North America	International[2]	Total
Store Count			
Fiscal 2019	**213**	**194**	**407**
Net change vs. prior year	**13**	**52**	**65**
% change vs. prior year	**6.5%**	**36.6%**	**19.0%**
Fiscal 2018	200	142	342
Square Footage			
Fiscal 2019	**578,649**	**267,349**	**845,998**
Net change vs. prior year	**83,528**	**95,595**	**179,123**
% change vs. prior year	**16.9%**	**55.7%**	**26.9%**
Fiscal 2018	495,121	171,754	666,875
Average Square Footage			
Fiscal 2019	**2,717**	**1,378**	**2,079**
Fiscal 2018	2,476	1,210	1,950

(1) The Kate Spade business was acquired in the first quarter of fiscal 2018 which included the addition of 180 stores in North America and 95 international stores.

(2) Fiscal 2019 includes the addition of 21 stores acquired as a result of the Kate Spade distributor acquisitions in Australia, Malaysia and Singapore during fiscal 2019. Fiscal 2018 includes the addition of 50 stores related to taking operational control of the Kate Spade Joint Ventures that operate in Greater China in fiscal 2018.

We expect to modestly grow in store count in the next fiscal year within North America and internationally. Furthermore, we expect to continue investing in the elevation of our existing store environments.

Internet — We view our www.katespade.com website as a key communications vehicle for the brand to promote traffic in retail stores and department store locations and build brand awareness, as well as an additional channel to sell Kate Spade brand products directly to customers. Consumers also have the ability to place e-commerce orders through point-of-sale mobile devices located within our retail stores. To a lesser extent, our e-commerce programs also include our outlet flash sales site.

Wholesale — As of June 29, 2019, Kate Spade brand's products are sold in approximately 1,200 wholesale and distributor locations, primarily in the U.S, Canada and Europe. The most significant wholesale partnerships primarily include sales of kate spade new york products. These partnerships include Nordstrom, Macy's (including Bloomingdale's), The TJX Companies Inc. and Dillard's. Kate Spade products are also available on these customers' websites. The wholesale business for Kate Spade brand comprised approximately 13% of total brand net sales for fiscal 2019.

Kate Spade has developed relationships with a select group of distributors who sell Kate Spade products through travel retail locations and in certain international countries where Kate Spade does not have directly operated retail locations. During the fiscal year ended June 29, 2019, Kate Spade's most significant distributors are Al-Futtaim Group, Valiram, DFS Group, Starboard and Pangea.

As of June 29, 2019 and June 30, 2018, Kate Spade did not have any customers who individually accounted for more than 10% of the segment's total net sales.

Stuart Weitzman

Stuart Weitzman offers beautiful shoes that combine fashion and function. For more than 30 years, every pair has been handcrafted using the finest materials and meticulously engineered for a flawless fit. The brand is one of the most recognizable names in footwear; its award-winning shoes are worn by stylish women around the globe and by celebrities both on and off the red carpet. Stuart Weitzman is currently evolving into a multi-category brand with the expansion of handbags and accessories.

Stores — Stuart Weitzman products are primarily sold in freestanding flagship, retail and outlet stores. Stuart Weitzman flagship locations, which offer the fullest expression of the brand, are located in key strategic markets including tourist-heavy, densely populated cities globally. Retail stores carry an assortment of products depending on their size, location and customer preferences. Through outlet stores, we target value-oriented customers in established outlet centers that are close to major markets.

The following table shows the number of Stuart Weitzman directly-operated locations and their total and average square footage:

	Stuart Weitzman		
	North America	**International[1]**	**Total**
Store Count			
Fiscal 2019	**71**	**76**	**147**
Net change vs. prior year	**3**	**41**	**44**
% change vs. prior year	**4.4 %**	**117.1%**	**42.7%**
Fiscal 2018	68	35	103
Net change vs. prior year	(1)	23	22
% change vs. prior year	(1.4)%	191.7%	27.2%
Fiscal 2017	69	12	81
Net change vs. prior year	5	1	6
% change vs. prior year	7.8 %	9.1%	8.0%
Square Footage			
Fiscal 2019	**125,336**	**90,300**	**215,636**
Net change vs. prior year	**7,467**	**42,802**	**50,269**
% change vs. prior year	**6.3 %**	**90.1%**	**30.4%**
Fiscal 2018	117,869	47,498	165,367
Net change vs. prior year	(75)	28,690	28,615
% change vs. prior year	(0.1)%	152.5%	20.9%
Fiscal 2017	117,944	18,808	136,752
Net change vs. prior year	12,680	6,252	18,932
% change vs. prior year	12.0 %	49.8%	16.1%
Average Square Footage			
Fiscal 2019	**1,765**	**1,188**	**1,467**
Fiscal 2018	1,733	1,357	1,606
Fiscal 2017	1,709	1,567	1,688

(1) Fiscal 2019 includes the addition of 18 stores acquired as a result of the distributor acquisitions in Southern China and Australia during fiscal 2019. Fiscal 2018 includes the addition of 20 stores acquired as a result of the Stuart Weitzman distributor acquisition in Northern China during fiscal 2018.

In fiscal 2020, we expect modest growth in store count and square footage internationally.

Internet — We view our www.stuartweitzman.com website as a key communications vehicle for the brand to promote traffic in retail stores and department store locations and build brand awareness, as well as an additional channel to sell Stuart Weitzman brand products directly to customers.

Wholesale — Stuart Weitzman brand products are primarily sold through approximately 1,100 wholesale and distributor locations globally, which include multi-brand boutiques as of fiscal 2019. Stuart Weitzman's most significant wholesale partnerships

include Nordstrom, Hudson's Bay Company (including Saks 5th Ave and Lord & Taylor), Macy's (including Bloomingdale's) and Neiman Marcus. The wholesale business for Stuart Weitzman brand comprised approximately 39% of total brand net sales for fiscal 2019.

Stuart Weitzman has developed relationships with a select group of distributors who sell Stuart Weitzman products through travel retail locations and in certain international countries where Stuart Weitzman does not have directly operated retail locations. During the fiscal year ended June 29, 2019, Stuart Weitzman's most significant distributors are Pedder Group and Hermanns Imports.

As of June 29, 2019 and June 30, 2018, Stuart Weitzman did not have any customers who individually accounted for more than 10% of the segment's total net sales.

Refer to Note 17, "Segment Information," for further information about the Company's segments.

LICENSING

Our brands take an active role in the design process and control the marketing and distribution of products in our worldwide licensing relationships. Licensing revenue for the Company was $53.3 million and $53.6 million in fiscal 2019 and fiscal 2018, respectively. Our key licensing relationships and their calendar year expirations as of June 29, 2019 are as follows:

Brand	Category	Partner	Expiration
Coach	Eyewear	Luxottica	2020
Coach	Watches	Movado	2020
Coach	Fragrance	Interparfums	2026
Kate Spade	Fashion Bedding	HTA	2019
Kate Spade	Footwear	Steve Madden[1]	2019
Kate Spade	Eyewear	Safilo	2020
Kate Spade	Tableware	Lenox	2020
Kate Spade	Stationery and Gift	Lifeguard Press	2020
Kate Spade	Tech Accessories	Incipio	2021
Kate Spade	Watches	Fossil	2025

(1) The Company intends to bring the majority of the Kate Spade brand women's footwear business in-house in fiscal 2020.

Products made under license are, in most cases, sold through stores and wholesale channels and, with the Company's approval, the licensees have the right to distribute products selectively through other venues, which provide additional, yet controlled, exposure of our brands. Our licensing partners pay royalties on their net sales of our branded products. Such royalties currently comprise approximately 1% of Tapestry's total net sales. The licensing agreements generally give our brands the right to terminate the license if specified sales targets are not achieved.

PRODUCTS

The following table shows net sales for each of our product categories by segment:

	Fiscal Year Ended					
	June 29, 2019		June 30, 2018		July 1, 2017	
	(millions)					
	Amount	**% of total net sales**	Amount	% of total net sales	Amount	% of total net sales
Coach						
Women's Handbags	**$ 2,261.3**	**38%**	$ 2,298.2	39%	$ 2,308.0	52%
Men's	**862.0**	**14**	844.6	14	808.0	18
Women's Accessories	**766.5**	**13**	747.1	13	721.0	16
Other Products	**381.1**	**6**	331.6	6	277.7	6
Total Coach	**$ 4,270.9**	**71%**	$ 4,221.5	72%	$ 4,114.7	92%
Kate Spade[1]						
Women's Handbags	**$ 763.7**	**13%**	$ 703.4	12%	$ —	—%
Other Products	**315.2**	**5**	311.6	5	—	—
Women's Accessories	**287.9**	**5**	269.7	5	—	—
Total Kate Spade	**$ 1,366.8**	**23%**	$ 1,284.7	22%	$ —	—%
Stuart Weitzman[2]	**$ 389.4**	**6%**	$ 373.8	6%	$ 373.6	8%
Total Net sales	**$ 6,027.1**	**100%**	$ 5,880.0	100%	$ 4,488.3	100%

(1) The Company completed its acquisition of Kate Spade in fiscal 2018. The operating results of the Kate Spade brand have been consolidated in the Company's operating results commencing on July 11, 2017.

(2) The significant majority of sales for Stuart Weitzman is attributable to women's footwear.

Women's Handbags — Women's handbag collections feature classically inspired designs as well as fashion designs. These collections are designed to meet the fashion and functional requirements of our broad and diverse consumer base.

Women's Accessories — Women's accessories include small leather goods, which complement our handbags, including wallets, money pieces, wristlets and cosmetic cases. Also included in this category are novelty accessories (including address books, time management accessories, travel accessories, sketchbooks and portfolios), key rings and charms.

Men's — Men's includes bag collections (including business cases, computer bags, messenger-style bags, backpacks and totes), small leather goods (including wallets, card cases, travel organizers and belts), footwear, watches, sunglasses, novelty accessories and ready-to-wear.

Other Products — These products primarily include women's footwear, eyewear (such as sunglasses), jewelry (including bracelets, necklaces, rings and earrings), fragrances, watches, certain women's seasonal lifestyle apparel collections, including outerwear, ready-to-wear and cold weather accessories, such as gloves, scarves and hats. In addition, Kate Spade brand kids ready-to-wear items, housewares and home accessories, such as fashion bedding and tableware, and stationery and gifts are included in this category.

DESIGN AND MERCHANDISING

Our creative leaders are responsible for conceptualizing and implementing the design direction for our brands across the consumer touchpoints of product, stores and marketing. At Tapestry, each brand has a dedicated design and merchandising team; this ensures that Coach, Kate Spade and Stuart Weitzman speak to their customers with a voice and positioning unique to their brand. Designers have access to the brands' extensive archives of product designs, which are a valuable resource for new product concepts. Our designers are also supported by strong merchandising teams that analyze sales, market trends and consumer preferences to identify market opportunities that help guide each season's design process and create a globally relevant product assortment. Merchandisers also manage the product life cycle to maximize sales and profitability across all channels. The product category teams, each comprised of design, merchandising, product development and sourcing specialists help each brand execute design concepts that are consistent with the brand's strategic direction.

Our design and merchandising teams also work in close collaboration with all of our licensing partners to ensure that the licensed products are conceptualized and designed to address the intended market opportunity and convey the distinctive perspective and lifestyle associated with our brands.

MARKETING

We use a 360-degree approach to marketing for each of our brands, synchronizing our efforts across all channels to ensure consistency at every touchpoint. Our global marketing strategy is to deliver a consistent, relevant and multi-layered message every time the consumer comes in contact with our brands through our communications and visual merchandising. Each brand's distinctive positioning is communicated by our creative marketing, visual merchandising and public relations teams, as well as outside creative agencies. We also have a sophisticated consumer and market research capability, which helps us assess consumer attitudes and trends.

We engage in several consumer communication initiatives globally, including direct marketing activities at a national, regional and local level. Total expenses attributable to the Company's marketing-related activities in fiscal 2019 were $247.1 million, or approximately 4% of net sales, compared to $228.4 million in fiscal 2018, or approximately 4% of net sales.

Our wide range of marketing activities include direct mail tiered to our database of best, new, lapsed and prospective customers. In addition, to drive engagement and build awareness, we utilize a variety of media, including print, digital, social and out-of-home. Our respective brand websites serve as effective communication vehicles by providing an immersive brand experience, showcasing the fullest expression across all product categories.

As part of our direct marketing strategy, we use databases of consumers to generate personalized communications. Email contacts and direct mail pieces are an important part of our communication and are sent to selected consumers to stimulate consumer purchases and build brand awareness. Visitors to our e-commerce sites provide an opportunity to increase the size of these databases, as well as point of transactions globally, except where restricted. For Coach, we have e-commerce sites in the U.S., Canada, Japan, mainland China, several throughout Europe, and South Korea. For Kate Spade, we have e-commerce sites in the U.S., Canada, Japan and throughout Europe. For Stuart Weitzman, we have e-commerce sites in the U.S, Canada, Europe, Hong Kong and mainland China.

In fiscal 2019, Coach had informational websites in Hong Kong, Korea, Malaysia, Singapore and Taiwan, as well as a global informational website where other customers are directed. In fiscal 2019, Kate Spade had an informational website in mainland China. The Company utilizes and continues to explore digital technologies such as social media websites, including Twitter, Facebook, Instagram, Pinterest, WeChat and Sina Weibo, as a cost effective consumer communication opportunity to increase on-line and store sales, acquire new customers and build brand awareness.

MANUFACTURING

Tapestry carefully balances its commitments to a limited number of “better brand” partners that have demonstrated integrity, quality and reliable delivery. The Company continues to evaluate new manufacturing sources and geographies to deliver the finest quality products at the best cost and to mitigate the impact of manufacturing in inflationary markets.

Before partnering with a new vendor, the Company evaluates each facility by conducting a quality and business practice standards audit. Periodic evaluations of existing, previously approved facilities are conducted on a recurring basis. We believe that our manufacturing partners are in material compliance with the Company’s integrity standards.

These independent manufacturers each or in aggregate support a broad mix of product types, materials and a seasonal influx of new, fashion-oriented styles, which allows us to meet shifts in marketplace demand and changes in consumer preferences.

Our raw material suppliers, independent manufacturers and licensing partners must achieve and maintain high quality standards, which are an integral part of our brands' identity. One of our keys to success lies in the rigorous selection of raw materials. We have longstanding relationships with purveyors of fine leathers and hardware. Although our products are manufactured by independent manufacturers, we maintain a strong level of oversight in the selection of the raw materials that are used in all of our products. Compliance with quality control standards is monitored through on-site quality inspections at independent manufacturing facilities.

We maintain strong oversight of the supply chain process for each of our brands from design through manufacture. We are able to do this by maintaining sourcing management offices in Vietnam, mainland China, the Philippines, Cambodia and Spain that work closely with our independent manufacturers. This broad-based, global manufacturing strategy is designed to optimize the mix of cost, lead times and construction capabilities.

During fiscal 2019, manufacturers of Coach products were primarily located in Vietnam, Cambodia, mainland China and the Philippines. During fiscal 2019, Coach had one vendor, located in Vietnam, who individually provided approximately 10% of the brand's total purchases. During fiscal 2019, Kate Spade products were manufactured primarily in Vietnam, mainland China and the Philippines. Kate Spade had two vendors, one located in Vietnam and one located in the Philippines, who individually provided

over 10% of the brand's total purchases (or approximately 40% in the aggregate). The Company expects that the level of products manufactured in each country will change during fiscal 2020 as it continues to further diversify the brand's supply chain globally. Stuart Weitzman products were primarily manufactured in Spain. During fiscal 2019, Stuart Weitzman had three vendors, all located in Spain, who individually provided over 10% of the brand's total units (or approximately 30% in the aggregate).

DISTRIBUTION

Each brand's products are shipped from manufacturers to distribution centers around the world for inspection, storage, order processing and shipment. These facilities use bar code scanning warehouse management systems. Our distribution center employees use handheld scanners to read product bar codes, which allow accurate storage and order processing, and generally provide excellent service to our customers. Each brand's products are primarily shipped to the retail stores and wholesale customers. Some facilities also ship direct to consumer orders in markets where we have an e-commerce presence.

North America product fulfillment for Coach is facilitated at our U.S. distribution center by our automated warehouse management system and electronic data interchange system, while the unique requirements of the direct to consumer business are supported by Coach's order management and e-commerce sites. Outside of North America, the Company has established regional distribution centers through third-parties for each brand. For Coach products, these centers are located in the Netherlands, Japan, Hong Kong, mainland China, Macau, South Korea, Taiwan, Malaysia, Australia and Singapore to support directly operated local markets.

The Company distributes Kate Spade products through facilities that are operated by third parties in the United States, Europe and Asia. For Kate Spade, product fulfillment in North America is facilitated by our automated warehouse management system and electronic data interchange system, while the unique requirements of the direct to consumer business are supported by selective warehouse and distribution systems operated by a third-party. The Company also operates local distribution centers through third-parties in the U.K., Japan, mainland China, Hong Kong, Australia, Singapore and Malaysia for Kate Spade product.

The Company distributes Stuart Weitzman products through facilities located in the United States, Canada, Spain, Italy and mainland China that are operated by third parties.

INFORMATION SYSTEMS

The Company embarked on a multi-year Enterprise Resource Planning ("ERP") implementation in fiscal 2017. During fiscal 2018, the Company implemented a global consolidation system which provides a common platform for financial reporting. During the second quarter of fiscal 2019, the Company deployed global finance and accounting systems for Corporate, Coach and Stuart Weitzman. During the third quarter of fiscal 2019, the Company deployed global finance, accounting, supply chain and human resource information systems for Kate Spade. This project was substantially completed during fiscal 2019, with the remaining supply chain functions for Coach and Stuart Weitzman implemented at the beginning of fiscal 2020.

The Company is also implementing a point-of-sale system which supports all in-store transactions, distributes management reporting for each store, and collects sales and payroll information on a daily basis. This daily collection of store sales and inventory information results in early identification of business trends and provides a detailed baseline for store inventory replenishment. The implementation is complete for Coach stores in North America and Europe and expected to be implemented for Stuart Weitzman stores in North America in fiscal 2020 and Kate Spade North America in fiscal 2021.

Refer to Item 1A. "Risk Factors," for further information as it relates to the Company's ERP system implementation efforts.

TRADEMARKS AND PATENTS

Tapestry owns all of the material trademark rights around the world used in connection with the production, marketing, distribution and sale of all branded products for Coach, Stuart Weitzman and Kate Spade. In addition, it licenses trademarks and copyrights used in connection with the production, marketing and distribution of certain categories of goods and limited edition collaborative special projects. Tapestry also owns and maintains registrations in countries around the world for trademarks in relevant classes of products. Major trademarks include TAPESTRY, COACH, STUART WEITZMAN, KATE SPADE and kate spade new york. It also owns brand-specific trademarks such as COACH and Horse & Carriage Design, COACH and Story Patch Design, COACH and Lozenge Design, COACH and Tag Design, Signature C Design, COACH EST. 1941 and Design for the COACH brand; kate spade new york and Spade Design, live colorfully, Walk on Air and In Full Bloom for the kate spade new york brand; and the SW Logo for the Stuart Weitzman brand. Tapestry is not dependent on any one particular trademark or design patent although Tapestry believes that the Coach, Stuart Weitzman and Kate Spade names are important for its business. In addition, Tapestry owns a number of design patents and utility patents for its brands' products. Tapestry aggressively polices its trademarks and trade dress, and pursues infringers both domestically and internationally. It also pursues counterfeiters domestically and internationally through leads generated internally, as well as through its network of investigators, the respective online reporting form for each brand, the Tapestry hotline and business partners around the world.

The Company expects that its material trademarks will remain in full force and effect for as long as we continue to use and renew them.

SEASONALITY

The Company's results are typically affected by seasonal trends. During the first fiscal quarter, we build inventory for the winter and holiday season. In the second fiscal quarter, working capital requirements are reduced substantially as we generate higher net sales and operating income, especially during the holiday season.

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.

GOVERNMENT REGULATION

Most of the Company's imported products are subject to duties, indirect taxes, quotas and non-tariff trade barriers that may limit the quantity of products that we may import into the U.S. and other countries or may impact the cost of such products. The Company is not materially restricted by quotas or other government restrictions in the operation of its business, however customs duties do represent a component of total product cost. To maximize opportunities, the Company operates complex supply chains through foreign trade zones, bonded logistic parks and other strategic initiatives such as free trade agreements. Additionally, the Company operates a direct import business in many countries worldwide. As a result, the Company is subject to stringent government regulations and restrictions with respect to its cross-border activity either by the various customs and border protection agencies or by other government agencies which control the quality and safety of the Company’s products. The Company maintains an internal global trade, customs and product compliance organization to help manage its import/export and regulatory affairs activity.

COMPETITION

The global premium women's and men's handbag, accessories and footwear categories are highly competitive. The Company competes primarily with European and American luxury and accessible luxury brands as well as private label retailers. Over the last several years these industries have grown, encouraging the entry of new competitors as well as increasing the competition from existing competitors. This increased competition drives interest in these brand loyal categories.

EMPLOYEES

As of June 29, 2019, the Company employed approximately 21,000 globally, including both full and part time employees, but excluding seasonal and temporary employees. Of these employees, approximately 10,100 and 7,200 were full time and part time employees, respectively, in the global retail field.

The Company believes that its relations with its employees are good, and has never encountered a strike or work stoppage.

FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS

Refer to Note 17, "Segment Information," presented in the Notes to the Consolidated Financial Statements for geographic information.

AVAILABLE INFORMATION

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge on our investor website, located at *www.tapestry.com/investors* under the caption “SEC Filings,” as soon as reasonably practicable after they are filed with or furnished to the Securities and Exchange Commission. These reports are also available on the Securities and Exchange Commission’s website at *www.sec.gov*. No information contained on any of our websites is intended to be included as part of, or incorporated by reference into, this Annual Report on Form 10-K.

The Company has included the Chief Executive Officer (“CEO”) and Chief Financial Officer certifications regarding its public disclosure required by Section 302 of the Sarbanes-Oxley Act of 2002 as Exhibit 31.1 to this Form 10-K. Additionally, the Company filed with the New York Stock Exchange (“NYSE”) the CEO’s certification regarding the Company’s compliance with the NYSE’s Corporate Governance Listing Standards (“Listing Standards”) pursuant to Section 303A.12(a) of the Listing Standards, which indicated that the CEO was not aware of any violations of the Listing Standards by the Company.

ITEM 1A. RISK FACTORS

You should consider carefully all of the information set forth or incorporated by reference in this document and, in particular, the following risk factors associated with the business of the Company and forward-looking information in this document. Please also see "Special Note on Forward-Looking Information" at the beginning of this report. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also have an adverse effect on us. If any of the risks below actually occur, our business, results of operations, cash flows or financial condition could suffer.

Acquisitions may not be successful in achieving intended benefits, cost savings and synergies and may disrupt current operations.

One component of our growth strategy is acquisitions, such as our acquisition of Stuart Weitzman Holdings, LLC during fiscal 2015 and our acquisition of Kate Spade & Company during the first quarter of fiscal 2018. Our management team has and, in the future, will consider growth strategies and expected synergies when considering any acquisition; however, there can be no assurance that we will be able to identify suitable candidates or consummate these transactions on acceptable terms.

The integration process of any newly acquired company may be complex, costly and time-consuming. The potential difficulties of integrating the operations of an acquired business, such as Stuart Weitzman and Kate Spade, and realizing our expectations for an acquisition, including the benefits that may be realized, include, among other things:

- failure of the business to perform as planned following the acquisition or achieve anticipated revenue or profitability targets;
- delays, unexpected costs or difficulties in completing the integration of acquired companies or assets;
- higher than expected costs, lower than expected cost savings or synergies and/or a need to allocate resources to manage unexpected operating difficulties;
- difficulties assimilating the operations and personnel of acquired companies into our operations;
- diversion of the attention and resources of management or other disruptions to current operations;
- the impact on our or an acquired business' internal controls and compliance with the requirements under the Sarbanes-Oxley Act of 2002;
- unanticipated changes in applicable laws and regulations;
- unanticipated changes in the combined business due to potential divestitures or other requirements imposed by antitrust regulators;
- retaining key customers, suppliers and employees;
- retaining and obtaining required regulatory approvals, licenses and permits;
- operating risks inherent in the acquired business and our business;
- consumers' failure to accept product offerings by us or our licensees;
- assumption of liabilities not identified in due diligence; and
- other unanticipated issues, expenses and liabilities.

Our failure to successfully complete the integration of any acquired business and any adverse consequences associated with future acquisition activities, could have an adverse effect on our business, financial condition and operating results.

Completed acquisitions may result in additional goodwill and/or an increase in other intangible assets on our balance sheet. We are required annually, or as facts and circumstances exist, to assess goodwill and other intangible assets to determine if impairment has occurred. If the testing performed indicates that impairment has occurred, we are required to record a non-cash impairment charge for the difference between the carrying value of the goodwill or other intangible assets and the implied fair value of the goodwill or the fair value of other intangible assets in the period the determination is made. We determined there was no impairment in fiscal 2019, fiscal 2018 and fiscal 2017; however, we cannot accurately predict the amount and timing of any potential future impairment of assets. Should the value of goodwill or other intangible assets become impaired, there could be a material adverse effect on our financial condition and results of operations.

A delay, disruption in, failure of, or inability to upgrade our information technology systems precisely and efficiently could materially adversely affect our business, financial condition or results of operations and cash flow.

We rely heavily on various information and other business systems to manage our operations, including management of our supply chain, point-of-sale processing in our brands' stores, our online businesses associated with each brand and various other processes. We are continually evaluating and implementing upgrades and changes to our systems.

The Company embarked on a multi-year ERP implementation in fiscal 2017. The substantial majority of the implementation was completed during fiscal 2019 and the remainder implemented at the beginning of fiscal 2020. Implementing new systems

carries substantial risk, including failure to operate as designed, failure to properly integrate with other systems, potential loss of data or information, cost overruns, implementation delays and disruption of operations. Third-party vendors are also relied upon to design, program, maintain and service our ERP implementation program. Any failures of these vendors to properly deliver their services could similarly have a material effect on our business. Other substantial risks associated with the multi-year ERP implementation include the inability to deliver the optimal level of merchandise to our brands' stores or customers in a timely manner. In addition, any disruptions or malfunctions affecting our ERP implementation plan could cause critical information upon which we rely to be delayed, defective, corrupted, inadequate or inaccessible. Furthermore, failure of the computer systems due to inadequate system capacity, computer viruses, human error, changes in programming, security breaches, system upgrades or migration of these services, as well as consumer privacy concerns and new global government regulations, individually or in accumulation, could have a material effect on our business, financial condition or results of operations and cash flow.

The growth of our business depends on the successful execution of our growth strategies, including our efforts to expand internationally into a global house of lifestyle brands.

Our growth depends on the continued success of existing products, as well as the successful design and introduction of new products. Our ability to create new products and to sustain existing products is affected by whether we can successfully anticipate and respond to consumer preferences and fashion trends. The failure to develop and launch successful new products could hinder the growth of our business. Also, any delay in the development or launch of a new product could result in our company not being the first to bring product to market, which could compromise our competitive position.

Additionally, our current growth strategy includes plans to expand in a number of international regions, including Asia and Europe. We plan to open additional retail stores throughout Asia and other international markets, both directly and through strategic partners. Our brands may not be well-established or widely sold in some of these markets, and we may have limited experience operating directly or working with our partners there. In addition, some of these markets have different operational characteristics, including but not limited to employment and labor, transportation, logistics, real estate, environmental regulations and local reporting or legal requirements.

Furthermore, consumer demand and behavior, as well as tastes and purchasing trends may differ in these countries, and as a result, sales of our product may not be successful, or the margins on those sales may not be in line with those we currently anticipate. Further, such markets will have upfront investment costs that may not be accompanied by sufficient revenues to achieve typical or expected operational and financial performance and therefore may be dilutive to our brands in the short-term. In many of these countries, there is significant competition to attract and retain experienced and talented employees.

Consequently, if our international expansion plans are unsuccessful, or we are unable to retain and/or attract key personnel, our business, financial condition and results of operation could be materially adversely affected.

We face risks associated with operating in international markets.

We operate on a global basis, with approximately 43.7% of our net sales coming from operations outside of United States. While geographic diversity helps to reduce the Company's exposure to risks in any one country, we are subject to risks associated with international operations, including, but not limited to:

- political or economic instability or changing macroeconomic conditions in our major markets, including the potential impact of (1) new policies that may be implemented by the U.S. or other jurisdictions, particularly with respect to tax and trade policies or (2) 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. As a consequence, the E.U. and U.K. agreed to postpone Brexit until October 31, 2019. This date will be accelerated to anytime between now and October 31, 2019 if a withdrawal agreement is successfully concluded between the parties and ratified by U.K. parliament. Increased uncertainty surrounds future Brexit talks due to the new leadership of the British government following Theresa May's resignation as Prime Minister on June 7, 2019 and the election of Boris Johnson on July 23, 2019. In the absence of a withdrawal agreement there would be no transitional provisions and a "hard" Brexit would occur on October 31, 2019. Although the terms of the U.K.'s future relationship with the E.U. are still unknown, it is possible that there will be increased regulatory and legal complexities, including potentially divergent national laws and regulations between the U.K. and E.U. Brexit may also cause disruption and create uncertainty surrounding our business, including affecting our relationships with our existing and future customers, suppliers and employees and resulting in increased cost by way of new or elevated customs duties or financial implications from operational challenges;

- changes to the U.S.'s participation in, withdrawal out of, renegotiation of certain international trade agreements or other major trade related issues including the non-renewal of expiring favorable tariffs granted to developing countries, tariff quotas, and retaliatory tariffs (including, but not limited to, the Trump Administration's tariffs on China and China's retaliatory tariffs on certain products from the U.S.), trade sanctions, new or onerous trade restrictions, embargoes and other stringent government controls;
- changes in exchange rates for foreign currencies, which may adversely affect the retail prices of our products, result in decreased international consumer demand, or increase our supply costs in those markets, with a corresponding negative impact on our gross margin rates;
- compliance with laws relating to foreign operations, including the Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, and other global anti-corruption laws, which in general concern the bribery of foreign public officials;
- changes in tourist shopping patterns, particularly that of the Chinese consumer;
- natural and other disasters; and
- changes in legal and regulatory requirements, including, but not limited to safeguard measures, anti-dumping duties, cargo restrictions to prevent terrorism, restrictions on the transfer of currency, climate change and other environmental legislation, product safety regulations or other charges or restrictions.

We face risks associated with potential changes to international trade agreements and the imposition of additional duties on importing our products

Most of our imported products are subject to duties, indirect taxes, quotas and non-tariff trade barriers that may limit the quantity of products that we may import into the U.S. and other countries or may impact the cost of such products. To maximize opportunities, we rely on free trade agreements and other supply chain initiatives and, as a result, we are subject to government regulations and restrictions with respect to our cross-border activity. In May 2019, the United States increased the tariff rate from 10% to 25% on $200 billion of imports of select product categories into the U.S. from China. On August 1, 2019, the Trump Administration announced that the U.S. plans to implement an additional tariff of 10% on the remaining $300 billion of products imported into the U.S. from China on September 1, 2019. If the U.S. follows through on its further proposed China tariffs, or if the U.S. or other countries impose additional duties, taxes, quotas and/or withdraw from or materially modify trade agreements or other trade restrictions, the cost of our products manufactured in China or such other countries and imported into the U.S. or other countries could increase. This could in turn adversely affect the profitability for these products and have an adverse effect on our business, financial conditions and results of operations.

Economic conditions could materially adversely affect our financial condition, results of operations and consumer purchases of luxury items.

Our results can be impacted by a number of macroeconomic factors, including but not limited to consumer confidence and spending levels, tax rates, unemployment, consumer credit availability, raw materials costs, fuel and energy costs (including oil prices), global factory production, commercial real estate market conditions, credit market conditions and the level of customer traffic in malls and shopping centers.

Demand for our products, and consumer spending in the premium handbag, footwear and accessories categories generally, is significantly impacted by trends in consumer confidence, general business conditions, interest rates, foreign currency exchange rates, the availability of consumer credit, and taxation. Consumer purchases of discretionary luxury items, such as the Company's products, tend to decline during recessionary periods or periods of sustained high unemployment, when disposable income is lower.

Unfavorable economic conditions may also reduce consumers' willingness and ability to travel to major cities and vacation destinations in which our stores are located.

Our business may be subject to increased costs due to excess inventories and a decline in profitability as a result of increasing pressure on margins if we misjudge the demand for our products.

Our industry is subject to significant pricing pressure caused by many factors, including intense competition and a highly promotional environment, fragmentation in the retail industry, pressure from retailers to reduce the costs of products, and changes in consumer spending patterns. If we misjudge the market for our products we may be faced with significant excess inventories for some products and missed opportunities for other products. If that occurs, we may be forced to rely on destruction, donation, markdowns or promotional sales to dispose of excess, slow-moving inventory, which may negatively impact our gross margin, overall profitability and efficacy of our brands.

Increases in our costs, such as raw materials, labor or freight could negatively impact our gross margin. Labor costs at many of our manufacturers have been increasing significantly and, as the middle class in developing countries continues to grow, it is unlikely that such cost pressure will abate. Furthermore, the cost of transportation may fluctuate significantly if oil prices show

volatility. We may not be able to offset such increases in raw materials, labor or transportation costs through pricing measures or other means.

A decline in the volume of traffic to our stores could have a negative impact on our net sales.

The success of our retail stores located within malls and shopping centers may be impacted by (1) the location of the store within the mall or shopping center; (2) surrounding tenants or vacancies; (3) increased competition in areas where malls or shopping centers are located; (4) the amount spent on advertising and promotion to attract consumers to the mall; and (5) a shift towards online shopping resulting in a decrease in mall traffic. Declines in consumer traffic could have a negative impact on our net sales and could materially adversely affect our financial condition and results of operations. Furthermore, 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.

The success of our business depends on our ability to retain the value of our brands and to respond to changing fashion and retail trends in a timely manner.

Tapestry, Inc. is a New York-based house of modern luxury lifestyle brands. Our Company and our brands are founded upon a consumer-led view of luxury that stands for inclusivity and approachability. Any misstep in product quality or design, customer service, marketing, unfavorable publicity or excessive product discounting could negatively affect the image of our brands with our customers. Furthermore, the product lines we have historically marketed and those that we plan to market in the future are becoming increasingly subject to rapidly changing fashion trends and consumer preferences, including the increasing shift to digital brand engagement and social media communication. If we do not anticipate and respond promptly to changing customer preferences and fashion trends in the design, production, and styling of our products, as well as create compelling marketing campaigns that appeal to our customers, our sales and results of operations may be negatively impacted. Our success also depends in part on our ability to execute on our plans and strategies. Even if our products, marketing campaigns and retail environments do meet changing customer preferences and/or stay ahead of changing fashion trends, our brand image could become tarnished or undesirable in the minds of our customers or target markets, which could materially adversely impact our business, financial condition, and results of operations.

Computer system disruption and cyber security threats, including a privacy or data security breach, could damage our relationships with our customers, harm our reputation, expose us to litigation and adversely affect our business.

We depend on digital technologies for the successful operation of our business, including corporate email communications to and from employees, customers and stores, the design, manufacture and distribution of our finished goods, digital marketing efforts, collection and retention of customer data, employee information, the processing of credit card transactions, online e-commerce activities and our interaction with the public in the social media space. The possibility of a cyber-attack on any one or all of these systems is a serious threat. The retail industry, in particular, has been the target of many recent cyber-attacks. As part of our business model, we collect, retain, and transmit confidential information over public networks. In addition to our own databases, we use third party service providers to store, process and transmit this information on our behalf. Although we contractually require these service providers to implement and use reasonable security measures, we cannot control third parties and cannot guarantee that a security breach will not occur in the future either at their location or within their systems. We also store all designs, goods specifications, projected sales and distribution plans for our finished products digitally. We have enterprise class and industry comparable security measures in place to protect both our physical facilities and digital systems from attacks. Despite these efforts, however, we may be vulnerable to targeted or random security breaches, acts of vandalism, computer malware, misplaced or lost data, programming and/or human errors, or other similar events.

Awareness and sensitivity to privacy breaches and cyber security threats by consumers, employees and lawmakers is at an all-time high. Any misappropriation of confidential or personal information gathered, stored or used by us, be it intentional or accidental, could have a material impact on the operation of our business, including severely damaging our reputation and our relationships with our customers, employees and investors. We may also incur significant costs implementing additional security measures to protect against new or enhanced data security or privacy threats, or to comply with current and new state, federal and international laws governing the unauthorized disclosure of confidential information which are continuously being enacted and proposed such as the General Data Protection Regulation in the E.U. and the California Consumer Privacy Act in California, U.S.A., as well as increased cyber security protection costs such as organizational changes, deploying additional personnel and protection technologies, training employees, engaging third party experts and consultants and lost revenues resulting from unauthorized use of proprietary information including our intellectual property. Lastly, we could face sizable fines, significant breach containment and notification costs and increased litigation as a result of cyber security breaches.

In addition, we have e-commerce sites in certain countries throughout the world, including the U.S., Canada, Japan, mainland China, several throughout Europe and South Korea and have plans for additional e-commerce sites in other parts of the world. Additionally, Tapestry has informational websites in various countries, as described in Item I, "Business." Our e-commerce programs also include an invitation-only Coach outlet flash sale site and Kate Spade flash sale site. Given the robust nature of our e-commerce presence and digital strategy, it is imperative that we and our e-commerce partners maintain uninterrupted operation of our: (i) computer hardware, (ii) software systems, (iii) customer marketing databases, and (iv) ability to email our current and potential customers. Despite our preventative efforts, our systems are vulnerable from time-to-time to damage, disruption or interruption from, among other things, physical damage, natural disasters, inadequate system capacity, system issues, security breaches, email blocking lists, computer malware or power outages. Any material disruptions in our e-commerce presence or information technology systems could have a material adverse effect on our business, financial condition and results of operations.

Significant competition in our industry could adversely affect our business.

We face intense competition in the product lines and markets in which we operate. Our competitors are European and American luxury brands, as well as private label retailers, including some of the Company's wholesale customers. There is a risk that our competitors may develop new products or product categories that are more popular with our customers. We may be unable to anticipate the timing and scale of such product introductions by competitors, which could harm our business. Our ability to compete also depends on the strength of our brand, whether we can attract and retain key talent, and our ability to protect our trademarks and design patents. A failure to compete effectively could adversely affect our growth and profitability.

Our business is exposed to foreign currency exchange rate fluctuations.

We monitor our global foreign currency exposure. In order to minimize the impact on earnings related to foreign currency rate movements, we hedge our cross currency intercompany inventory transactions, as well as the Company’s cross currency intercompany loan portfolio. We cannot ensure, however, that these hedges will fully offset the impact of foreign currency rate movements. Additionally, our international subsidiaries primarily use local currencies as the functional currency and translate their financial results from the local currency to U.S. dollars. If the U.S. dollar strengthens against these subsidiaries’ foreign currencies, the translation of their foreign currency denominated transactions may decrease consolidated net sales and profitability. Our continued international expansion will increase our exposure to foreign currency fluctuations. The majority of the Company's purchases and sales involving international parties, excluding international consumer sales, are denominated in U.S. dollars.

As a result of having operations outside of the U.S., we are also exposed to market risk from fluctuations in foreign currency exchange rates. Substantial changes in foreign currency exchange rates could cause our sales and profitability to be negatively impacted.

Our stock price may periodically fluctuate based on the accuracy of our earnings guidance or other forward-looking statements regarding our financial performance, including our ability to return value to investors.

Our business and long-range planning process is designed to maximize our long-term strength, growth, and profitability, and not to achieve an earnings target in any particular fiscal quarter. We believe that this longer-term focus is in the best interests of the Company and our stockholders. At the same time, however, we recognize that it is helpful to provide investors with guidance as to our forecast of net sales, operating income, net interest expense, earnings per diluted share and other financial metrics or projections. While we generally expect to provide updates to our financial guidance when we report our results each fiscal quarter, we do not have any responsibility to update any of our forward-looking statements at such times or otherwise. In addition, any longer-term guidance that we provide is based on goals that we believe, at the time guidance is given, are reasonably attainable for growth and performance over a number of years. However, such long-range targets are more difficult to predict than our current quarter and fiscal year expectations. If, or when, we announce actual results that differ from those that have been predicted by us, outside investment analysts, or others, our stock price could be adversely affected. Investors who rely on these predictions when making investment decisions with respect to our securities do so at their own risk. We take no responsibility for any losses suffered as a result of such changes in our stock price.

We periodically return value to investors through payment of quarterly dividends and common stock repurchases. Investors may have an expectation that we will continue to pay our quarterly dividend at certain levels and / or repurchase shares available under our common stock repurchase program. The market price of our securities could be adversely affected if our cash dividend rate or common stock repurchase activity differs from investors’ expectations. Refer to “*If we are unable to pay quarterly dividends at intended levels, our reputation and stock price may be harmed*” for additional discussion of our quarterly dividend.

Failure to adequately protect our intellectual property and curb the sale of counterfeit merchandise could injure our brands and negatively affect sales.

We believe our trademarks, copyrights, patents, and other intellectual property rights are extremely important to our success and our competitive position. We devote significant resources to the registration and protection of our trademarks and to anti-counterfeiting efforts worldwide. In spite of our efforts, counterfeiting still occurs and if we are unsuccessful in challenging a third-party's rights related to trademark, copyright, or patent this could adversely affect our future sales, financial condition, and results of operations. We are aggressive in pursuing entities involved in the trafficking and sale of counterfeit merchandise through legal action or other appropriate measures. We cannot guarantee that the actions we have taken to curb counterfeiting and protect our intellectual property will be adequate to protect the brand and prevent counterfeiting in the future. Our trademark applications may fail to result in registered trademarks or provide the scope of coverage sought. Furthermore, our efforts to enforce our intellectual property rights are often met with defenses and counterclaims attacking the validity and enforceability of our intellectual property rights. Unplanned increases in legal fees and other costs associated with defending our intellectual property rights could result in higher operating expenses. Finally, many countries' laws do not protect intellectual property rights to the same degree as U.S. laws.

Our business is subject to the risks inherent in global sourcing activities.

As a Company engaged in sourcing on a global scale, we are subject to the risks inherent in such activities, including, but not limited to:

- imposition of additional duties, taxes and other charges on imports or exports;
- unavailability of, or significant fluctuations in the cost of, raw materials;
- compliance by us and our independent manufacturers and suppliers with labor laws and other foreign governmental regulations;
- increases in the cost of labor, fuel (including volatility in the price of oil), travel and transportation;
- compliance with our Global Business Integrity Program;
- compliance by our independent manufacturers and suppliers with our Global Operating Principles and/or Supplier Code of Conduct, as applicable;
- compliance with U.S. laws regarding the identification and reporting on the use of "conflict minerals" sourced from the Democratic Republic of the Congo in the Company's products and the FCPA, U.K. Bribery Act and other global anti-corruption laws, as applicable;
- disruptions or delays in shipments;
- loss or impairment of key manufacturing or distribution sites;
- inability to engage new independent manufacturers that meet the Company's cost-effective sourcing model;
- product quality issues;
- political unrest, including protests and other civil disruption;
- unforeseen public health crises, such as pandemic and epidemic diseases;
- natural disasters or other extreme weather events, whether as a result of climate change or otherwise; and
- acts of war or terrorism and other external factors over which we have no control.

We are subject to labor laws governing relationships with employees, including minimum wage requirements, overtime, working conditions, and citizenship requirements. Compliance with these laws may lead to increased costs and operational complexity and may increase our exposure to governmental investigations or litigation.

In addition, we require our independent manufacturers and suppliers to operate in compliance with applicable laws and regulations, as well as our Global Operating Principles and/or Supplier Code of Conduct; however, we do not control these manufacturers or suppliers or their labor, environmental or other business practices. Copies of our Global Business Integrity Program documents, including our Global Operating Principles, Anti-Corruption Policy and Supplier Code of Conduct are available through our website, www.tapestry.com. The violation of labor, environmental or other laws by an independent manufacturer or supplier, or divergence of an independent manufacturer's or supplier's labor practices from those generally accepted as ethical or appropriate in the U.S., could interrupt or otherwise disrupt the shipment of our products, harm our trademarks or damage our reputation. The occurrence of any of these events could materially adversely affect our business, financial condition and results of operations.

We are dependent on a limited number of distribution and sourcing centers. Our ability to meet the needs of our customers and our retail stores and e-commerce sites depends on the proper operation of these centers. If any of these centers were to shut down or otherwise become inoperable or inaccessible for any reason, we could suffer a substantial loss of inventory and/or disruptions of deliveries to our retail and wholesale customers. While we have business continuity and contingency plans for our sourcing and distribution center sites, significant disruption of manufacturing or distribution for any of the above reasons could interrupt product supply, result in a substantial loss of inventory, increase our costs, disrupt deliveries to our customers and our retail stores, and, if not remedied in a timely manner, could have a material adverse impact on our business. Because our distribution centers include automated and computer controlled equipment, they are susceptible to risks including power interruptions, hardware and system failures, software viruses, and security breaches. We maintain a distribution center in Jacksonville, Florida, operated by Tapestry. To support our growth in mainland China and Europe, we established distribution centers in mainland China and the Netherlands, owned and operated by a third-party, allowing us to better manage the logistics in these regions while reducing costs. We also operate distribution centers, through third-parties, in Japan, Hong Kong, Macau, Singapore, Taiwan, Malaysia, the U.S., Spain, Italy, the U.K., Canada, Australia and South Korea. The warehousing of the Company's merchandise, store replenishment and processing direct-to-customer orders is handled by these centers and a prolonged disruption in any center's operation could materially adversely affect our business and operations.

We are subject to risks associated with leasing retail space subject to long-term and non-cancelable leases. We may be unable to renew leases at the end of their terms. If we close a leased retail space, we remain obligated under the applicable lease.

We do not own any of our retail store locations. We lease the majority of our stores under long-term, non-cancelable leases, which usually have initial terms ranging from five and ten years, often with renewal options. We believe that the majority of the leases we enter into in the future will likely be long-term and non-cancelable. Generally, our leases are "net" leases, which require us to pay our proportionate share of the cost of insurance, taxes, maintenance and utilities. We generally cannot cancel these leases at our option. If we determine that it is no longer economical to operate a retail store subject to a lease and decide to close it as we have done in the past and will do in the future, we may remain obligated under the applicable lease for, among other things, payment of the base rent for the balance of the lease term. In some instances, we may be unable to close an underperforming retail store due to continuous operation clauses in our lease agreements. In addition, as each of our leases expire, we may be unable to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to close retail stores in desirable locations. Our inability to secure desirable retail space or favorable lease terms could impact our ability to grow. Likewise, our obligation to continue making lease payments in respect of leases for closed retail spaces could have a material adverse effect on our business, financial condition and results of operations.

Our success depends, in part, on attracting, developing and retaining qualified employees, including key personnel.

The ability to successfully execute against our goals is heavily dependent on attracting, developing and retaining qualified employees, including our senior management team. Competition in our industry to attract and retain these employees is intense and is influenced by our ability to offer competitive compensation and benefits, employee morale, our reputation, recruitment by other employers, perceived internal opportunities, non-competition and non-solicitation agreements and macro unemployment rates. Our operational efficiency initiatives as well as acquisitions and related integration activity may intensify this risk.

We depend on the guidance of our senior management team and other key employees who have significant experience and expertise in our industry and our operations. In recent years, we have evolved our senior leadership team and have focused on retaining key roles. The unexpected loss of one or more of our key personnel or any negative public perception with respect to these individuals could have a material adverse effect on our business, results of operations and financial condition. We do not maintain key-person or similar life insurance policies on any of senior management team or other key personnel.

Our wholesale business could suffer as a result of consolidations, liquidations, restructurings and other ownership changes in the wholesale industry.

Our wholesale business comprised approximately 11% of total net sales for fiscal 2019. Continued fragmentation in the industry could further decrease the number of, or concentrate the ownership of, stores that carry our and our licensees' products. Furthermore, a decision by the controlling owner of a group of stores or any other significant customer, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease or eliminate the amount of merchandise purchased from us or our licensing partners could result in an adverse effect on the sales and profitability within this channel.

Additionally, certain of our wholesale customers, particularly those located in the U.S., have become highly promotional and have aggressively marked down their merchandise, which could negatively impact our brands or could affect our business, results of operations, and financial condition.

As we outsource functions, we will become more dependent on the third parties performing these functions.

As part of our long-term strategy, we look for opportunities to cost effectively enhance capability of business services. While we believe we conduct appropriate due diligence before entering into agreements with these third parties, the failure of any of these third parties to provide the expected services, provide them on a timely basis or to provide them at the prices we expect could

disrupt or harm our business. Any significant interruption in the operations of these service providers, over which we have no control, could also have an adverse effect on our business. Furthermore, we may be unable to provide these services or implement substitute arrangements on a timely and cost-effective basis on terms favorable to us.

Fluctuations in our tax obligations and effective tax rate may result in volatility of our financial results and stock price.

On December 22, 2017, "H.R.1," formerly known as the Tax Cuts and Jobs Act (the "Tax Legislation") was signed into law. The Tax Legislation, which became effective on January 1, 2018, significantly revised the U.S. tax code. Refer to Item 2, Management's Discussion and Analysis of Financial Condition & Results of Operations - Executive Overview and Note 15, "Income Taxes," for further information on the provisions of the Tax Legislation and the currently expected impact on the Company. The Company has recorded its best estimate of impact of the Tax Legislation through its provision for income taxes in the fiscal year ended June 29, 2019 pursuant to Accounting Standards Codification ("ASC") 740, Income Taxes, and the SEC Staff Accounting Bulletin ("SAB") 118. All amounts recorded were based on available guidance on interpretation of the Tax
Legislation and, the Company believes, reasonable approaches to estimating its impact. As future guidance becomes available, adjustments may be made to reflect the impact of such guidance in the provision for income taxes.

We are subject to income taxes in many jurisdictions. We record tax expense based on our estimates of taxable income and required reserves for uncertain tax positions in multiple tax jurisdictions. At any one time, multiple tax years are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may result in a settlement which differs from our original estimate. As a result, we expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. In addition, our effective tax rate in a given financial statement period may be materially impacted by changes in the mix and level of earnings. Further, proposed tax changes that may be enacted in the future could impact our current or future tax structure and effective tax rates.

Our operating results are subject to seasonal and quarterly fluctuations, which could adversely affect the market price of the Company's common stock.

The Company's results are typically affected by seasonal trends. We have historically realized, and expect to continue to realize, higher sales and operating income in the second quarter of our fiscal year. Poor sales in the Company's second fiscal quarter would have a material adverse effect on its full year operating results and result in higher inventories. In addition, 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.

We rely on our licensing partners to preserve the value of our licenses and the failure to maintain such partners could harm our business.

Our brands currently have multi-year agreements with licensing partners for certain products. Refer to Item 1 - "*Business - Licensing*" for additional discussion of our key licensing arrangements. In the future, we may enter into additional licensing arrangements. The risks associated with our own products also apply to our licensed products as well as unique problems that our licensing partners may experience, including risks associated with each licensing partner's ability to obtain capital, manage its labor relations, maintain relationships with its suppliers, manage its credit and bankruptcy risks, and maintain customer relationships. While we maintain significant control over the products produced for us by our licensing partners, any of the foregoing risks, or the inability of any of our licensing partners to execute on the expected design and quality of the licensed products or otherwise exercise operational and financial control over its business, may result in loss of revenue and competitive harm to our operations in the product categories where we have entered into such licensing arrangements. Further, while we believe that we could replace our existing licensing partners if required, our inability to do so for any period of time could adversely affect our revenues and harm our business.

We also may decide not to renew our agreements with our licensing partners and bring certain categories in-house. We may face unexpected difficulties or costs in connection with any action to bring currently licensed categories in-house.

If we are unable to pay quarterly dividends or conduct stock repurchases at intended levels, our reputation and stock price may be harmed.

The dividend program and the stock repurchase program each require the use of a portion of our cash flow. Our ability to pay dividends and conduct stock repurchases will depend on our ability to generate sufficient cash flows from operations in the future. This ability may be subject to certain economic, financial, competitive and other factors that are beyond our control. Our Board of Directors ("Board") may, at its discretion, decrease or entirely discontinue these programs at any time. Any failure to pay dividends or conduct stock repurchases, or conduct either program at expected levels, after we have announced our intention to do so may negatively impact our reputation, investor confidence in us and negatively impact our stock price.

We have incurred a substantial amount of indebtedness, which could restrict our ability to engage in additional transactions or incur additional indebtedness.

As of June 29, 2019, our consolidated indebtedness was approximately $1.6 billion. We also have the capacity to borrow up to $900 million of additional indebtedness under our undrawn revolving credit facility, which may be used to finance our working capital needs, capital expenditures, permitted investments, share purchases, dividends and other general corporate purposes. This substantial level of indebtedness could have important consequences to our business including making it more difficult to satisfy our debt obligations, increasing our vulnerability to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and restricting us from pursuing certain business opportunities. In addition, the terms of our credit facility contain affirmative and negative covenants, including a leverage ratio, as well as limitations on our ability to incur debt, grant liens, engage in mergers and dispose of assets. These consequences and limitations could reduce the benefits we expect to achieve from the acquisition of Kate Spade or impede our ability to engage in future business opportunities or strategic acquisitions.

Our ability to make payments on and to refinance our debt obligations and to fund planned capital expenditures depends on our ability to generate cash from our operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot guarantee that our business will generate sufficient cash flow from our operations or that future borrowings will be available to us in an amount sufficient to enable us to make payments of our debt, fund other liquidity needs and make planned capital expenditures. In addition, our ability to access the credit and capital markets in the future as a source of funding, and the borrowing costs associated with such financing, is dependent upon market conditions and our credit rating and outlook.

Provisions in the Company's charter, bylaws and Maryland law may delay or prevent an acquisition of the Company by a third party.

The Company's charter, bylaws and Maryland law contain provisions that could make it more difficult for a third party to acquire the Company without the consent of our Board. The Company's charter permits a majority of its entire Board, without stockholder approval, to amend the charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Company has the authority to issue. In addition, the Company's Board may classify or reclassify any unissued shares of common stock or preferred stock and may set the preferences, rights and other terms of the classified or reclassified shares. Although the Company's Board has no intention to do so at the present time, it could establish a class or series of preferred stock that could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for the Company's common stock or otherwise be in the best interest of the Company's stockholders.

The Company's bylaws can be amended by our Board or by the approval of a majority of the vote entitled to be cast by our stockholders. The Company's bylaws provide that nominations of persons for election to the Company's Board and the proposal of business to be considered at an annual meeting of stockholders may be made only in the notice of the meeting, by the Company's Board or by a stockholder who is a stockholder of record as of the record date set by the Company's Board for purposes of determining stockholders entitled to vote at the meeting, at the time of giving notice and at the time of the meeting and has complied with the advance notice procedures of the Company's bylaws. Also, under Maryland law, business combinations, including mergers, consolidations, share exchanges, or, in circumstances specified in the statute, asset transfers or issuances or reclassifications of equity securities, between the Company and any interested stockholder, generally defined as any person who beneficially owns, directly or indirectly, 10% or more of the Company's common stock, or any affiliate of an interested stockholder are prohibited for a five-year period, beginning on the most recent date such person became an interested stockholder. After this period, a combination of this type must be approved by two super-majority stockholder votes, unless common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares. The statute permits various exemptions from its provisions, including business combinations that are exempted by our Board prior to the time that the interested stockholder becomes an interested stockholder.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table sets forth the location, use and size of the Company's key distribution, corporate and product development facilities as of June 29, 2019. The majority of the properties are leased, with the leases expiring at various times through fiscal 2037, subject to renewal options.

Location	Use	Approximate Square Footage
Jacksonville, Florida	Coach North America distribution and customer service	850,000
New York, New York	Corporate, design, sourcing and product development	546,000[1]
Westchester, Ohio	Kate Spade North America distribution	601,000
New York, New York	Kate Spade corporate management	135,000
North Bergen, New Jersey	Corporate office and customer service	106,000
Carlstadt, New Jersey	Corporate office	65,000
Tokyo, Japan	Corporate and regional management	24,900
Shanghai, China	Coach Greater China regional management	23,000
Elda, Spain	Stuart Weitzman regional management, sourcing and quality control	19,000
Seoul, South Korea	Corporate regional management	18,000
Hong Kong, China	Coach sourcing and quality control	17,000[2]
Dongguan, China	Corporate sourcing, quality control and product development	16,700
Singapore	Coach Singapore regional management, sourcing and quality control	12,600
London, England	International regional management	12,300
Tokyo, Japan	Kate Spade Japan regional management	11,000
Shanghai, China	Asia regional management	10,400
Montreal, Canada	Stuart Weitzman Canada regional management and distribution	9,100
Ho Chi Minh City, Vietnam	Coach sourcing and quality control	8,600
Fort Lauderdale, Florida	Stuart Weitzman corporate office	7,700

(1) The Company has subleased approximately 148,800 square feet in its global headquarters. Refer to Note 21, "Headquarters Transactions," in the Notes to the Financial Statements for further information.

(2) Represents a Company-owned location.

In addition to the above properties, the Company occupies leased retail and outlet store locations located in North America and internationally for each of our brands. These leases expire at various times through fiscal 2032. The Company considers these properties to be in generally good condition, and believes that its facilities are adequate for its operations and provide sufficient capacity to meet its anticipated requirements. Refer to Item 1. "Business," and Item 6. "Selected Financial Data," for further information.

ITEM 3. 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, Inc.'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, such as 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 effect on the Company's business or consolidated financial statements.

Tapestry 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 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market and Dividend Information

Tapestry, Inc.'s common stock is listed on the New York Stock Exchange and is traded under the symbol "TPR."

As of August 2, 2019, there were 2,193 holders of record of Tapestry's common stock.

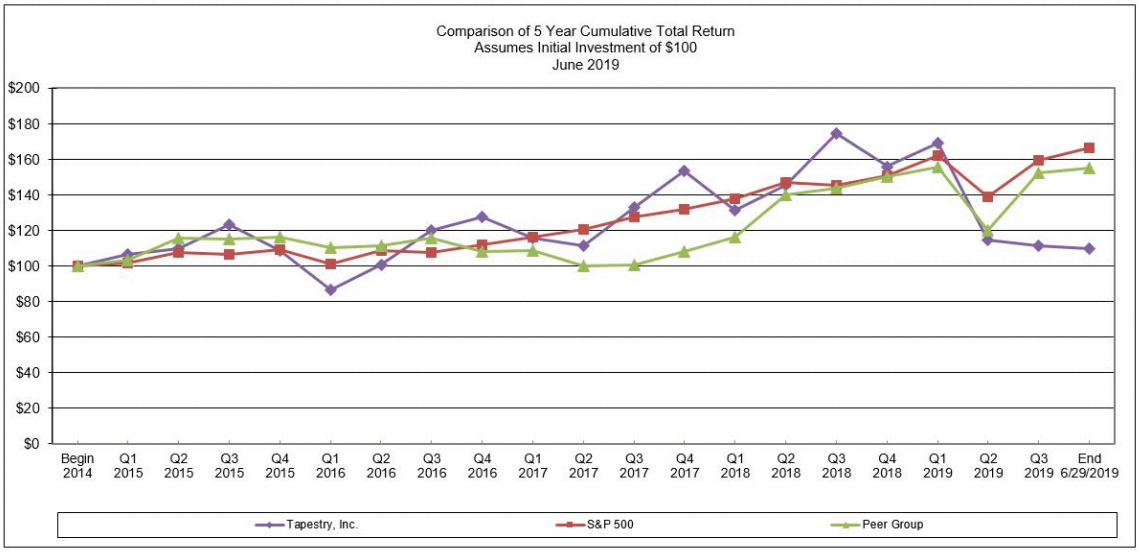
Any future determination to pay cash dividends will be at the discretion of Tapestry's Board and will be dependent upon Tapestry's financial condition, operating results, capital requirements and such other factors as the Board deems relevant.

The information under the principal heading "Securities Authorized For Issuance Under Equity Compensation Plans" in the Company's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on November 7, 2019, to be filed with the Securities and Exchange Commission (the "Proxy Statement"), is incorporated herein by reference.

Performance Graph

The following graph compares the cumulative total stockholder return (assuming reinvestment of dividends) of the Company's common stock with the cumulative total return of the S&P 500 Stock Index and the "peer set" companies listed below over the five-fiscal-year period ending June 29, 2019, the last day of Tapestry's most recent fiscal year. The graph assumes that $100 was invested on June 28, 2014 at the per share closing price in each of Tapestry's common stock, the S&P 500 Stock Index and a peer set index tracking the peer group companies listed below, and that all dividends were reinvested. The stock performance shown in the graph is not intended to forecast or be indicative of future performance.

- L Brands, Inc.,
- PVH Corp.,
- Ralph Lauren Corporation,
- Tiffany & Co.,
- V.F. Corporation,
- Estee Lauder, Inc.,
- Capri Holdings Limited (formerly known as Michael Kors Holdings Limited)



	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
TPR	$100.00	$108.65	$127.46	$153.26	$155.88	$109.86
Peer Set	$100.00	$115.94	$108.25	$108.19	$150.34	$154.83
S&P 500	$100.00	$109.37	$111.91	$131.66	$150.59	$166.27

Stock Repurchase Program

The Company's share repurchases during the fourth quarter of fiscal 2019 were as follows:

Fiscal Period	Total Number of Shares Repurchased	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1]	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs[1]
		(in millions, except share data and per share data)		
March 31, 2019 - May 4, 2019	—	$ —	—	$ —
May 5, 2019 - June 1, 2019	2,255,249	29.44	2,255,249	933.6
June 2, 2019 - June 29, 2019	1,156,824	29.06	1,156,824	900.0
Total	3,412,073		3,412,073	

(1) The company repurchases its common shares under repurchase programs that were approved by the Board as follows:

Date Share Repurchase Programs were Publicly Announced	Total Dollar Amount Approved	Expiration Date of Plan
May 9, 2019	$1.00 billion	N/A

ITEM 6. SELECTED FINANCIAL DATA

The selected historical financial data presented below as of and for each of the fiscal years in the five-year period ended June 29, 2019 has been derived from the Company's audited Consolidated Financial Statements. The financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," the Consolidated Financial Statements and Notes thereto and other financial data included elsewhere herein.

	Fiscal Year Ended[4]				
	June 29, 2019	June 30, 2018	July 1, 2017	July 2, 2016	June 27, 2015[3]
	(millions, except per share data)				
Consolidated Statements of Operations:					
Net sales	**$ 6,027.1**	$ 5,880.0	$ 4,488.3	$ 4,491.8	$ 4,191.6
Gross profit	**4,053.7**	3,848.5	3,081.1	3,051.3	2,908.6
Selling, general and administrative ("SG&A") expenses	**3,239.6**	3,177.7	2,293.7	2,397.8	2,290.6
Operating income	**814.1**	670.8	787.4	653.5	618.0
Net income	**$ 643.4**	397.5	591.0	460.5	402.4
Net income per share:					
Basic	**$ 2.22**	$ 1.39	$ 2.11	$ 1.66	$ 1.46
Diluted	**$ 2.21**	$ 1.38	$ 2.09	$ 1.65	$ 1.45
Weighted-average basic shares outstanding	**289.4**	285.4	280.6	277.6	275.7
Weighted-average diluted shares outstanding	**290.8**	288.6	282.8	279.3	277.2
Dividends declared per common share	**$ 1.350**	$ 1.350	$ 1.350	$ 1.350	$ 1.350
Consolidated Percentage of Net Sales Data:					
Gross margin	**67.3%**	65.5%	68.6%	67.9%	69.4%
SG&A expenses	**53.8%**	54.0%	51.1%	53.4%	54.6%
Operating margin	**13.5%**	11.4%	17.5%	14.5%	14.7%
Net income	**10.7%**	6.8%	13.2%	10.3%	9.6%
Consolidated Balance Sheet Data:					
Working capital	**$ 1,638.8**	$ 1,494.4	$ 3,199.5	$ 1,346.2	$ 1,671.8
Total assets	**6,877.3**	6,678.3	5,831.6	4,892.7	4,666.9
Cash, cash equivalents and investments	**1,233.9**	1,250.0	3,158.7	1,878.0	1,931.8
Inventory	**778.3**	673.8	469.7	459.2	485.1
Total debt	**1,602.7**	1,600.6	1,579.5	876.2	890.4
Stockholders' equity	**3,513.4**	3,244.6	3,001.9	2,682.9	2,489.9

	Fiscal Year Ended				
	June 29, 2019[1]	June 30, 2018[1]	July 1, 2017	July 2, 2016[2]	June 27, 2015[3]
Store Data:					
Stores open at fiscal year-end:					
Coach North America stores	**391**	402	419	432	462
Coach International stores	**595**	585	543	522	503
Kate Spade North America stores	**213**	200	—	—	—
Kate Spade International stores	**194**	142	—	—	—
Stuart Weitzman North America stores	**71**	68	69	64	46
Stuart Weitzman International stores	**76**	35	12	11	8
Total stores open at fiscal year-end	**1,540**	1,432	1,043	1,029	1,019
Store square footage at fiscal year-end:					
Coach North America stores	**1,802,410**	1,835,543	1,884,204	1,892,146	1,917,851
Coach International stores	**1,304,618**	1,256,525	1,166,920	1,086,315	1,030,695
Kate Spade North America stores	**578,649**	495,121	—	—	—
Kate Spade International stores	**267,349**	171,754	—	—	—
Stuart Weitzman North America stores	**125,336**	117,869	117,944	105,264	81,877
Stuart Weitzman International stores	**90,300**	47,498	18,808	12,556	9,224
Total store square footage at fiscal year-end	**4,168,662**	3,924,310	3,187,876	3,096,281	3,039,647
Average store square footage at fiscal year-end:					
Coach North America stores	**4,610**	4,566	4,497	4,380	4,151
Coach International stores	**2,193**	2,148	2,149	2,081	2,049
Kate Spade North America stores	**2,717**	2,476	—	—	—
Kate Spade International stores	**1,378**	1,210	—	—	—
Stuart Weitzman North America stores	**1,765**	1,733	1,709	1,645	1,780
Stuart Weitzman International stores	**1,188**	1,357	1,567	1,141	1,153

(1) Refer to Part I, Item 1, "Business" for the number of stores acquired during the respective fiscal year for each brand.

(2) The Company acquired the Stuart Weitzman Canada distributor in the fourth quarter of fiscal 2016 (which included the impact of an additional 14 retail stores in North America).

(3) The Company acquired Stuart Weitzman Holdings LLC in the fourth quarter of fiscal 2015.

(4) The Company recorded certain items which affect the comparability of our results. See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” for further information on the items related to fiscal 2019 and fiscal 2018. During fiscal 2017, the Company recorded adjustments in cost of sales and SG&A expenses of $2.9 million and $22.3 million, respectively, related to the Operational Efficiency plan and its Integration and Acquisition efforts. During fiscal 2016, the Company recorded adjustments in cost of sales and SG&A expenses of $1.1 million and $122.0 million related to the Company's multi-year strategic plan to transform the Coach brand, announced in fiscal 2014, the Operational Efficiency Plan and Stuart Weitzman acquisition-related costs. The following table reconciles the Company's reported results presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") to our adjusted results that exclude these items:

Fiscal 2019	Gross Profit	SG&A Expenses	Operating Income	Net Income	
				Amount	Per Diluted Share
As Reported: (GAAP Basis)	**$ 4,053.7**	**$ 3,239.6**	**$ 814.1**	**$ 643.4**	**$ 2.21**
Excluding Non-GAAP Adjustments	**27.8**	**(103.5)**	**131.3**	**105.3**	**0.36**
Adjusted: (Non-GAAP Basis)	**$ 4,081.5**	**$ 3,136.1**	**$ 945.4**	**$ 748.7**	**$ 2.57**

Fiscal 2018	Gross Profit	SG&A Expenses	Operating Income	Net Income	
				Amount	Per Diluted Share
As Reported: (GAAP Basis)	$ 3,848.5	$ 3,177.7	$ 670.8	$ 397.5	$ 1.38
Excluding Non-GAAP Adjustments	116.4	(204.7)	321.1	362.4	1.25
Adjusted: (Non-GAAP Basis)	$ 3,964.9	$ 2,973.0	$ 991.9	$ 759.9	$ 2.63

Fiscal 2017	Gross Profit	SG&A Expenses	Operating Income	Net Income	
				Amount	Per Diluted Share
As Reported: (GAAP Basis)	$ 3,081.1	$ 2,293.7	$ 787.4	$ 591.0	$ 2.09
Excluding Non-GAAP Adjustments	2.9	(22.3)	25.2	18.3	0.06
Adjusted: (Non-GAAP Basis)	$ 3,084.0	$ 2,271.4	$ 812.6	$ 609.3	$ 2.15

Fiscal 2016	Gross Profit	SG&A Expenses	Operating Income	Net Income	
				Amount	Per Diluted Share
As Reported: (GAAP Basis)	$ 3,051.3	$ 2,397.8	$ 653.5	$ 460.5	$ 1.65
Excluding Non-GAAP Adjustments	1.1	(122.0)	123.1	91.2	0.33
Adjusted: (Non-GAAP Basis)	$ 3,052.4	$ 2,275.8	$ 776.6	$ 551.7	$ 1.98

Fiscal 2015	Gross Profit	SG&A Expenses	Operating Income	Net Income	
				Amount	Per Diluted Share
As Reported: (GAAP Basis)	$ 2,908.6	$ 2,290.6	$ 618.0	$ 402.4	$ 1.45
Excluding Non-GAAP Adjustments	9.7	(160.8)	170.5	128.8	0.47
Adjusted: (Non-GAAP Basis)	$ 2,918.3	$ 2,129.8	$ 788.5	$ 531.2	$ 1.92

ITEM 7. 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 consolidated financial statements and notes to those financial statements included elsewhere in this document. When used herein, the terms "the Company," "Tapestry," "we," "us" and "our" refer to Tapestry, Inc., including consolidated subsidiaries. References to "Coach," "Stuart Weitzman," "Kate Spade" or "kate spade new york" refer only to the referenced brand.

EXECUTIVE OVERVIEW

The fiscal years ended June 29, 2019, June 30, 2018 and July 1, 2017 were each 52-week periods.

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, our house of brands 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 products to customers through Coach operated stores, including the Internet and concession shop-in-shops, and 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 2020 Strategic Initiatives

The company continues to focus on execution in fiscal 2020. Specifically, in fiscal 2020, the Company intends to:

- Ignite brand growth driven by innovation
- Drive global growth, with a focus on maximizing opportunities with the Chinese consumer
- Invest in our digital and data analytic capabilities
- Harness the benefit of the multi-brand structure

Recent Developments

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. During the second quarter of fiscal 2019, the Company deployed global finance and accounting systems for Corporate, Coach and Stuart Weitzman. During the third quarter of fiscal 2019, the Company deployed global finance, accounting, supply chain and human resource information systems for Kate Spade. The ERP implementation was substantially completed in fiscal 2019, with the supply chain functions for Coach and Stuart Weitzman implemented in the beginning of fiscal 2020. The Company expects to incur charges of approximately $30 to $40 million in fiscal 2020 related to this project.

Stuart Weitzman Production Challenges

During fiscal 2019, Stuart Weitzman results continued to be negatively impacted by the trailing impacts of 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 transitioned 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, Stuart Weitzman returned to sales growth in 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. 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 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. To the extent that legislative actions on Qualified Improvement Property ("QIP") are retroactive, the overall effect associated with the remeasurement of deferred taxes will impact the Company's effective tax rate.
- At this time, it is unknown whether certain 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 fiscal year ended June 29, 2019 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 the enactment. As of the fiscal year ended June 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 recorded were further adjusted due to additional guidance released during the third quarter of fiscal 2019. The amounts recorded are subject to adjustment as further regulations or additional guidance becomes available.

Integration and Acquisition Costs

During fiscal 2019, the Company acquired certain distributors for the Kate Spade and Stuart Weitzman brands. During fiscal 2018, the Company acquired Kate Spade & Company, 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 of these acquisitions, the Company incurred charges related to the integration and acquisition of the businesses. These charges are primarily associated with organization-related costs, professional fees, one-time write-off of inventory and limited life purchase accounting adjustments. The Company currently estimates that it will incur approximately $20 to $30 million in pre-tax charges, of which the majority are expected to be cash charges, in fiscal 2020. Refer to Note 5, "Integration and Acquisition Costs," Note 3, "Acquisitions," and the "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 SG&A expense. 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. Under this plan, the Company incurred charges of $87.4 million. The plan was completed 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 challenging economic growth across markets around the globe recently. Furthermore, there are factors noted that may pressure the economic growth levels currently anticipated. As a result, the current global outlook remains uncertain. It is still too early to understand what kind of sustained impact these trends or changes in trade agreements and tax legislations will have on consumer discretionary spending.

Risk of volatility or a worsening of the macroeconomic environment remains, including currency devaluation, 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 certain Chinese-made imported products. In May 2019, the United States increased the tariff rate from 10% to 25% on $200 billion of imports of select product categories into the U.S. from China. On August 1, 2019, the Trump Administration announced that the U.S. plans to implement an additional tariff of 10% on the remaining $300 billion of products imported into the U.S. from China on September 1, 2019. The Company continues to monitor this development closely and supports strategies that help diffuse these trade tensions with China. We expect these changes to have a modest impact on gross margin in fiscal 2020. Continued increases in trade tensions could impact the Company's ability to grow its business with the Chinese consumer globally.

Beginning in 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 this period may continue in the near-term. The Company also observed an acceleration in local customer demand in mainland 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. for an agreed period, but this remains subject to the successful conclusion of a final withdrawal agreement between the parties and the ratification by U.K. parliament. As of the date of this report, the withdrawal agreement has been voted against three times by U.K. parliament. As a consequence, the E.U. and U.K. agreed to postpone Brexit until October 31, 2019. This date will be accelerated to anytime between now and October 31, 2019 if a withdrawal agreement is successfully concluded between the parties and ratified by U.K. parliament. Increased uncertainty surrounds future Brexit talks due to the new leadership of the British government following Theresa May's resignation as Prime Minister on June 7, 2019 and the election of Boris Johnson on July 23, 2019. In the absence of a withdrawal agreement there would be no transitional provisions and a "hard" Brexit would occur on October 31, 2019, resulting in potential increased legal and regulatory complexities and divergent laws between the U.K. and the E.U.

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.

Furthermore, refer to Part I, Item 1 - "Business" for additional discussion on our expected store openings and closures within each of our segments. For a detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations, refer to Part I, Item 1A - "Risk Factors".

FISCAL 2019 COMPARED TO FISCAL 2018

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

	Fiscal Year Ended					
	June 29, 2019		June 30, 2018		Variance	
	(millions, except per share data)					
	Amount	**% of net sales**	Amount	% of net sales	Amount	%
Net sales	**$ 6,027.1**	**100.0%**	$ 5,880.0	100.0%	$ 147.1	2.5 %
Gross profit	**4,053.7**	**67.3**	3,848.5	65.5	205.2	5.3
SG&A expenses	**3,239.6**	**53.8**	3,177.7	54.0	61.9	1.9
Operating income	**814.1**	**13.5**	670.8	11.4	143.3	21.4
Interest expense, net	**47.9**	**0.8**	74.0	1.3	(26.1)	(35.2)
Income before provision for income taxes	**766.2**	**12.7**	596.8	10.2	169.4	28.4
Provision for income taxes	**122.8**	**2.0**	199.3	3.4	(76.5)	38.4
Net income	**643.4**	**10.7**	397.5	6.8	245.9	61.8
Net income per share:						
Basic	**$ 2.22**		$ 1.39		$ 0.83	59.7 %
Diluted	**$ 2.21**		$ 1.38		$ 0.83	60.6 %

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 fiscal 2019 and fiscal 2018 reflect certain items which affect the comparability of our results, as noted in the following tables. Refer to "Non-GAAP Measures" herein for further discussion on the Non-GAAP measures.

Fiscal 2019 Items

	June 29, 2019				
	GAAP Basis (As Reported)	**ERP Implementation**	**Integration & Acquisition**	**Impact of Tax Legislation**	**Non-GAAP Basis (Excluding Items)**
	(millions, except per share data)				
Gross profit	**$ 4,053.7**	**$ —**	**$ (27.8)**	**$ —**	**$ 4,081.5**
SG&A expenses	**3,239.6**	**36.9**	**66.6**	**—**	**3,136.1**
Operating income	**814.1**	**(36.9)**	**(94.4)**	**—**	**945.4**
Income before provision for income taxes	**766.2**	**(36.9)**	**(94.4)**	**—**	**897.5**
Provision for income taxes	**122.8**	**(9.4)**	**(25.8)**	**9.2**	**148.8**
Net income	**643.4**	**(27.5)**	**(68.6)**	**(9.2)**	**748.7**
Diluted net income per share	**2.21**	**(0.09)**	**(0.24)**	**(0.03)**	**2.57**

In fiscal 2019 the Company incurred charges as follows:

- *ERP Implementation* - Total charges of $36.9 million primarily represent technology implementation costs. Refer to the "Executive Overview" herein for further information.
- *Integration & Acquisition* - Total charges of $94.4 million primarily represent integration and acquisition costs related to organization-related costs, professional fees, one-time write-off of inventory and limited life purchase accounting adjustments.

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

- *Impact of Tax Legislation* - Total charges of $9.2 million primarily related to the net impact of the transition tax and re-measurement of deferred tax balances. 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 $103.5 million, Cost of sales by $27.8 million and Provision for income taxes by $(26.0) million, negatively impacting net income by $105.3 million, or $0.36 per diluted share.

The following table summarizes the GAAP to Non-GAAP Reconciliation by reportable segment through operating income for fiscal 2019:

	June 29, 2019					
	GAAP Basis (As Reported)	**Coach**	**Kate Spade**	**Stuart Weitzman**	**Corporate**	**Non-GAAP Basis (Excluding Items)**
			(millions)			
Cost of sales						
Integration & Acquisition		**(1.9)**	**(6.3)**	**(19.6)**	**—**	
Gross profit	**$ 4,053.7**	**$ (1.9)**	**$ (6.3)**	**$ (19.6)**	**$ —**	**$ 4,081.5**
SG&A expenses						
Integration & Acquisition		**7.1**	**14.5**	**15.0**	**30.0**	
ERP Implementation		**—**	**—**	**—**	**36.9**	
SG&A expenses	**$ 3,239.6**	**$ 7.1**	**$ 14.5**	**$ 15.0**	**$ 66.9**	**$ 3,136.1**
Operating income	**$ 814.1**	**$ (9.0)**	**$ (20.8)**	**$ (34.6)**	**$ (66.9)**	**$ 945.4**

Fiscal 2018 Items

	June 30, 2018				
	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	$ 3,848.5	$ —	$ (116.4)	$ —	$ 3,964.9
SG&A expenses	3,177.7	19.5	185.2	—	2,973.0
Operating income	670.8	(19.5)	(301.6)	—	991.9
Income before provision for income taxes	596.8	(19.5)	(301.6)	—	917.9
Provision for income taxes	199.3	(6.2)	(130.7)	178.2	158.0
Net income	397.5	(13.3)	(170.9)	(178.2)	759.9
Diluted net income per share	1.38	(0.05)	(0.58)	(0.62)	2.63

In fiscal 2018 the Company incurred adjustments as follows:

- *Operational Efficiency Plan* - Total charges of $19.5 million primarily related to technology infrastructure costs. Refer to the "Executive Overview" herein and Note 6, "Restructuring Activities," for further information regarding this plan.
- *Integration & Acquisition* - Total charges of $301.6 million, primarily attributable to the integration and acquisition of Kate Spade, and to a lesser extent the acquisition of certain distributors for the Coach and Stuart Weitzman brands and assumed operational control of the Kate Spade Joint Ventures. Provision for income taxes includes a one-time benefit of $40.7 million as a result of the reversal of certain valuation allowances that relate, in part, to the enactment of Tax Legislation. These charges include:
    - Limited life purchase accounting adjustments
    - Professional fees

- Severance and other costs related to contractual agreements with certain Kate Spade executives
- Organizational costs as a result of integration
- Inventory reserves established primarily for the destruction of inventory

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

- *Impact of Tax Legislation* - Total charges of $178.2 million primarily related to the net impact of the transition tax and re-measurement of deferred tax balances. 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 $204.7 million, cost of sales by $116.4 million and provision for income taxes by $41.3 million, negatively impacting net income by $362.4 million, or $1.25 per diluted share.

The following table summarizes the GAAP to Non-GAAP Reconciliation by reportable segment through operating income for fiscal 2018:

	June 30, 2018					
	GAAP Basis (As Reported)	Coach	Kate Spade	Stuart Weitzman	Corporate	Non-GAAP Basis (Excluding Items)
	(millions)					
Cost of sales						
Integration & Acquisition[1]		(4.1)	(106.5)	(5.8)	—	
Gross profit	$ 3,848.5	$ (4.1)	$ (106.5)	$ (5.8)	$ —	$ 3,964.9
SG&A expenses						
Integration & Acquisition[1]		0.5	113.7	7.8	63.2	
Operational Efficiency Plan		—	—	—	19.5	
SG&A expenses	$ 3,177.7	$ 0.5	$ 113.7	$ 7.8	$ 82.7	$ 2,973.0
Operating income	$ 670.8	$ (4.6)	$ (220.2)	$ (13.6)	$ (82.7)	$ 991.9

[1] 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 entity have been consolidated in the Company's operating results commencing on the date of each acquisition.

Tapestry, Inc. Summary - Fiscal 2019

Currency Fluctuation Effects

The change in net sales and gross margin in fiscal 2019 compared to fiscal 2018 has been presented both including and excluding currency fluctuation effects.

Net Sales

Net sales in fiscal 2019 increased 2.5% or $147.1 million to $6.03 billion. Excluding the effects of foreign currency, net sales increased by 3.6% or $213.8 million. Excluding the effects of foreign currency, net sales increased across all brands.

Gross Profit

Gross profit increased 5.3% or $205.2 million to $4.05 billion in fiscal 2019 from $3.85 billion in fiscal 2018. Gross margin for fiscal 2019 was 67.3% as compared to 65.5% in fiscal 2018. Excluding Non-GAAP charges of $27.8 million in fiscal 2019 and $116.4 million in fiscal 2018, as discussed in the "GAAP to Non-GAAP Reconciliation" herein, gross profit increased 2.9% or $116.6 million to $4.08 billion in fiscal 2019, and gross margin increased to 67.7% in fiscal 2019 from 67.4% in fiscal 2018. This increase in gross profit is primarily driven by increases in Coach of $62.7 million and increases in Kate Spade of $57.7 million partially offset by decreases in Stuart Weitzman of $3.8 million.

Selling, General and Administrative Expenses

The Company includes inbound product-related transportation costs from our service providers within Cost of sales. The Company 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 increased 1.9% or $61.9 million to $3.24 billion in fiscal 2019 as compared to $3.18 billion in fiscal 2018. As a percentage of net sales, SG&A expenses decreased to 53.8% during fiscal 2019 as compared to 54.0% during fiscal 2018. Excluding non-GAAP charges of $103.5 million in fiscal 2019 and $204.7 million in fiscal 2018, SG&A expenses increased 5.5% or $163.1 million from fiscal 2018; and SG&A expenses as a percentage of net sales increased to 52.0% in fiscal 2019 from 50.6% in fiscal 2018. This increase is primarily due to increases in Kate Spade of $68.7 million, Corporate expenses of $41.2 million, Coach of $27.1 million and Stuart Weitzman of $26.1 million.

Corporate expenses, which are included within SG&A expenses discussed above but are not directly attributable to a reportable segment, increased 6.0% or $25.4 million to $448.8 million in fiscal 2019 as compared to $423.4 million in fiscal 2018. Excluding non-GAAP charges of $66.9 million and $82.7 million in fiscal 2019 and fiscal 2018, respectively, SG&A expenses increased 12.2% or $41.2 million to $381.9 million in fiscal 2019 as compared to $340.7 million in fiscal 2018. This increase in SG&A expenses was primarily driven by ongoing expenses as a result of the new system implementations, as well as higher employee related costs including compensation.

Operating Income

Operating income increased 21.4% or $143.3 million to $814.1 million during fiscal 2019 as compared to $670.8 million in fiscal 2018. Operating margin was 13.5% in fiscal 2019 as compared to 11.4% in fiscal 2018. Excluding non-GAAP charges of $131.3 million in fiscal 2019 and $321.1 million in fiscal 2018, operating income decreased 4.7% or $46.5 million to $945.4 million from $991.9 million in fiscal 2018; and operating margin was 15.7% in fiscal 2019 as compared to 16.9% in fiscal 2018. This decrease in operating income is primarily driven by an increase in Corporate expenses of $41.2 million as well as declines in operating income in Stuart Weitzman of $29.9 million and Kate Spade of $11.0 million, partially offset by increases in Coach of $35.6 million.

Interest Expense, net

Net interest expense decreased 35.2% or $26.1 million to $47.9 million in fiscal 2019 as compared to $74.0 million in fiscal 2018. The decrease in interest expense, net 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 16.0% in fiscal 2019 as compared to 33.4% in fiscal 2018. Excluding non-GAAP charges, the effective tax rate was 16.6% in fiscal 2019 as compared to 17.2% in fiscal 2018. The decrease in our effective tax rate was primarily attributable to geographic mix of earnings.

Net Income

Net income increased 61.8% or $245.9 million to $643.4 million in fiscal 2019 as compared to $397.5 million in fiscal 2018. Excluding non-GAAP charges, net income decreased 1.5% or $11.2 million to $748.7 million in fiscal 2019 from $759.9 million in fiscal 2018. This decrease was primarily due to lower operating income, partially offset by a decrease in net interest expense as well as a decrease in the provision for income taxes.

Net Income per Share

Net income per diluted share increased 60.6% to $2.21 in fiscal 2019 as compared to $1.38 in fiscal 2018. Excluding non-GAAP charges, net income per diluted share decreased 2.2% or $0.06 to $2.57 in fiscal 2019 from $2.63 in fiscal 2018, due to lower net income and an increase in shares outstanding.

Segment Performance - Fiscal 2019

Coach

	Fiscal Year Ended					
	June 29, 2019		June 30, 2018		Variance	
			(millions)			
	Amount	**% of net sales**	Amount	% of net sales	Amount	%
Net sales	**$ 4,270.9**	**100.0%**	$ 4,221.5	100.0%	$ 49.4	1.2%
Gross profit	**2,996.4**	**70.2**	2,931.5	69.4	64.9	2.2
SG&A expenses	**1,848.0**	**43.3**	1,814.3	43.0	33.7	1.9
Operating income	**1,148.4**	**26.9**	1,117.2	26.5	31.2	2.8

Coach Net Sales increased 1.2% or $49.4 million to $4.27 billion in fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales increased 2.4% or $101.4 million. This increase was due to an increase in comparable store sales of $67.1 million or 2% compared to 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 Japan, Greater China, Other Asia and Europe primarily due to traffic and conversion. Non-comparable store sales increased by $36.9 million, primarily driven by direct ownership of the business in Australia and New Zealand, as well as non-comparable store sales in Greater China and Europe, partially offset by a decrease in Japan and North America related to store closures.

Coach Gross Profit increased 2.2% or $64.9 million to $3.00 billion in fiscal 2019 from $2.93 billion in fiscal 2018. Gross margin increased to 70.2% in fiscal 2019 as compared to 69.4% in fiscal 2018. Excluding non-GAAP charges of $1.9 million and $4.1 million in fiscal 2019 and in fiscal 2018, respectively, Coach gross profit increased 2.1% or $62.7 million to $3.00 billion from $2.94 billion in fiscal 2018, and gross margin increased 70 basis points to 70.2% in fiscal 2019 from 69.5% in fiscal 2018 on a non-GAAP basis. Excluding the impact of foreign currency in both periods, gross margin increased 30 basis points. The increase in gross margin was primarily due to improved product costing, partially offset by promotional activity.

Coach SG&A expenses increased 1.9% or $33.7 million to $1.85 billion in fiscal 2019 as compared to $1.81 billion in fiscal 2018. As a percentage of net sales, SG&A expenses increased to 43.3% in fiscal 2019 as compared to 43.0% in fiscal 2018. Excluding non-GAAP charges of $7.1 million and $0.5 million in fiscal 2019 and fiscal 2018, respectively, SG&A expenses increased 1.5% or $27.1 million. The $27.1 million increase is primarily due to higher compensation expenses and higher store-related costs.

Coach Operating Income increased 2.8% or $31.2 million to $1.15 billion in fiscal 2019, resulting in an operating margin of 26.9%, as compared to $1.12 billion and 26.5%, respectively in fiscal 2018. Excluding non-GAAP charges, Coach operating income increased 3.2% or $35.6 million to $1.16 billion from $1.12 billion in fiscal 2018; and operating margin was 27.1% in fiscal 2019 as compared to 26.6% in fiscal 2018. The increase in operating income was due to an increase in gross profit, partially offset by higher SG&A expenses.

Kate Spade

	Fiscal Year Ended					
	June 29, 2019		June 30, 2018[1]		Variance	
			(millions)			
	Amount	**% of net sales**	Amount	% of net sales	Amount	%
Net sales	**$ 1,366.8**	**100.0%**	$ 1,284.7	100.0 %	$ 82.1	6.4 %
Gross profit	**863.6**	**63.2**	705.7	54.9	157.9	22.4
SG&A expenses	**697.9**	**51.1**	728.4	56.7	(30.5)	(4.2)
Operating income (loss)	**165.7**	**12.1**	(22.7)	(1.8)	188.4	NM

NM - Not meaningful

(1) On July 11, 2017, the Company completed its acquisition of Kate Spade. The operating results of the Kate Spade brand have been consolidated in the Company's operating results commencing on July 11, 2017.

Kate Spade Net Sales increased 6.4% or $82.1 million to $1.37 billion in fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales increased 7.1% or $90.8 million. The increase was due to an increase in non-comparable store sales of $192.2 million, which benefited from new store openings in North America, Japan, and Europe, taking operational control of Kate Spade Joint Ventures in Greater China and the direct ownership of the businesses in Australia, Singapore, and Malaysia. In addition, there were increases related to 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 $75.8 million or 7%, including a benefit of approximately 4% 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 $33.3 million primarily due to lower wholesale sales in North America including the strategic pullback, as well as the impact of the direct ownership of the business in Australia, Singapore and Malaysia being transitioned from wholesale sales to direct sales.

Kate Spade Gross Profit increased 22.4% or $157.9 million to $863.6 million in fiscal 2019 from $705.7 million in fiscal 2018. Gross margin increased to 63.2% in fiscal 2019 from 54.9% in fiscal 2018. Excluding non-GAAP charges of $6.3 million and $106.5 million in fiscal 2019 and fiscal 2018 respectively, Kate Spade gross profit increased 7.1% or $57.7 million to $869.9 million from $812.2 million in fiscal 2018, and gross margin increased 40 basis points to 63.6% from 63.2% in fiscal 2018. The gross margin increase of 40 basis points is primarily due to improved product costing as a result of synergies, partially offset by promotional activity within North America outlet.

Kate Spade SG&A Expenses decreased 4.2% or $30.5 million to $697.9 million in fiscal 2019 from $728.4 million in fiscal 2018. As a percentage of net sales, SG&A expenses decreased to 51.1% during fiscal 2019 as compared to 56.7% in fiscal 2018. Excluding non-GAAP charges of $14.5 million and $113.7 million in fiscal 2019 and fiscal 2018, respectively, SG&A expenses increased 11.1% or $68.7 million to $683.4 million in fiscal 2019 compared to $614.7 million in fiscal 2018; and SG&A expenses as a percentage of sales increased to 50.0% in fiscal 2019 from 47.9% in fiscal 2018. This increase was due to taking operational control of the Kate Spade Joint Ventures in Greater China and the direct ownership of the businesses in Australia, Singapore and Malaysia, additional store-related costs as a result of new store openings, as well as the additional days under Tapestry ownership in the first quarter of fiscal 2019 when compared to the prior fiscal year.

Kate Spade Operating Income increased $188.4 million to $165.7 million in fiscal 2019, resulting in an operating margin of 12.1% as compared to an operating loss of $22.7 million and operating margin of (1.8)% in fiscal 2018. Excluding non-GAAP charges, Kate Spade operating income decreased 5.5% or $11.0 million to $186.5 million from $197.5 million in fiscal 2018, resulting in an operating margin of 13.6% as compared to 15.4% in fiscal 2018. The decrease in operating income was due to higher SG&A expenses, partially offset by an increase in gross profit.

Stuart Weitzman

	Fiscal Year Ended					
	June 29, 2019		June 30, 2018		Variance	
	(millions)					
	Amount	**% of net sales**	Amount	% of net sales	Amount	%
Net sales	**$ 389.4**	**100.0 %**	$ 373.8	100.0 %	$ 15.6	4.2 %
Gross profit	**193.7**	**49.8**	211.3	56.5	(17.6)	(8.3)
SG&A expenses	**244.9**	**62.9**	211.6	56.7	33.3	15.6
Operating loss	**(51.2)**	**(13.1)**	(0.3)	(0.1)	(50.9)	NM

NM - Not meaningful

Stuart Weitzman Net Sales increased by 4.2% or $15.6 million to $389.4 million in fiscal 2019. Excluding the unfavorable impact of foreign currency, net sales increased 5.8% or $21.6 million. This increase was primarily due to higher sales in the retail business of $39.8 million, primarily due to the direct ownership of the business in mainland China and new store openings, partially offset by a decline in comparable store sales. This was partially offset by a decline in wholesale sales of $17.8 million primarily due to trailing impacts as a result of supply chain operational challenges.

Stuart Weitzman Gross Profit decreased 8.3% or $17.6 million to $193.7 million in fiscal 2019 from $211.3 million in fiscal 2018. Gross margin decreased 670 basis points to 49.8% in fiscal 2019 from 56.5% in fiscal 2018. Excluding non-GAAP charges of $19.6 million in fiscal 2019 and $5.8 million in fiscal 2018, Stuart Weitzman gross profit decreased 1.8% or $3.8 million to $213.3 million from $217.1 million in fiscal 2018, and gross margin decreased 330 basis points to 54.8% in fiscal 2019 from 58.1% in fiscal 2018. The year over year change in gross margin was negatively impacted by foreign currency rates by 220 basis points. Excluding the impact of foreign currency, there was a decrease in gross margin of 110 basis points primarily due to lower

wholesale margins from the trailing impacts as a result of supply chain operational challenges, partially offset by the direct ownership of the business in mainland China.

Stuart Weitzman SG&A Expenses increased 15.6% or $33.3 million to $244.9 million in fiscal 2019 as compared to $211.6 million in fiscal 2018. As a percentage of net sales, SG&A expenses increased to 62.9% in fiscal 2019 as compared to 56.7% in fiscal 2018. Excluding non-GAAP charges of $15.0 million in fiscal 2019 and $7.8 million in fiscal 2018, SG&A expenses increased 12.7% or $26.1 million to $229.9 million in fiscal 2019; and SG&A expenses as a percentage of net sales increased to 59.0% in fiscal 2019 from 54.6% in fiscal 2018. This increase is primarily due to the direct ownership of the businesses in mainland China and new store openings.

Stuart Weitzman Operating Loss increased $50.9 million to an operating loss of $51.2 million in fiscal 2019, resulting in an operating margin of (13.1)%, as compared to an operating loss of $0.3 million and operating margin of (0.1)% in fiscal 2018. Excluding non-GAAP charges, Stuart Weitzman operating income decreased $29.9 million to an operating loss of $16.6 million from an operating income of $13.3 million in fiscal 2018; and operating margin was (4.3)% in fiscal 2019 as compared to 3.5% in fiscal 2018. The decrease in operating income was due to higher SG&A expenses and a decrease in gross profit.

FISCAL 2018 COMPARED TO FISCAL 2017

The comparison of fiscal 2018 to 2017 has been omitted from this Form 10-K, but can be referenced in our Form 10-K for the fiscal year ended June 30, 2018, filed on August 16, 2018, as well as the Form 8-K, furnished with the SEC on October 30, 2018.

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 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 in fiscal 2018, 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, 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 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations".

FINANCIAL CONDITION

Cash Flows - Fiscal 2019 Compared to Fiscal 2018

	Fiscal Year Ended		
	June 29, 2019	June 30, 2018	Change
		(millions)	
Net cash provided by operating activities	**$ 791.7**	$ 996.7	$ (205.0)
Net cash used in investing activities	**(574.2)**	(2,164.8)	1,590.6
Net cash used in financing activities	**(484.9)**	(249.9)	(235.0)
Effect of exchange rate changes on cash and cash equivalents	**(6.8)**	(11.5)	4.7
Net (decrease) increase in cash and cash equivalents	**$ (274.2)**	$ (1,429.5)	$ 1,155.3

The Company's cash and cash equivalents decreased by $274.2 million in fiscal 2019 compared to a decrease of $1.43 billion in fiscal 2018, as discussed below.

Net cash provided by operating activities

Net cash provided by operating activities decreased $205.0 million primarily due to changes in operating assets and liabilities of $442.5 million and lower non-cash charges of $8.4 million, partially offset by higher net income of $245.9 million.

The $442.5 million decrease in changes in our operating asset and liability balances was primarily driven by:

- Other liabilities changed by $213.5 million. They were a use of cash of $55.8 million in fiscal 2019 compared to a source of cash of $157.7 million in fiscal 2018, primarily driven by an increase in the Company's long-term income tax payable in fiscal 2018 as a result of the Transition Tax and a decrease to the Company's long-term income tax payable in fiscal 2019 as a result of payments made as well as the application of net operating losses to reduce the Transition Tax liability.
- Other assets changed by $150.1 million. They were a use of cash of $69.2 million in fiscal 2019 as compared to a source of cash of $80.9 million in fiscal 2018, primarily driven by timing of income tax payments.
- Inventories changed by $135.1 million. They were a use of cash of $104.7 million in fiscal 2019 as compared to a source of cash of $30.4 million in fiscal 2018, primarily driven by increased inventory in transit, lower inventory at Kate Spade at the end of fiscal 2018 as a result of strong sales in the fourth quarter of fiscal 2018 and lower than expected sales in fiscal 2019.
- Accrued liabilities changed by $12.6 million. They were a use of cash of $29.5 million in fiscal 2019 as compared to a use of cash of $16.9 million in fiscal 2018, primarily driven by the timing of employee-related costs and accrued interest.
- Accounts payable changed by $37.5 million. They were a use of cash of $39.8 million in fiscal 2019 as compared to a use of cash of $77.3 million in fiscal 2018, primarily driven by the timing of Kate Spade and Coach inventory payments.
- Trade accounts receivable changed by $31.3 million. They were a source of cash of $25.7 million in fiscal 2019 as compared to a use of cash of $5.6 million in fiscal 2018, primarily driven by the timing of certain international sales.

Net cash used in investing activities

Net cash used in investing activities was $574.2 million in fiscal 2019 compared to a use of cash of $2.16 billion in fiscal 2018, resulting in a $1.59 billion decrease in net cash used in investing activities.

The $574.2 million use of cash in fiscal 2019 is primarily due to purchases of investments of $415.5 million and capital expenditures of $274.2 million. This use of cash was partially offset by net cash proceeds from maturities and sales of investments of $159.0 million.

The $2.16 billion use of cash in fiscal 2018 is primarily due to the $2.38 billion purchase of Kate Spade and other acquisitions, net of cash acquired, and capital expenditures of $267.4 million. This use of cash was partially offset by net cash proceeds from maturities and sales of investments of $478.4 million.

Net cash used in financing activities

Net cash used in financing activities was $484.9 million in fiscal 2019 as compared to a use of cash of $249.9 million in fiscal 2018, resulting in a $235.0 million increase in net cash used in financing activities.

The $484.9 million of cash used in fiscal 2019 was primarily due to dividend payments of $390.7 million and repurchases of common stock of $100.0 million.

The $249.9 million of cash used in fiscal 2018 was primarily due to dividend payments of $384.1 million which were partially offset by proceeds from share-based awards of $165.7 million. The Company also borrowed and repaid debt of $1.10 billion within the fiscal year.

Cash Flows - Fiscal 2018 Compared to Fiscal 2017

The comparison of fiscal 2018 to 2017 has been omitted from this Form 10-K, but can be referenced in our Form 10-K for the fiscal year ended June 30, 2018, filed on August 16, 2018.

Working Capital and Capital Expenditures

As of June 29, 2019, 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]	**$ 969.2**	**$ —**	**$ 969.2**
Short-term investments[1]	**264.6**	**—**	**264.6**
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	**$ 3,733.8**	**$ 1,600.0**	**$ 2,133.8**

(1) As of June 29, 2019, approximately 59.6% 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 2019, we have analyzed our global working capital and cash requirements, and the potential tax liabilities associated with repatriation, and have determined that we will likely repatriate some portion of available foreign cash in the foreseeable future. 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 at fiscal year-end. 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 June 29, 2019, 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 June 29, 2019, there were 13 financial institutions participating in the Revolving Credit Facility, with no one participant maintaining a combined maximum commitment percentage in excess of 13%. We have no reason to believe at this time that the participating institutions will be unable to fulfill their obligations to provide financing in accordance with the terms of the facility in the event we elect to draw funds in the foreseeable future.

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

Management believes that cash flows from operations, access to the credit and capital markets and our credit lines, on-hand cash and cash equivalents and our investments will provide adequate funds to support our operating, capital, and debt service requirements for fiscal 2020, including our plans for further investment in our brands, while returning capital to shareholders through our dividend and share repurchase programs. We expect total capital expenditures to be approximately $300 million. Our ability to fund working capital needs, planned capital expenditures, dividend payments, share repurchases 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.

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.

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.

Share Repurchase Plan

On May 9, 2019, the Company announced that its Board of Directors had authorized the repurchase up to $1.00 billion of shares of its outstanding common stock. Pursuant to this program, purchases of the Company's common stock will be made subject to market conditions and at prevailing market prices, through open market purchases. Repurchased shares of common stock will become authorized but unissued shares. These shares may be issued in the future for general corporate and other purposes. In addition, the Company may terminate or limit the stock repurchase program at any time. During fiscal 2019, the Company repurchased $100.0 million of common stock. Refer to Part II, Item 5. "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities," for further information.

Contractual and Other Obligations

Firm Commitments

As of June 29, 2019, the Company's contractual obligations are as follows:

	Total	Fiscal 2020	Fiscal 2021 – 2022	Fiscal 2023 – 2024	Fiscal 2025 and Beyond
			(millions)		
Capital expenditure commitments	$ 16.2	$ 16.2	$ —	$ —	$ —
Inventory purchase obligations	404.2	404.2	—	—	—
Operating lease obligations	2,611.3	399.0	649.7	496.9	1,065.7
Capital lease obligations	6.1	0.8	1.8	2.3	1.2
Debt repayment	1,611.4	—	411.4	—	1,200.0
Interest on outstanding debt	407.8	62.9	125.6	107.1	112.2
Mandatory transition tax payments[1]	155.9	—	28.8	74.2	52.9
Other	93.6	33.1	46.0	14.5	—
Total	$ 5,306.5	$ 916.2	$ 1,263.3	$ 695.0	$ 2,432.0

[1] Mandatory transition tax payments represent our tax obligation incurred in connection with the deemed repatriation of previously deferred foreign earnings pursuant to the Tax Legislation. These amounts represent the Company's best estimate as of June 29, 2019, but are subject to adjustment as further regulations or additional guidance becomes available. Refer to Note 15, "Income Taxes," for further information.

Excluded from the above contractual obligations table is the non-current liability for unrecognized tax benefits of $76.1 million as of June 29, 2019, as we cannot make a reliable estimate of the period in which the liability will be settled, if ever. The above table also excludes amounts included in current liabilities in the Consolidated Balance Sheet at June 29, 2019 as these items will

be paid within one year, certain long-term liabilities not requiring cash payments and cash contributions for the Company's pension plan.

Off-Balance Sheet Arrangements

In addition to the commitments included in the table above, we have outstanding letters of credit, surety bonds and bank guarantees of $34.5 million as of June 29, 2019, primarily serving to collateralize our obligation to third parties for duty, leases, insurance claims and materials used in product manufacturing. These letters of credit expire at various dates through 2039.

We do not maintain any other off-balance sheet arrangements, transactions, obligations, or other relationships with unconsolidated entities that would be expected to have a material current or future effect on our consolidated financial statements. Refer to Note 13, "Commitments and Contingencies," for further information.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect our results of operations, financial condition and cash flows as well as the disclosure of contingent assets and liabilities as of the date of the Company's financial statements. Actual results could differ from estimates in amounts that may be material to the financial statements. Predicting future events is inherently an imprecise activity and, as such, requires the use of judgment. Actual results could differ from estimates in amounts that may be material to the financial statements. The development and selection of the Company's critical accounting policies and estimates are periodically reviewed with the Audit Committee of the Board.

The accounting policies discussed below are considered critical because changes to certain judgments and assumptions inherent in these policies could affect the financial statements. For more information on the Company's accounting policies, please refer to the Notes to Consolidated Financial Statements.

Revenue Recognition

Revenue is recognized when the Company satisfies its performance obligations by transferring control of promised products or services to its customers, which may be at a point of 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.

Retail store and concession shop-in-shop revenues are recognized 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.

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. Wholesale revenue is recorded net of estimates for returns, discounts, end-of-season markdowns, cooperative advertising allowances and other consideration provided to the customer. 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.

At June 29, 2019, a 10% change in the allowances for estimated uncollectible accounts, markdowns and returns would not have resulted in a material change in the Company's reserves and net sales.

Inventories

The Company holds inventory that is sold through retail and wholesale distribution channels, including e-commerce sites. Substantially all of the Company's inventories are comprised of finished goods, and are reported at the lower of cost or net realizable value. Inventory costs include material, conversion costs, freight and duties and are primarily determined by the first-in, first-out method. The Company reserves for inventory, including slow-moving and aged inventory, based on current product demand, expected future demand and historical experience. A decrease in product demand due to changing customer tastes, buying patterns or increased competition could impact the Company's evaluation of its inventory and additional reserves might be required. Estimates may differ from actual results due to the quantity, quality and mix of products in inventory, consumer and retailer preferences and market conditions. At June 29, 2019, a 10% change in the inventory reserve, would not have resulted in material change in inventory and cost of sales.

Business Combinations

In connection with an acquisition, the Company records all assets acquired and liabilities assumed of the acquired business at their acquisition date fair value, including the recognition of contingent consideration at fair value on the acquisition date. These fair value determinations require judgment and may involve the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives, and market multiples, among other items. Furthermore, the Company may utilize independent third-party valuation firms to assist in making these fair value determinations. If goodwill is identified based upon the valuation of an acquired business, the goodwill is assigned to the reporting units which will benefit from the synergies that result from the business combination and reported within the segment that such reporting units comprise. Refer to Note 3, "Acquisitions," for detailed disclosures related to our acquisitions.

Goodwill and Other Intangible Assets

Upon acquisition, the Company estimates and records the fair value of purchased intangible assets, which primarily consists of brands, customer relationships, lease rights and order backlog. Goodwill and certain other intangible assets deemed to have indefinite useful lives, including brand intangible assets, are not amortized, but are assessed for impairment at least annually. Finite-lived intangible assets are amortized over their respective estimated useful lives and, along with other long-lived assets as noted above, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. Estimates of fair value for finite-lived and indefinite-lived intangible assets are primarily determined using discounted cash flows and the multi-period excess earnings method, respectively, with consideration of market comparisons. This approach uses significant estimates and assumptions, including projected future cash flows, discount rates and growth rates.

The Company generally performs its annual goodwill and indefinite-lived intangible assets impairment analysis using a quantitative approach. The quantitative goodwill impairment test identifies the existence of potential impairment by comparing the fair value of each reporting unit with its carrying value, including goodwill. If the fair value of a reporting unit exceeds its carrying value, the reporting unit's goodwill is considered not to be impaired. If the carrying value of a reporting unit exceeds its fair value, an impairment charge is recognized in an amount equal to that excess. The impairment charge recognized is limited to the amount of goodwill allocated to that reporting unit.

Determination of the fair value of a reporting unit and intangible asset is based on management's assessment, considering independent third-party appraisals when necessary. Furthermore, this determination is judgmental in nature and often involves the use of significant estimates and assumptions, which may include projected future cash flows, discount rates, growth rates, and determination of appropriate market comparables and recent transactions. These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and the amount of any such charge.

The Company performs its annual impairment assessment of goodwill as well as brand intangibles at the beginning of the fourth quarter of each fiscal year. The Company determined that there was no impairment in fiscal 2019, fiscal 2018 or fiscal 2017. In all fiscal years, the fair values of our Coach brand reporting units significantly exceeded their respective carrying values. The fair values of the Kate Spade brand reporting unit and indefinite-lived brand as of the fiscal 2019 testing date exceeded their respective carrying values by approximately 21% and 61%, respectively. Furthermore, the fair values of the Stuart Weitzman brand reporting unit and indefinite-lived brand exceeded their respective carrying values by approximately 11% and 62%, respectively. Since the annual assessment date, the Company has updated its projections to reflect more modest top line growth at Kate Spade and has concluded that all the intangible assets are not impaired as of June 29, 2019. Several factors could impact the Kate Spade and Stuart Weitzman brands' ability to achieve expected future cash flows, including the management of the supply chain operational challenges at Stuart Weitzman, reception of new collections, the success of international expansion strategies including the consolidation or integration of certain distributor relationships, the optimization of the store fleet productivity, the impact of promotional activity in department stores, the simplification of certain corporate overhead structures and other initiatives aimed at expanding higher performing categories of the business. Given the relatively small excess of fair value over carrying value as noted above, if profitability trends decline during fiscal 2020 from those that are expected, it is possible that an interim test, or our annual impairment test, could result in an impairment of these assets.

Valuation of Long-Lived Assets

Long-lived assets, such as property and equipment, are evaluated for impairment whenever events or circumstances indicate that the carrying value of the assets may not be recoverable. In evaluating long-lived assets for recoverability, the Company uses its best estimate of future cash flows expected to result from the use of the related asset group and its eventual disposition. To the extent that estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized equal to the difference between the carrying value of such asset and its fair value, considering external market participant assumptions.

In determining future cash flows, the Company takes various factors into account, including the effects of macroeconomic trends such as consumer spending, in-store capital investments, promotional cadence, the level of advertising and changes in merchandising strategy. Since the determination of future cash flows is an estimate of future performance, there may be future impairments in the event that future cash flows do not meet expectations.

Share-Based Compensation

The Company recognizes the cost of equity awards to employees and the non-employee Directors based on the grant-date fair value of those awards. The grant-date fair values of share unit awards are based on the fair value of the Company's common stock on the date of grant. The grant-date fair value of stock option awards is determined using the Black-Scholes option pricing model and involves several assumptions, including the expected term of the option, expected volatility and dividend yield. The expected term of options represents the period of time that the options granted are expected to be outstanding and is based on historical experience. Expected volatility is based on historical volatility of the Company's stock as well as the implied volatility from publicly traded options on the Company's stock. Dividend yield is based on the current expected annual dividend per share and the Company's stock price. Changes in the assumptions used to determine the Black-Scholes value could result in significant changes in the Black-Scholes value.

For stock options and share unit awards, the Company recognizes share-based compensation net of estimated forfeitures and revises the estimates in subsequent periods if actual forfeitures differ from the estimates. The Company estimates the forfeiture rate based on historical experience as well as expected future behavior.

The Company grants performance-based share awards to key executives, the vesting of which is subject to the executive's continuing employment and the Company's or individual's achievement of certain performance goals. On a quarterly basis, the Company assesses actual performance versus the predetermined performance goals, and adjusts the share-based compensation expense to reflect the relative performance achievement. Actual distributed shares are calculated upon conclusion of the service and performance periods, and include dividend equivalent shares. If the performance-based award incorporates a market condition, the grant-date fair value of such award is determined using a pricing model, such as a Monte Carlo Simulation.

A hypothetical 10% change in our stock-based compensation expense would not have a material impact to our fiscal 2019 net income.

Income Taxes

The Company's effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations, and tax planning strategies available in the various jurisdictions in which the Company operates. The Company classifies interest and penalties on uncertain tax positions in the provision for income taxes. The Company records net deferred tax assets to the extent it believes that it is more likely than not that these assets will be realized. In making such determination, the Company considers all available evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent and expected future results of operation. The Company reduces deferred tax assets by a valuation allowance if, based upon the weight of available evidence, it is more likely than not that some amount of deferred tax assets is not expected to be realized. The Company is not permanently reinvested with respect to earnings of a limited number of foreign entities and has recorded the tax consequences of remitting earnings from these entities. The Company is permanently reinvested with respect to all other earnings.

The Company recognizes the impact of tax positions in the financial statements if those positions will more likely than not be sustained on audit, based on the technical merits of the position. Although the Company believes that the estimates and assumptions used are reasonable and legally supportable, the final determination of tax audits could be different than that which is reflected in historical tax provisions and recorded assets and liabilities. Tax authorities periodically audit the Company's income tax returns and the tax authorities may take a contrary position that could result in a significant impact on the Company's results of operations. Significant management judgment is required in determining the effective tax rate, in evaluating tax positions and in determining the net realizable value of deferred tax assets.

Refer to Note 15, "Income Taxes," for further information.

Recent Accounting Pronouncements

Refer to Note 2, "Significant Accounting Policies," to the accompanying audited consolidated financial statements for a description of certain recently adopted, issued or proposed accounting standards which may impact our consolidated financial statements in future reporting periods.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

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

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

Foreign Currency Exchange Rate Risk

Foreign currency exposures arise from transactions, including firm commitments and anticipated contracts, denominated in a currency other than the entity's functional currency, and from foreign-denominated revenues and expenses translated into U.S. dollars. The majority of the Company's purchases and sales involving international parties, excluding international consumer sales, are denominated in U.S. dollars and, therefore, our foreign currency exchange risk is limited. The Company is exposed to risk from foreign currency exchange rate fluctuations resulting from its operating subsidiaries' transactions denominated in foreign currencies. To mitigate such risk, certain subsidiaries enter into forward currency contracts. As of June 29, 2019 and June 30, 2018, forward currency contracts designated as cash flow hedges with a notional amount of $398.4 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 June 29, 2019.

The Company is also exposed to transaction risk from foreign currency exchange rate fluctuations with respect to various cross-currency intercompany loans. This primarily includes exposure to exchange rate fluctuations in the Chinese Renminbi. To manage the exchange rate risk related to these loans, the Company enters into forward currency contracts. As of June 29, 2019 and June 30, 2018, the total notional values of outstanding forward foreign currency contracts related to these loans were $14.5 million and $160.7 million, respectively.

The fair value of outstanding forward currency contracts included in current assets at June 29, 2019 and June 30, 2018 was $1.1 million and $6.0 million, respectively. The fair value of outstanding foreign currency contracts included in current liabilities at June 29, 2019 and June 30, 2018 was $4.9 million and $2.4 million, respectively. The fair value of these contracts is sensitive to changes in foreign currency exchange rates. A sensitivity analysis of the effects of foreign exchange rate fluctuations on the fair values of our derivative contracts was performed to assess the risk of loss. As of June 29, 2019, a 10% devaluation of the U.S. Dollar against the exchange rates for foreign currencies under contract would result in an immaterial impact on derivative contract fair values.

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. A hypothetical 10% change in the credit agreement interest rate would have resulted in an immaterial change in interest expense in fiscal 2019.

The Company is exposed to changes in interest rates related to the fair value of the Senior Notes. At June 29, 2019, the fair value of the 2025 Senior Notes, 2022 Senior Notes and 2027 Senior Notes was approximately $630 million, $399 million and $606 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 respective 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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Refer to "Index to Financial Statements," appearing at the end of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure 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 June 29, 2019.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting as defined in Rule 13a-15(f). The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board regarding the preparation and fair presentation of published financial statements. Management evaluated the effectiveness of the Company's internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in Internal Control — Integrated Framework in 2013. Management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of June 29, 2019 and concluded that it is effective.

The Company's independent auditors have issued an audit report on the Company's internal control over financial reporting as of June 29, 2019 as included elsewhere herein.

Changes in Internal Control over Financial Reporting

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 second phase of this implementation which was the finance and supply chain functions were 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 herein.

Other than the ERP system implementation noted above, there were no other changes in our internal control over financial reporting during the fiscal year ended June 29, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On August 12, 2019, the Human Resources Committee of the Board of Directors of the Company approved the Tapestry, Inc. Special Severance Plan (the "Plan"), which is intended to provide benefits to designated employees of the Company who are members of a select group of management or highly compensated employees (as determined in accordance with Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA) in the event their employment is terminated by the Company without Cause or by the participant for Good Reason (each as defined in the Plan) upon or within 24 months following a Change in Control (a "Qualifying Termination"). In the event of a Qualifying Termination, the Company shall provide the participants under the Plan with severance payment amounts equal to the sum of such participant's Base Salary plus Bonus (each as defined in the Plan) multiplied by the Severance Multiple (as defined in the Plan) applicable to each participant, in addition to COBRA, accelerated vesting of unvested awards granted on or after August 12, 2019 and other benefits as described in the Plan. The Severance Multiple for (i) the Company's Chief Executive Officer shall by two and one-half times and (ii) for other executive officers, including the Company's other named executive officers, shall be one and one-half times. The Severance Multiples for other participants are described in the Plan.

The receipt of severance benefits under the Plan is conditioned on a participant's execution and non-revocation of general release of claims in favor of the Company and its affiliates, except as expressly provided in the Plan. Participants are also required to comply with certain post-termination restrictive covenants, including non-competition and employee and customer non-solicitation provisions.

If any payments or benefits under the Plan would be considered "parachute payments" under Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and would be subject to the excise tax imposed by Section 4999 of the Code, then such payments will either be (i) reduced so than no portion of the payments is subject to the excise tax or (ii) delivered in full, whichever of the foregoing results in the participant receiving a greater amount on a net after-tax basis, taking into account all federal, state and local taxes and the excise tax imposed by Section 4999 of the Code.

The foregoing summary is not a complete summary of the terms of the Plan and is qualified in its entirety by reference to the text of the Plan, which is filed as Exhibit 10.40 to this Annual Report on Form 10-K for the fiscal year ended June 29, 2019.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required to be included by Item 10 of Form 10-K will be included in the Proxy Statement for the 2019 Annual Meeting of Stockholders and such information is incorporated by reference herein. The Proxy Statement will be filed with the Commission within 120 days after the end of the fiscal year covered by this Form 10-K pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended.

ITEM 11. EXECUTIVE COMPENSATION

The information regarding executive and director compensation set forth in the Proxy Statement for the 2019 Annual Meeting of Stockholders is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information under the headings “Securities Authorized for Issuance Under Equity Compensation Plans” and “Tapestry Stock Ownership by Certain Beneficial Owners and Management” in the Company’s Proxy Statement for the 2019 Annual Meeting of Stockholders is incorporated herein by reference.

There are no arrangements known to the registrant that may at a subsequent date result in a change in control of the registrant.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required to be included by Item 13 of Form 10-K will be included in the Proxy Statement for the 2019 Annual Meeting of Stockholders and such information is incorporated by reference herein.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated herein by reference to the sections entitled “Fees For Audit and Other Services” and “Audit Committee Pre-Approval Policy” in the Proxy Statement for the 2019 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements and Financial Statement Schedules. Refer to “Index to Financial Statements” appearing herein.

(b) Exhibits. Refer to the exhibit index which is included herein.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: August 15, 2019

By: /s/ Victor Luis
Name: Victor Luis
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated below on August 15, 2019.

Signature	Title
/s/ Victor Luis Victor Luis	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Joanne C. Crevoiserat Joanne C. Crevoiserat	Chief Financial Officer (Principal Financial Officer)
/s/ Brian Satenstein Brian Satenstein	Corporate Controller (Principal Accounting Officer)
/s/ Jide Zeitlin Jide Zeitlin	Chairman and Director
/s/ Darrell Cavens Darrell Cavens	Director
/s/ David Denton David Denton	Director
/s/ Anne Gates Anne Gates	Director
/s/ Andrea Guerra Andrea Guerra	Director
/s/ Susan Kropf Susan Kropf	Director
/s/ Annabelle Yu Long Annabelle Yu Long	Director
/s/ Ivan Menezes Ivan Menezes	Director

TAPESTRY, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

All other schedules are omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or Notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Tapestry, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Tapestry, Inc. and subsidiaries (the "Company") as of June 29, 2019 and June 30, 2018, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows, for each of the three years in the period ended June 29, 2019, and the related notes and the financial statement Schedule II listed in the Index to the Consolidated Financial Statements (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 29, 2019 and June 30, 2018, and the results of its operations and its cash flows for each of the three years in the period ended June 29, 2019, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 29, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 15, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

New York, New York
August 15, 2019

We have served as the Company's auditor since 2002.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Tapestry, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Tapestry, Inc. and subsidiaries (the "Company") as of June 29, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 29, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and financial statement schedule as of and for the year ended June 29, 2019, of the Company and our report dated August 15, 2019, expressed an unqualified opinion on those financial statements and financial statement schedule.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

New York, New York
August 15, 2019

TAPESTRY, INC.
CONSOLIDATED BALANCE SHEETS

	June 29, 2019	June 30, 2018
	(millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 969.2**	$ 1,243.4
Short-term investments	**264.6**	6.6
Trade accounts receivable, less allowances of $4.4 and $1.5, respectively	**298.1**	314.1
Inventories	**778.3**	673.8
Income tax receivable	**55.8**	25.8
Prepaid expenses	**99.8**	82.6
Other current assets	**91.0**	86.3
Total current assets	**2,556.8**	2,432.6
Property and equipment, net	**938.8**	885.4
Long-term investments	**0.1**	—
Goodwill	**1,516.2**	1,484.3
Intangible assets	**1,711.9**	1,732.9
Deferred income taxes	**19.4**	24.3
Other assets	**134.1**	118.8
Total assets	**$ 6,877.3**	$ 6,678.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	**$ 243.6**	$ 264.3
Accrued liabilities	**673.6**	673.2
Current debt	**0.8**	0.7
Total current liabilities	**918.0**	938.2
Long-term debt	**1,601.9**	1,599.9
Deferred income taxes	**234.1**	206.2
Long-term income taxes payable	**155.9**	222.4
Other liabilities	**454.0**	467.0
Total liabilities	**3,363.9**	3,433.7
See Note 13 on commitments and contingencies		
Stockholders' Equity:		
Preferred stock: (authorized 25.0 million shares; $0.01 par value) none issued	**—**	—
Common stock: (authorized 1.0 billion shares; $0.01 par value) issued and outstanding – 286.8 million and 288.0 million shares, respectively	**2.9**	2.9
Additional paid-in-capital	**3,302.1**	3,205.5
Retained earnings	**291.6**	119.0
Accumulated other comprehensive income (loss)	**(83.2)**	(82.8)
Total stockholders' equity	**3,513.4**	3,244.6
Total liabilities and stockholders' equity	**$ 6,877.3**	$ 6,678.3

See accompanying Notes.

TAPESTRY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year Ended		
	June 29, 2019	June 30, 2018	July 1, 2017
	(millions, except per share data)		
Net sales	**$ 6,027.1**	$ 5,880.0	$ 4,488.3
Cost of sales	**1,973.4**	2,031.5	1,407.2
Gross profit	**4,053.7**	3,848.5	3,081.1
Selling, general and administrative expenses	**3,239.6**	3,177.7	2,293.7
Operating income	**814.1**	670.8	787.4
Interest expense, net	**47.9**	74.0	28.4
Income before provision for income taxes	**766.2**	596.8	759.0
Provision for income taxes	**122.8**	199.3	168.0
Net income	**$ 643.4**	$ 397.5	$ 591.0
Net income per share:			
Basic	**$ 2.22**	$ 1.39	$ 2.11
Diluted	**$ 2.21**	$ 1.38	$ 2.09
Shares used in computing net income per share:			
Basic	**289.4**	285.4	280.6
Diluted	**290.8**	288.6	282.8
Cash dividends declared per common share	**$ 1.350**	$ 1.350	$ 1.350

See accompanying Notes.

TAPESTRY, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal Year Ended		
	June 29, 2019	June 30, 2018	July 1, 2017
		(millions)	
Net income	**$ 643.4**	$ 397.5	$ 591.0
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on cash flow hedging derivatives, net	**(5.9)**	(1.6)	11.8
Unrealized gains (losses) on available-for-sale investments, net	**(0.5)**	0.4	(0.7)
Change in pension liability, net	**0.6**	1.5	1.1
Foreign currency translation adjustments	**5.4**	3.8	(26.2)
Other comprehensive income (loss), net of tax	**(0.4)**	4.1	(14.0)
Comprehensive income	**$ 643.0**	$ 401.6	$ 577.0

See accompanying Notes.

TAPESTRY, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Shares of Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings / (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(millions, except per share data)					
Balance at July 2, 2016	278.5	$ 2.8	$ 2,857.1	$ (104.1)	$ (72.9)	$ 2,682.9
Net income	—	—	—	591.0	—	591.0
Other comprehensive income (loss)	—	—	—	—	(14.0)	(14.0)
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	3.4	—	48.9	—	—	48.9
Share-based compensation	—	—	76.1	—	—	76.1
Excess tax effect from share-based compensation	—	—	(3.8)	—	—	(3.8)
Dividends declared ($1.350 per share)	—	—	—	(379.2)	—	(379.2)
Balance at July 1, 2017	281.9	2.8	2,978.3	107.7	(86.9)	3,001.9
Net income	—	—	—	397.5	—	397.5
Other comprehensive income (loss)	—	—	—	—	4.1	4.1
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	6.1	0.1	133.8	—	—	133.9
Share-based compensation	—	—	88.1	—	—	88.1
Additional paid-in-capital as part of purchase consideration	—	—	5.3	—	—	5.3
Dividends declared ($1.350 per share)	—	—	—	(386.2)	—	(386.2)
Balance at June 30, 2018	**288.0**	**2.9**	**3,205.5**	**119.0**	**(82.8)**	**3,244.6**
Net income	—	—	—	**643.4**	—	**643.4**
Other comprehensive income (loss)	—	—	—	—	**(0.4)**	**(0.4)**
Shares issued, pursuant to stock-based compensation arrangements, net of shares withheld for taxes	**2.2**	**—**	**8.6**	—	—	**8.6**
Share-based compensation	—	—	**88.0**	—	—	**88.0**
Repurchase of common stock	**(3.4)**	**—**	—	**(100.0)**	—	**(100.0)**
Dividends declared ($1.350 per share)	—	—	**—**	**(391.0)**	—	**(391.0)**
Cumulative adjustment from adoption of new accounting standards (see Note 2)				**20.2**		**20.2**
Balance at June 29, 2019	**286.8**	**$ 2.9**	**$ 3,302.1**	**$ 291.6**	**$ (83.2)**	**$ 3,513.4**

See accompanying Notes.

TAPESTRY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Year Ended		
	June 29, 2019	June 30, 2018	July 1, 2017
	(millions)		
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES			
Net income	**$ 643.4**	$ 397.5	$ 591.0
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**268.2**	260.3	212.8
Provision for bad debt	**7.1**	1.3	1.7
Share-based compensation	**84.8**	81.3	73.6
Excess tax effect from share-based compensation	**—**	—	3.8
Integration and restructuring activities	**32.5**	134.9	8.5
Deferred income taxes	**34.5**	(50.9)	78.0
Other non-cash charges, net	**(5.5)**	3.1	(19.1)
Changes in operating assets and liabilities:			
Trade accounts receivable	**25.7**	(5.6)	(29.4)
Inventories	**(104.7)**	30.4	(20.0)
Other liabilities	**(55.8)**	157.7	(53.4)
Accounts payable	**(39.8)**	(77.3)	8.4
Accrued liabilities	**(29.5)**	(16.9)	(50.1)
Other assets	**(69.2)**	80.9	48.0
Net cash provided by operating activities	**791.7**	996.7	853.8
CASH FLOWS (USED IN) PROVIDED BY INVESTING ACTIVITIES			
Hudson Yards sale of investments, net of expenses	**—**	—	680.6
Sale of former headquarters, net of expenses	**—**	—	126.0
Acquisitions, net of cash acquired	**(43.5)**	(2,375.8)	—
Purchases of property and equipment	**(274.2)**	(267.4)	(283.1)
Purchases of investments	**(415.5)**	(3.8)	(523.5)
Proceeds from maturities and sales of investments	**159.0**	482.2	591.2
Acquisition of lease rights, net of proceeds	**—**	—	1.8
Net cash (used in) provided by investing activities	**(574.2)**	(2,164.8)	593.0
CASH FLOWS (USED IN) PROVIDED BY FINANCING ACTIVITIES			
Dividend payments	**(390.7)**	(384.1)	(378.0)
Repurchase of common stock	**(100.0)**	—	—
Proceeds from issuance of debt, net of discount	**—**	1,100.0	997.2
Debt issuance costs	**—**	—	(9.8)
Repayment of debt	**—**	(1,100.0)	(285.0)
Proceeds from share-based awards	**35.3**	165.7	70.4
Taxes paid to net settle share-based awards	**(27.0)**	(31.5)	(21.5)
Excess tax effect from share-based compensation	**—**	—	(3.8)
Payment of deferred purchase price	**(2.5)**	—	—
Net cash (used in) provided by financing activities	**(484.9)**	(249.9)	369.5
Effect of exchange rate changes on cash and cash equivalents	**(6.8)**	(11.5)	(2.4)
(Decrease) increase in cash and cash equivalents	**(274.2)**	(1,429.5)	1,813.9
Cash and cash equivalents at beginning of year	**1,243.4**	2,672.9	859.0
Cash and cash equivalents at end of year	**$ 969.2**	$ 1,243.4	$ 2,672.9
Supplemental information:			
Cash paid for income taxes, net	**$ 183.8**	$ 16.4	$ 159.1
Cash paid for interest	**$ 45.4**	$ 63.0	$ 35.4
Non-cash investing activity – property and equipment obligations	**$ 48.3**	$ 30.1	$ 39.7

See accompanying Notes.

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 products to customers through Coach operated stores, including the Internet and concession shop-in-shops, and 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. SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year ends on the Saturday closest to June 30. Unless otherwise stated, references to years in the financial statements relate to fiscal years. The fiscal years ended June 29, 2019 ("fiscal 2019"), June 30, 2018 ("fiscal 2018") and July 1, 2017 ("fiscal 2017") were 52-week periods. The fiscal year ending June 27, 2020 ("fiscal 2020") will be a 52-week period.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the 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 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 recently enacted 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.

Principles of Consolidation

The 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash balances and highly liquid investments with a maturity of three months or less at the date of purchase.

Investments

Short-term investments consist primarily of high-credit quality U.S. and non-U.S. issued corporate debt securities, and U.S. Treasuries and government agency securities with original maturities greater than three months and with maturities within one year of balance sheet date, classified as available-for-sale. Long-term investments typically consist of high-credit quality U.S. and non-U.S. issued corporate debt securities, U.S. Treasuries and government agency securities, classified as available-for-sale, and recorded at fair value, with unrealized gains and losses recorded in other comprehensive income. Dividend and interest income are recognized when earned.

Additionally, GAAP requires the consolidation of all entities for which a Company has a controlling voting interest and all variable interest entities ("VIEs") for which a Company is deemed to be the primary beneficiary. An entity is generally a VIE if it meets any of the following criteria: (i) the entity has insufficient equity to finance its activities without additional subordinated financial support from other parties, (ii) the equity investors cannot make significant decisions about the entity's operations or (iii) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity or receive the expected returns of the entity and substantially all of the entity's activities involve or are conducted on behalf of the investor with disproportionately few voting rights.

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash and cash equivalents, investments and accounts receivable. The Company places its cash investments with high-credit quality financial institutions and generally invests primarily in corporate debt securities, money market instruments, U.S. government and agency debt securities, commercial paper and bank deposits placed with major banks and financial institutions. Accounts receivable is generally diversified due to the number of entities comprising the Company's customer base and their dispersion across many geographical regions. The Company believes no significant concentration of credit risk exists with respect to these investments and accounts receivable.

Inventories

The Company holds inventory that is sold through retail and wholesale distribution channels, including e-commerce sites. Substantially all of the Company's inventories are comprised of finished goods, and are reported at the lower of cost or net realizable value. Inventory costs include material, conversion costs, freight and duties and are primarily determined by the first-in, first-out method. The Company reserves for inventory, including slow-moving and aged inventory, based on current product demand, expected future demand and historical experience. A decrease in product demand due to changing customer tastes, buying patterns or increased competition could impact the Company's evaluation of its inventory and additional reserves might be required.

Property and Equipment, Net

Property and equipment, net is stated at cost less accumulated depreciation including the impact of long-lived asset impairment and disposals. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Buildings are depreciated over 40 years and building improvements are depreciated over ten to 40 years. Machinery and equipment are depreciated over lives of five to seven years, furniture and fixtures are depreciated over lives of three to ten years, and software and computer equipment is depreciated over lives of three to ten years. Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease terms. Maintenance and repair costs are charged to earnings as incurred while expenditures for major renewals and improvements are capitalized.

Valuation of Long-Lived Assets

Long-lived assets, such as property and equipment, are evaluated for impairment whenever events or circumstances indicate that the carrying value of the assets may not be recoverable. In evaluating long-lived assets for recoverability, the Company uses its best estimate of future cash flows expected to result from the use of the related asset group and its eventual disposition. To the extent that estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized equal to the difference between the carrying value of such asset and its fair value, considering external market participant assumptions. The Company recorded $7.4 million and $9.1 million of impairment charges in fiscal 2019 and fiscal 2018, respectively.

In determining future cash flows, the Company takes various factors into account, including the effects of macroeconomic trends such as consumer spending, in-store capital investments, promotional cadence, the level of advertising and changes in merchandising strategy. Since the determination of future cash flows is an estimate of future performance, there may be future impairments in the event that future cash flows do not meet expectations.

Business Combinations

In connection with an acquisition, the Company records all assets acquired and liabilities assumed of the acquired business at their acquisition date fair value, including the recognition of contingent consideration at fair value on the acquisition date. These fair value determinations require judgment and may involve the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives, and market multiples, among other items. Furthermore, the Company may utilize independent third-party valuation firms when necessary. Refer to Note 3, "Acquisitions," for detailed disclosures related to our acquisitions.

Goodwill and Other Intangible Assets

Upon acquisition, the Company estimates and records the fair value of purchased intangible assets, which primarily consists of brands, customer relationships, lease rights and order backlog. Goodwill and certain other intangible assets deemed to have indefinite useful lives, including brand intangible assets, are not amortized, but are assessed for impairment at least annually. Finite-lived intangible assets are amortized over their respective estimated useful lives and, along with other long-lived assets as noted above, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. Estimates of fair value for finite-lived and indefinite-lived intangible assets are primarily determined using discounted cash flows and the multi-period excess earnings method, respectively, with consideration of market comparisons. This approach uses significant estimates and assumptions, including projected future cash flows, discount rates and growth rates.

The Company generally performs its annual goodwill and indefinite-lived intangible assets impairment analysis using a quantitative approach. The quantitative goodwill impairment test identifies the existence of potential impairment by comparing the fair value of each reporting unit with its carrying value, including goodwill. If the fair value of a reporting unit exceeds its carrying value, the reporting unit's goodwill is considered not to be impaired. If the carrying value of a reporting unit exceeds its fair value, an impairment charge is recognized in an amount equal to that excess. The impairment charge recognized is limited to the amount of goodwill allocated to that reporting unit.

Determination of the fair value of a reporting unit and intangible asset is based on management's assessment, considering independent third-party appraisals when necessary. Furthermore, this determination is judgmental in nature and often involves the use of significant estimates and assumptions, which may include projected future cash flows, discount rates, growth rates, and determination of appropriate market comparables and recent transactions. These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and the amount of any such charge.

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 in fiscal 2019, fiscal 2018 or fiscal 2017.

Operating Leases

The Company’s leases for office space, retail locations and distribution facilities are primarily accounted for as operating leases. Certain of the Company's leases contain renewal options, rent escalation clauses, and/or landlord incentives. Renewal terms generally reflect market rates at the time of renewal. Rent expense for non-cancelable operating leases with scheduled rent increases and/or landlord incentives is recognized on a straight-line basis over the lease term, including any applicable rent holidays, beginning with the lease commencement date, or the date the Company takes control of the leased space, whichever is earlier. The excess of straight-line rent expense over scheduled payment amounts and landlord incentives is recorded as a deferred rent liability. As of the end of fiscal 2019 and fiscal 2018, deferred rent obligations of $288.9 million and $240.3 million, respectively, were classified primarily within other non-current liabilities in the Company's Consolidated Balance Sheets. Certain rentals are also contingent upon factors such as sales. Contingent rentals are recognized when the achievement of the target (i.e., sale levels) which triggers the related rent payment is considered probable and estimable.

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset. The Company’s asset retirement obligations are primarily associated with leasehold improvements in which the Company is contractually obligated to remove at the end of a lease to comply with the lease agreement. When such an obligation exists, the Company recognizes an asset retirement obligation at the inception of a lease at its estimated fair value. The asset retirement obligation is recorded in current liabilities or non-current liabilities (based on the expected timing of payment of the related costs) and is subsequently adjusted for any changes in estimates. The associated estimated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and depreciated over its useful life. As of the end of fiscal 2019 and fiscal 2018, the Company had asset retirement obligations of $33.2 million and $25.8 million, respectively, primarily classified within other non-current liabilities in the Company's Consolidated Balance Sheets.

Revenue Recognition

Revenue is recognized when the Company satisfies its performance obligations by transferring control of promised products or services to its customers, which may be at a point of 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.

Retail store and concession shop-in-shop revenues are recognized 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.

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. Wholesale revenue is recorded net of estimates for returns, discounts, end-of-season markdowns, cooperative advertising allowances and other consideration provided to the customer. 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.

Gift cards issued by the Company are recorded as a liability until they are redeemed, 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.

The Company accounts for sales taxes and other related taxes on a net basis, excluding such taxes from revenue.

Refer to Note 4, "Revenue," for additional information.

Cost of Sales

Cost of sales consists of inventory costs and other related costs such as reserves for inventory realizability and shrinkage, destruction costs, damages and replacements.

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

Selling expenses include store employee compensation, occupancy costs, depreciation, supply costs, wholesale and retail account administration compensation globally. These expenses are affected by the number of stores open during any fiscal period and store performance, as compensation and rent expenses can vary with sales. Advertising, marketing and design expenses include employee compensation, media space and production, advertising agency fees, new product design costs, public relations and market research expenses. Distribution and customer service expenses include warehousing, order fulfillment, shipping and handling, customer service, employee compensation and bag repair costs. SG&A expenses also include compensation costs for corporate functions including: executive, finance, human resources, legal and information systems departments, as well as corporate headquarters occupancy costs, consulting fees and software expenses.

Shipping and Handling

Shipping and handling costs incurred were $127.9 million, $101.5 million and $45.8 million in fiscal 2019, fiscal 2018 and fiscal 2017, respectively, and are included in SG&A expenses. The Company includes inbound product-related transportation costs from manufacturers within cost of sales. The balance of the Company's transportation-related costs related to its distribution network is included in SG&A expenses rather than in cost of sales.

Advertising

Advertising costs include expenses related to direct marketing activities, such as direct mail pieces, digital and other media and production costs. In fiscal 2019, fiscal 2018 and fiscal 2017, advertising expenses for the Company totaled $247.1 million, $228.4 million and $178.3 million, respectively, and are included in SG&A expenses. Advertising costs are generally expensed when the advertising first appears.

Share-Based Compensation

The Company recognizes the cost of equity awards to employees and the non-employee Directors based on the grant-date fair value of those awards. The grant-date fair values of share unit awards are based on the fair value of the Company's common stock on the date of grant. The grant-date fair value of stock option awards is determined using the Black-Scholes option pricing model and involves several assumptions, including the expected term of the option, expected volatility and dividend yield. The expected term of options represents the period of time that the options granted are expected to be outstanding and is based on historical experience. Expected volatility is based on historical volatility of the Company's stock as well as the implied volatility from publicly traded options on the Company's stock. Dividend yield is based on the current expected annual dividend per share and the Company's stock price. Changes in the assumptions used to determine the Black-Scholes value could result in significant changes in the Black-Scholes value.

For stock options and share unit awards, the Company recognizes share-based compensation net of estimated forfeitures and revises the estimates in subsequent periods if actual forfeitures differ from the estimates. The Company estimates the forfeiture rate based on historical experience as well as expected future behavior.

The Company grants performance-based share awards to key executives, the vesting of which is subject to the executive's continuing employment and the Company's or individual's achievement of certain performance goals. On a quarterly basis, the Company assesses actual performance versus the predetermined performance goals, and adjusts the share-based compensation expense to reflect the relative performance achievement. Actual distributed shares are calculated upon conclusion of the service and performance periods, and include dividend equivalent shares. If the performance-based award incorporates a market condition, the grant-date fair value of such award is determined using a pricing model, such as a Monte Carlo Simulation.

Income Taxes

The Company's effective tax rate is based on pre-tax income, statutory tax rates, tax laws and regulations, and tax planning strategies available in the various jurisdictions in which the Company operates. The Company classifies interest and penalties on uncertain tax positions in the provision for income taxes. The Company records net deferred tax assets to the extent it believes that it is more likely than not that these assets will be realized. In making such determination, the Company considers all available evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent and expected future results of operation. The Company reduces deferred tax assets by a valuation allowance if, based upon the weight of available evidence, it is more likely than not that some amount of deferred tax assets is not expected to be realized. The Company is not permanently reinvested with respect to earnings of a limited number of foreign entities and has recorded the tax consequences of remitting earnings from these entities. The Company is permanently reinvested with respect to all other earnings.

The Company recognizes the impact of tax positions in the financial statements if those positions will more likely than not be sustained on audit, based on the technical merits of the position. Although the Company believes that the estimates and assumptions used are reasonable and legally supportable, the final determination of tax audits could be different than that which is reflected in historical tax provisions and recorded assets and liabilities. Tax authorities periodically audit the Company's income tax returns and the tax authorities may take a contrary position that could result in a significant impact on the Company's results of operations. Significant management judgment is required in determining the effective tax rate, in evaluating tax positions and in determining the net realizable value of deferred tax assets.

Refer to Note 15, "Income Taxes," herein for further discussion on the Company's income taxes.

Derivative Instruments

The majority of the Company's purchases and sales involving international parties, excluding international customer sales, are denominated in U.S. dollars, which limits the Company's exposure to the transactional effects of foreign currency exchange rate fluctuations. However, the Company is exposed to foreign currency exchange risk related to its foreign operating subsidiaries' U.S. dollar-denominated inventory transactions and various cross-currency intercompany loans. The Company uses derivative financial instruments to manage these risks. These derivative transactions are in accordance with the Company's risk management policies. The Company does not enter into derivative transactions for speculative or trading purposes.

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

For derivative instruments that qualify for hedge accounting, the changes in the fair value of these instruments is either (i) offset against the changes in fair value of the hedged assets or liabilities through earnings or (ii) recognized as a component of accumulated other comprehensive income (loss) ("AOCI") until the hedged item is recognized in earnings, depending on whether the derivative is being used to hedge changes in fair value or cash flows, respectively.

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

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

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

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

Hedging Portfolio

The Company enters into forward currency contracts primarily to reduce its risks related to exchange rate fluctuations on foreign currency denominated inventory transactions, as well as various cross-currency intercompany loans. To the extent its derivative contracts designated as cash flow hedges are highly effective in offsetting changes in the value of the hedged items, the related gains (losses) are initially deferred in AOCI and subsequently recognized in the Consolidated Statements of Operations as part of the cost of the inventory purchases being hedged within cost of sales, when the related inventory is sold to a third party. Current maturity dates range from July 2019 to June 2020. Forward foreign currency exchange contracts designated as fair value hedges and associated with intercompany and other contractual obligations are recognized within foreign currency gains (losses) generally in the period in which the related balances being hedged are revalued. Current maturity dates are in August 2019, and such contracts are typically renewed upon maturity if the related balance has not been settled.

Foreign Currency

The functional currency of the Company's foreign operations is generally the applicable local currency. Assets and liabilities are translated into U.S. dollars using the current exchange rates in effect at the balance sheet date, while revenues and expenses are translated at the weighted-average exchange rates for the period. The resulting translation adjustments are included in the Consolidated Statements of Comprehensive Income as a component of other comprehensive income (loss) (“OCI”) and in the Consolidated Statements of Equity within AOCI.

The Company recognizes gains and losses on transactions that are denominated in a currency other than the respective entity's functional currency in earnings. Foreign currency transaction gains and losses also include amounts realized on the settlement of certain intercompany loans with foreign subsidiaries.

Share Repurchases

The Company accounts for stock repurchases by allocating the repurchase price to common stock and retained earnings. Under Maryland law, the Company's state of incorporation, there are no treasury shares. As a result, all repurchased shares are authorized but unissued shares. The Company may terminate or limit the stock repurchase program at any time. The total amount of common stock repurchase price allocated to retained earnings as of June 29, 2019 was $100.0 million.

Reclassifications

Certain reclassifications have been made to the prior period's financial information in order to conform to the current period's presentation. This includes the realignment of the Company's segment reporting structure, as further described in Note 17, "Segment 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 Consolidated Statements of Operations.

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*," 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 $7.4 million to Other current assets, an increase of $2.3 million to Accrued liabilities and a decrease of $5.1 million to Accounts receivable as of June 29, 2019. 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:

	As Reported	Impact of Adoption	Balances Excluding Adoption
		(millions)	
Net sales	$ 6,027.1	$ (2.2)	$ 6,029.3
Cost of sales	1,973.4	1.7	1,971.7
Gross profit	4,053.7	(3.9)	4,057.6
Selling, general and administrative expenses	3,239.6	(3.9)	3,243.5
Operating income	$ 814.1	$ —	$ 814.1

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.

Recently Issued Accounting Pronouncements Not Yet Adopted

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.

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 nearly all leases (other than short-term 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 with various optional practical expedients.

The Company 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 will elect the practical expedient to combine non-lease components and lease components. 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 adoption of ASU 2016-02 will result in an initial increase to long-term assets and liabilities of approximately $2.2 billion to $2.4 billion, which will change over time as the Company's lease portfolio changes. In addition, the Company will recognize a cumulative-effect adjustment in retained earnings primarily related to deferred gains on headquarters real estate transactions, partially offset by impairment of certain right-of-use assets at the effective date. The standard also requires enhanced quantitative and qualitative lease-related disclosures. The timing and amount of lease expense in the consolidated statement of operations will not significantly change. This guidance is not expected to have a material impact on the Company's liquidity.

3. ACQUISITIONS

Fiscal 2019 Acquisitions

Distributor Acquisitions

During the fiscal year ended June 29, 2019, the Company acquired designated assets of its Stuart Weitzman distributor in Southern China and Australia and of its Kate Spade distributor in Australia, Malaysia and Singapore.

The aggregate purchase consideration for the acquisitions was $47.8 million, $44.0 million of which was cash consideration and the remaining is related to non-cash consideration. Of the $44.0 million of cash consideration, $43.5 million was paid during fiscal 2019 and the remaining will be paid in the future. Of the total purchase consideration of $47.8 million, $21.8 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 $26.0 million, of which $13.3 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 & Company Acquisition

On July 11, 2017, the Company completed its acquisition of Kate Spade & Company for $18.50 per share in cash for a total 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 includes $5.3 million as a result of the conversion of previously granted unvested equity awards

held by Kate Spade employees. The Company funded the acquisition through cash on-hand, as well as debt proceeds. Refer to Note 12, "Debt", for information regarding the Company's outstanding 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.

The purchase price allocation for the assets acquired and liabilities assumed is substantially 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. Refer to Note 14, "Goodwill and Other Intangible Assets," for further information.

[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. Refer to Note 15, "Income Taxes," for more information about changes to the Company's deferred tax position as a result of the enactment of the new tax legislation.

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

The operational results of Kate Spade for the post-acquisition period from July 11, 2017 to June 29, 2019 are included in the Company's accompanying Consolidated Statement of Operations for the year ended June 29, 2019. Refer to Note 17, "Segment Information," for the operating results of the Kate Spade business.

The following pro forma information has been prepared as if the Kate Spade acquisition and the related debt financing had occurred as of the beginning of fiscal 2017. These adjustments include the removal of certain historical amounts. The pro forma amounts reflect the combined historical operational results for Tapestry and Kate Spade, after giving effect to adjustments related to the impact of purchase accounting, transaction costs and financing. The pro forma financial information is not indicative of the operational results that would have been obtained had the transactions actually occurred as of that date, nor is it necessarily indicative of the Company's future operational results. The following adjustments have been made:

(i) Depreciation and amortization expenses related to the fair value adjustments to Kate Spade's property and equipment and intangible assets have been reflected in the year ended June 30, 2018. Short-term purchase accounting amortization has been excluded from the pro forma amounts due to the non-recurring nature.

(ii) Transaction costs in the year ended June 30, 2018 have been excluded from the pro forma amounts due to their non-recurring nature.

(iii) Interest expense of debt issued to finance the acquisition, including amortization of deferred financing fees, has been reflected in the year ended June 30, 2018. Historical interest expense for Kate Spade has been removed.

(iv) The tax effects of the pro forma adjustments at an estimated statutory rate of 40.0%.

(v) Earnings per share amounts are calculated using unrounded numbers and the Company's historical weighted average shares outstanding.

	Fiscal Year Ended	
	June 30, 2018	July 1, 2017
	(unaudited)	
	(millions, except per share data)	
Pro forma Net sales[1]	**$ 5,912.9**	$ 5,837.4
Pro forma Net income[1]	**472.8**	695.4
Pro forma Net income per share:		
Basic	**$ 1.66**	$ 2.48
Diluted	**$ 1.64**	$ 2.46

(1) The pro forma results for the year ended June 30, 2018 include revenue and operating income from the pre-combination period in fiscal 2018.

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 obtain operational control of the Kate Spade Joint Ventures that operate in Greater China 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 will be paid in cash 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, $2.5 million was paid during fiscal 2019 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 recorded 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. Refer to Note 14, "Goodwill and Other Intangible Assets," for further information.

The results of the operations of each acquired entity have been included in the consolidated financial statements since the respective date of each acquisition. 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.

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.

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

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

The Company recognizes licensing revenue over time during the contract period in which licensees are granted access to the Company's trademarks. These arrangements require licensees to pay a sales-based royalty and may include a contractually guaranteed minimum royalty amount. Revenue for contractually guaranteed minimum royalty amounts is recognized ratably over the license year and any excess sales-based royalties are recognized as earned once the minimum royalty threshold is achieved. Payments from the customer are generally due quarterly in an amount based on the licensee's sales of goods bearing the licensed trademarks during the period, which may differ from the amount of revenue recorded during the period thereby generating a contract asset or liability. Contract assets and liabilities and contract costs related to the licensing arrangements are immaterial as the licensing business represents approximately 1% of total net sales in the fiscal year ended June 29, 2019.

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

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

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)		
Fiscal 2019					
Coach	**$ 2,401.6**	**$ 779.8**	**$ 836.0**	**$ 253.5**	**$ 4,270.9**
Kate Spade	**1,067.4**	**52.9**	**157.8**	**88.7**	**1,366.8**
Stuart Weitzman	**216.3**	**80.2**	**23.6**	**69.3**	**389.4**
Total	**$ 3,685.3**	**$ 912.9**	**$ 1,017.4**	**$ 411.5**	**$ 6,027.1**
Fiscal 2018					
Coach	$ 2,414.1	$ 774.7	$ 792.6	$ 240.1	$ 4,221.5
Kate Spade	1,030.6	25.7	137.3	91.1	1,284.7
Stuart Weitzman	239.9	36.7	17.4	79.8	373.8
Total	$ 3,684.6	$ 837.1	$ 947.3	$ 411.0	$ 5,880.0
Fiscal 2017					
Coach	$ 2,373.5	$ 656.8	$ 850.9	$ 233.5	$ 4,114.7
Kate Spade	—	—	—	—	—
Stuart Weitzman	249.5	39.5	12.0	72.6	373.6
Total	$ 2,623.0	$ 696.3	$ 862.9	$ 306.1	$ 4,488.3

(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 royalties related to 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. Additional deferred revenue may result from sales-based royalty payments received or receivable which exceed the revenue recognized during the contractual period. The balance of such amounts as of June 29, 2019 and June 30, 2018 was $27.5 million and $29.1 million, respectively, which were primarily recorded within Accrued liabilities on the Company's Consolidated Balance Sheets and are generally expected to be recognized as revenue within a year. For the fiscal year ended June 29, 2019, net sales of $18.6 million were recognized from amounts recorded as deferred revenue as of June 30, 2018.

5. INTEGRATION AND ACQUISITION COSTS

Fiscal 2019

During the fiscal year ended June 29, 2019, the Company incurred integration and acquisition-related costs of $94.4 million. The charges recorded in cost of sales for the fiscal year ended June 29, 2019 were $27.8 million. Of the amount recorded to cost of sales for the fiscal year ended June 29, 2019, $6.3 million was recorded within the Kate Spade segment, $19.6 million was recorded within the Stuart Weitzman segment and $1.9 million was recorded within the Coach segment. The charges recorded in SG&A expenses for the fiscal year ended June 29, 2019 were $66.6 million. Of the amount recorded to SG&A expenses for the

fiscal year ended June 29, 2019, $14.5 million was recorded in the Kate Spade segment, $30.0 million was recorded within Corporate, $15.0 million was recorded within the Stuart Weitzman segment and $7.1 million was recorded within the Coach segment. Of the total costs of $94.4 million, $32.5 million were non-cash charges related to inventory, organization-related costs and asset write-offs.

The Company currently estimates that it will incur approximately $20 - 30 million in pre-tax charges in fiscal 2020.

Fiscal 2018

As a result of these acquisitions, during the fiscal year ended June 30, 2018, the Company incurred integration and acquisition-related costs of $301.6 million. The charges recorded in cost of sales for the fiscal year ended June 30, 2018 were $116.4 million. Of the amount recorded to cost of sales for the fiscal year ended June 30, 2018, $106.5 million was recorded within the Kate Spade segment, $5.8 million was recorded within the Stuart Weitzman segment and $4.1 million was recorded within the Coach segment. The charges recorded in SG&A expenses for the fiscal year ended June 30, 2018 were $185.2 million. Of the amount recorded to SG&A expenses for the fiscal year ended June 30, 2018, $113.7 million was recorded in the Kate Spade segment, $63.2 million was recorded within Corporate, $7.8 million was recorded within the Stuart Weitzman segment and $0.5 million was recorded within the Coach segment. Of the total costs of $301.6 million, $133.1 million were non-cash charges related to purchase accounting adjustments, inventory, organization-related costs and asset write-offs.

Refer to Note 3, "Acquisitions," for more information.

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

	Fiscal Year Ended	
	June 29, 2019	June 30, 2018
	(millions)	
Purchase accounting adjustments[1]	**$ 10.1**	$ 82.8
Acquisition costs[2]	**1.3**	42.9
Inventory-related charges[3]	**17.6**	35.4
Contractual payments[4]	**8.1**	50.6
Organization-related costs[5]	**25.8**	39.8
Other[6]	**31.5**	50.1
Total	**$ 94.4**	$ 301.6

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

(2) Acquisition costs primarily relate to deal fees associated with the acquisitions.

(3) Inventory-related charges primarily relate to a one-time write-off of inventory for the fiscal year ended June 29, 2019. For the fiscal year ended June 30, 2018, these payments primarily relate to reserves for the future destruction of certain on-hand inventory and non-cancelable inventory purchase commitments related to raw materials.

(4) Contractual payments primarily relate to contract termination charges for the fiscal year ended June 29, 2019. For the fiscal year ended June 30, 2018, these payments primarily relate 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 primarily relate to severance charges.

(6) Other primarily relates to professional fees, asset write-offs and inventory true-up.

6. RESTRUCTURING ACTIVITIES

Operational Efficiency Plan

On April 26, 2016, the Company announced a plan (the “Operational Efficiency Plan”) to enhance organizational efficiency, update core technology platforms and streamline its supply chain network. 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 fiscal year 2018, the Company incurred Operational Efficiency Plan related charges within SG&A expenses of $19.5 million, primarily due to technology infrastructure costs, organizational efficiency costs and to a lesser extent, network optimization costs. Total cumulative charges incurred under the Operational Efficiency Plan to date are $87.4 million. The plan was completed in fiscal 2018.

A summary of charges and related liabilities under the Company's Operational Efficiency Plan is as follows:

	Organizational Efficiency[1]	Technology Infrastructure[2]	Network Optimization[3]	Total
	(millions)			
Liability as of July 2, 2016	$ 22.2	$ —	$ 3.2	$ 25.4
Fiscal 2017 charges	15.6	8.0	0.4	24.0
Cash payments	(23.3)	(7.7)	(3.0)	(34.0)
Non-cash charges	(7.9)	—	(0.6)	(8.5)
Liability as of July 1, 2017	$ 6.6	$ 0.3	$ —	$ 6.9
Fiscal 2018 charges	0.6	18.9	—	19.5
Cash payments	(5.6)	(17.6)	—	(23.2)
Non-cash charges	(0.8)	(1.0)	—	(1.8)
Liability as of June 30, 2018	$ 0.8	$ 0.6	$ —	$ 1.4

(1) Organizational efficiency charges, recorded within SG&A expenses, primarily related to accelerated depreciation associated with the retirement of information technology systems, severance and related costs of corporate employees, as well as consulting fees related to process and organizational optimization.

(2) Technology infrastructure costs, recorded within SG&A expenses, related to the initial costs of replacing and updating the Company's core technology platforms.

(3) Network optimization costs, recorded within SG&A expenses, related to lease termination costs.

The balance as of June 30, 2018 are included within Accrued liabilities on the Company's Consolidated Balance Sheets. No liabilities remain as of June 29, 2019. The above charges were recorded as Corporate expenses within the Company's Consolidated Statements of Operations. Refer to Note 17, "Segment Information," for further information.

7. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

	Unrealized Gains (Losses) on Cash Flow Hedging Derivatives[1]	Unrealized Gains (Losses) on Available-for-Sale Investments	Cumulative Translation Adjustment	Other[2]	Total
			(millions)		
Balances at July 1, 2017	$ 3.0	$ (0.4)	$ (89.1)	$ (0.4)	$ (86.9)
Other comprehensive income (loss) before reclassifications	(1.2)	0.5	3.8	—	3.1
Less: amounts reclassified from accumulated other comprehensive income (loss)	0.4	0.1	—	(1.5)	(1.0)
Net current-period other comprehensive income (loss)	(1.6)	0.4	3.8	1.5	4.1
Balances at June 30, 2018	$ 1.4	$ —	$ (85.3)	$ 1.1	$ (82.8)
Other comprehensive income (loss) before reclassifications	**(4.3)**	**(0.4)**	**5.4**	**—**	**0.7**
Less: amounts reclassified from accumulated other comprehensive income (loss)	**1.6**	**0.1**	**—**	**(0.6)**	**1.1**
Net current-period other comprehensive income (loss)	**(5.9)**	**(0.5)**	**5.4**	**0.6**	**(0.4)**
Balances at June 29, 2019	**$ (4.5)**	**$ (0.5)**	**$ (79.9)**	**$ 1.7**	**$ (83.2)**

(1) The ending balances of AOCI related to cash flow hedges are net of tax of $(1.3) million and $(0.9) million as of June 29, 2019 and June 30, 2018, respectively. The amounts reclassified from AOCI are net of tax of $(1.0) million and $(1.1) million as of June 29, 2019 and June 30, 2018, respectively.

(2) Other represents the accumulated loss on the Company's minimum pension liability adjustment. The balances at June 29, 2019 and June 30, 2018 are net of tax of $0.5 million and $0.6 million, respectively.

8. SHARE-BASED COMPENSATION

The Company maintains several share-based compensation plans which are more fully described below. The following table shows the total compensation cost charged against income for these plans and the related tax benefits recognized in the Consolidated Statements of Operations:

	June 29, 2019[1]	June 30, 2018[1]	July 1, 2017[1]
		(millions)	
Share-based compensation expense	**$ 88.0**	$ 88.1	$ 76.1
Income tax benefit related to share-based compensation expense	**16.2**	23.5	24.4

(1) During the fiscal year ended June 29, 2019 and June 30, 2018, the Company incurred $3.2 million and $6.0 million of share-based compensation expense related to integration efforts, respectively. There were no share-based compensation expense under the Operational Efficiency Plan in fiscal year ended June 29, 2019. During the fiscal years ended June 30, 2018 and July 1, 2017, the Company incurred $0.8 million and $2.5 million of share-based compensation expense under the Company's Operational Efficiency Plan, respectively, primarily as a result of the accelerated vesting of certain awards. Refer to Note 5, "Integration and Acquisition Costs," and Note 6, "Restructuring Activities," for further information.

Stock-Based Plans

The Company maintains the Amended and Restated 2010 Stock Incentive Plan to award stock options and shares to certain members of management and the outside members of its Board of Directors ("Board"). The Company maintains the 2004 Stock Incentive Plan for awards granted prior to the establishment of the 2010 Stock Incentive Plan. These plans were approved by the Company's stockholders. The exercise price of each stock option equals 100% of the market price of the Company's stock on the date of grant and generally has a maximum term of 10 years. Stock options and service based share awards that are granted as part of the annual compensation process generally vest ratably over four years. Stock option and share awards are subject to forfeiture until completion of the vesting period, which ranges from one to four years. The Company issues new shares upon the exercise of stock options or vesting of share awards.

Stock Options

A summary of stock option activity during the fiscal year ended June 29, 2019 is as follows:

	Number of Options Outstanding	Weighted-Average Exercise Price per Option	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
	(millions)			(millions)
Outstanding at June 30, 2018	12.5	$ 42.94		
Granted	**1.5**	**50.91**		
Exercised	**(0.9)**	**35.41**		
Forfeited or expired	**(0.7)**	**46.55**		
Outstanding at June 29, 2019	**12.4**	**44.24**	**6.0**	**$ 0.1**
Vested and expected to vest at June 29, 2019	**12.2**	**44.23**	**5.9**	**0.1**
Exercisable at June 29, 2019	**7.8**	**44.50**	**4.7**	**0.1**

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:

	June 29, 2019	June 30, 2018	July 1, 2017
Expected term (years)	**5.1**	5.1	4.4
Expected volatility	**30.0%**	28.4%	30.5%
Risk-free interest rate	**2.6%**	1.8%	1.1%
Dividend yield	**3.9%**	3.3%	3.4%

The expected term of options represents the period of time that the options granted are expected to be outstanding and is based on historical experience. Expected volatility is based on historical volatility of the Company's stock as well as the implied volatility from publicly traded options on the Company's stock. The risk free interest rate is based on the zero-coupon U.S. Treasury issue as of the date of the grant. Dividend yield is based on the current expected annual dividend per share and the Company's stock price.

The weighted-average grant-date fair value of options granted during fiscal 2019, fiscal 2018 and fiscal 2017 was $6.74, $7.76 and $7.36, respectively. The total intrinsic value of options exercised during fiscal 2019, fiscal 2018 and fiscal 2017 was $10.2 million, $59.2 million and $15.4 million, respectively. The total cash received from option exercises was $30.7 million, $161.5 million and $68.2 million in fiscal 2019, fiscal 2018 and fiscal 2017, respectively, and the cash tax benefit realized for the tax deductions from these option exercises was $2.6 million, $11.4 million and $4.9 million, respectively.

At June 29, 2019, $22.2 million of total unrecognized compensation cost related to non-vested stock option awards is expected to be recognized over a weighted-average period of 1.4 years.

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

A summary of service-based RSU activity during the year ended June 29, 2019 is as follows:

	Number of Non-vested RSUs	Weighted-Average Grant- Date Fair Value per RSU
	(millions)	
Non-vested at June 30, 2018	3.5	$ 40.26
Granted	**1.8**	**49.13**
Vested	**(1.6)**	**38.76**
Forfeited	**(0.4)**	**46.23**
Non-vested at June 29, 2019	**3.3**	**45.49**

At June 29, 2019, $81.5 million of total unrecognized compensation cost related to non-vested share awards is expected to be recognized over a weighted-average period of 1.4 years.

The weighted-average grant-date fair value of share awards granted during fiscal 2019, fiscal 2018 and fiscal 2017 was $49.13, $41.75 and $39.57, respectively. The total fair value of shares vested during fiscal 2019, fiscal 2018 and fiscal 2017 was $75.0 million, $83.4 million and $68.9 million, respectively.

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

The Company grants PRSUs to key executives, the vesting of which is subject to the executive's continuing employment and the Company's achievement of certain performance goals. A summary of PRSU activity during the fiscal year ended June 29, 2019 is as follows:

	Number of Non-vested PRSUs	Weighted-Average Grant- Date Fair Value per PRSU
	(millions)	
Non-vested at June 30, 2018	0.9	$ 38.27
Granted	**0.3**	**49.78**
Change due to performance condition achievement	**(0.1)**	**23.65**
Vested	**(0.2)**	**31.46**
Forfeited	**—**	**45.95**
Non-vested at June 29, 2019	**0.9**	**44.41**

At June 29, 2019, $14.2 million of total unrecognized compensation cost related to non-vested share awards is expected to be recognized over a weighted-average period of 1.0 year.

The weighted-average grant-date fair value per share of PRSU awards granted during fiscal 2019, fiscal 2018 and fiscal 2017 was $49.78, $43.80 and $39.61, respectively. The total fair value of awards that vested during fiscal 2019, fiscal 2018 and fiscal 2017 was $9.7 million, $11.4 million and $0.9 million, respectively.

During the fiscal years ended June 29, 2019 and June 30, 2018, the Company granted 0.3 million shares (with a fair value of $12.3 million) and 0.4 million shares (with a fair value of $16.0 million) of common stock to executives, respectively. The shares are subject to a three-year cliff vesting, subject to the employee's continuing employment and the Company's achievement of the performance goals established at the beginning of the performance period. The fair value of the PRSU's is based on the price of the Company's common stock on the date of grant.

In fiscal 2019, fiscal 2018 and fiscal 2017, the cash tax benefit realized for the tax deductions from all RSUs (service and performance-based) was $16.6 million, $17.9 million and $19.0 million, respectively.

Employee Stock Purchase Plan

Under the 2001 Employee Stock Purchase Plan, eligible employees are permitted to purchase a limited number of Company common shares at 85% of market value. Under this plan, the Company sold 0.2 million, 0.1 million and 0.1 million shares to employees in fiscal 2019, fiscal 2018 and fiscal 2017, respectively. Compensation expense is calculated for the fair value of employees' purchase rights using the Black-Scholes model and the following weighted-average assumptions:

	Fiscal Year Ended		
	June 29, 2019	June 30, 2018	July 1, 2017
Expected term (years)	**0.5**	0.5	0.5
Expected volatility	**27.7%**	26.9%	24.7%
Risk-free interest rate	**2.3%**	1.3%	0.6%
Dividend yield	**3.3%**	3.1%	3.6%

The weighted-average fair value of the purchase rights granted during fiscal 2019, fiscal 2018 and fiscal 2017 was $9.15, $9.62 and $8.08, respectively. The Company issues new shares for employee stock purchases.

9. INVESTMENTS

The following table summarizes the Company's primarily U.S. dollar-denominated investments, recorded within the Consolidated Balance Sheets as of June 29, 2019 and June 30, 2018:

	June 29, 2019			June 30, 2018		
	Short-term	**Long-term**	**Total**	Short-term	Long-term	Total
			(millions)			
Available-for-sale investments:						
Commercial paper[1]	**$ 17.9**	**$ —**	**$ 17.9**	$ —	$ —	$ —
Government securities – U.S.[2]	**102.6**	**—**	**102.6**	—	—	—
Corporate debt securities – U.S.[2]	**95.8**	**—**	**95.8**	—	—	—
Corporate debt securities – non-U.S.[2]	**37.3**	**—**	**37.3**	—	—	—
Available-for-sale investments, total	**$ 253.6**	**$ —**	**$ 253.6**	$ —	$ —	$ —
Other:						
Time deposits[1]	**0.6**	**—**	**0.6**	0.6	—	0.6
Other	**10.4**	**0.1**	**10.5**	6.0	—	6.0
Total Investments	**$ 264.6**	**$ 0.1**	**$ 264.7**	$ 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 June 29, 2019 have maturity dates between calendar years 2019 and 2020 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 June 29, 2019 and June 30, 2018.

10. LEASES

The Company leases retail, distribution and office facilities. The lease agreements, which expire at various dates through fiscal 2037, are subject, in most cases, to renewal options and provide for the payment of taxes, insurance and maintenance. Certain leases contain escalation clauses resulting from the pass-through of increases in operating costs, property taxes and the effect on costs from changes in consumer price indices. Certain store-related rent expense is also contingent upon sales.

Rent expense for the Company's operating leases consisted of the following:

	Fiscal Year Ended		
	June 29, 2019	June 30, 2018	July 1, 2017
		(millions)	
Minimum rent[1]	**$ 387.6**	$ 359.8	$ 295.1
Contingent rent	**185.7**	164.7	129.4
Total rent expense	**$ 573.3**	$ 524.5	$ 424.5

[1] $0.2 million of lease termination charges due to restructuring-related closures were included in fiscal 2017.

Future minimum rental payments under non-cancelable operating leases, as of June 29, 2019, are as follows:

Fiscal Year	**Amount**
	(millions)
2020	$ 399.0
2021	341.5
2022	308.2
2023	270.4
2024	226.5
Subsequent to 2024	1,065.7
Total minimum future rental payments	**$ 2,611.3**

During the first quarter of fiscal 2017, the Company announced the lease of its new global headquarters. Refer to Note 21, "Headquarters Transactions," for further information.

11. FAIR VALUE MEASUREMENTS

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

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

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

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

The following table shows the fair value measurements of the Company's financial assets and liabilities at June 29, 2019 and June 30, 2018:

	Level 1		Level 2	
	June 29, 2019	June 30, 2018	**June 29, 2019**	June 30, 2018
			(millions)	
Assets:				
Cash equivalents[1]	**$ 454.3**	$ 592.5	**$ 0.4**	$ 0.4
Short-term investments:				
Time deposits[2]	**—**	—	**0.6**	0.6
Commercial paper[2]	**—**	—	**17.9**	—
Government securities - U.S.[2]	**102.6**	—	**—**	—
Corporate debt securities - U.S.[2]	**—**	—	**95.8**	—
Corporate debt securities - non U.S.[2]	**—**	—	**37.3**	—
Other	**—**	—	**10.4**	6.0
Long-term investments:				
Other	**—**	—	**0.1**	—
Derivative Assets:				
Inventory-related instruments[3]	**—**	—	**1.1**	5.6
Intercompany loan hedges[3]	**—**	—	**—**	0.3
Liabilities:				
Derivative liabilities:				
Inventory-related instruments[3]	**$ —**	$ —	**$ 4.9**	$ 2.3
Intercompany loan hedges[3]	**—**	—	**0.1**	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 available-for-sale 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 3, "Acquisitions," for further discussion of the approaches used in valuing acquired assets and assumed liabilities.

The company recorded $7.4 million of impairment charges in fiscal 2019 to reduce the carrying amount of certain store assets (primarily leasehold improvements at selected retail store locations) to their fair values of $1.1 million as of June 29, 2019. The Company recorded $9.1 million of impairment charges in fiscal 2018 to reduce the carrying amount of certain store assets (primarily leasehold improvements at selected retail store locations) to their fair values of $1.2 million as of June 30, 2018. The fair values of these assets were determined based on Level 3 measurements. Inputs to these fair value measurements included estimates of the amount and the timing of the stores' net future discounted cash flows based on historical experience, current trends, and market conditions.

12. DEBT

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

	June 29, 2018	June 30, 2018
	(millions)	
Current Debt:		
Capital Lease Obligations	**$ 0.8**	$ 0.7
Total Current Debt	**$ 0.8**	$ 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	**5.3**	6.0
Total Long-Term Debt	**1,616.7**	1,617.4
Less: Unamortized Discount and Debt Issuance Costs on Senior Notes	**(14.8)**	(17.5)
Total Long-Term Debt, net	**$ 1,601.9**	$ 1,599.9

During fiscal 2019, 2018 and 2017 the Company recognized interest expense related to the outstanding debt of $66.9 million, $86.3 million and $26.8 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 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 June 29, 2019.

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 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 month prior to the scheduled maturity date), the Company may redeem the 2027 Senior Notes in whole or in part, at its option at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the 2027 Senior Notes to be redeemed or (2) as determined by a Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest thereon that would have been payable in respect of the 2027 Senior Notes calculated as if the maturity date of the 2027 Senior Notes was April 15, 2027 (not including any portion of payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined in the Prospectus Supplement) plus 30 basis points, plus, in the case of each of (1) and (2), accrued and unpaid interest to the redemption date.

At June 29, 2019, the fair value of the 2025, 2022 and 2027 Senior Notes was approximately $629.6 million, $398.6 million, and $605.5 million, respectively, based on external pricing data, including available quoted market prices of these instruments, and consideration of comparable debt instruments with similar interest rates and trading frequency, among other factors, and is classified as Level 2 measurements within the fair value hierarchy. At June 30, 2018, the fair value of the 2025, 2022 and 2027 Senior Notes was approximately $592.5 million, $389.0 million and $574.1 million, respectively.

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 June 29, 2019 to the other partner of the Kate Spade Joint Ventures to be payable 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 $0.8 million recorded within Current debt and $5.3 million recorded within Long-Term debt on the Consolidated Balance Sheets as of June 29, 2019. The remaining lease obligations will be amortized through May 1, 2025.

Debt Maturities

As of June 29, 2019, the Company's aggregate debt, excluding capital lease obligations, is approximately $1.61 billion, of which $11.4 million is due in fiscal 2021, $400.0 million is due in fiscal 2023 and $1.20 billion is due subsequent to fiscal 2023.

13. COMMITMENTS AND CONTINGENCIES

Letters of Credit

The Company had standby letters of credit, surety bonds and bank guarantees totaling $34.5 million and $35.1 million outstanding at June 29, 2019 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 letters of credit 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 approximately $155.9 million related to the Transition Tax. 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 June 29, 2019, including $404.2 million related to inventory purchase obligations, $16.2 million related to capital expenditure purchase obligations, $93.6 million of other purchase obligations, $1.61 billion of debt repayments, $6.1 million of capital lease obligations and $407.8 million of interest payments on the outstanding debt. Refer to Note 10, "Leases," for a summary of the Company's future minimum rental payments under non-cancelable leases.

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 management believes that the final outcome will not have a material effect on the Company's cash flow, results of operations or financial position.

14. 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 July 1, 2017	$ 324.5	$ —	$ 156.0	$ 480.5
Acquisition of goodwill[1]	1.6	968.9	49.3	1,019.8
Allocation of goodwill[2]	324.0	(324.0)	—	—
Measurement period adjustment[1]	—	(18.4)	(0.5)	(18.9)
Foreign exchange impact	4.7	0.5	(2.3)	2.9
Balance at June 30, 2018	654.8	627.0	202.5	1,484.3
Acquisition of goodwill[1]	**—**	**12.7**	**13.3**	**26.0**
Foreign exchange impact	**7.0**	**0.7**	**(1.8)**	**5.9**
Balance at June 29, 2019	**$ 661.8**	**$ 640.4**	**$ 214.0**	**$ 1,516.2**

(1) Refer to Note 3, "Acquisitions," for further information.

(2) The Company assigned a portion 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.

Intangible Assets

Intangible assets consist of the following:

	Fiscal Year Ended[1]					
	June 29, 2019			June 30, 2018		
	Gross Carrying Amount	Accum. Amort.	Net	Gross Carrying Amount	Accum. Amort.	Net
	(millions)					
Intangible assets subject to amortization:						
Customer relationships	$ 100.6	$ (24.0)	$ 76.6	$ 100.5	$ (17.3)	$ 83.2
Order backlog	—	—	—	2.0	(2.0)	—
Favorable lease rights	93.1	(34.6)	58.5	97.3	(24.4)	72.9
Total intangible assets subject to amortization	193.7	(58.6)	135.1	199.8	(43.7)	156.1
Intangible assets not subject to amortization:						
Brand intangible assets	1,576.8	—	1,576.8	1,576.8	—	1,576.8
Total intangible assets	$ 1,770.5	$ (58.6)	$ 1,711.9	$ 1,776.6	$ (43.7)	$ 1,732.9

(1) Refer to Note 3, "Acquisitions," for further information.

As of June 29, 2019, the expected amortization expense for intangible assets is as follows:

	Amortization Expense
	(millions)
Fiscal 2020	$ 19.8
Fiscal 2021	18.3
Fiscal 2022	16.4
Fiscal 2023	15.3
Fiscal 2024	13.3
Thereafter	52.0
Total	**$ 135.1**

The expected future amortization expense above reflects remaining useful lives ranging from approximately 10.8 years to 13.0 years for customer relationships and the remaining lease terms ranging from approximately seven months to 15.8 years for favorable lease rights.

15. INCOME TAXES

The provisions for income taxes, computed by applying the U.S. statutory rate to income before taxes, as reconciled to the actual provisions were:

	Fiscal Year Ended					
	June 29, 2019		June 30, 2018		July 1, 2017	
	Amount	**Percentage**	Amount	Percentage	Amount	Percentage
	(millions)					
Income before provision for income taxes:						
United States[1]	**$ 335.5**	**43.8 %**	$ 161.2	27.0 %	$ 365.5	48.2 %
Foreign	**430.7**	**56.2**	435.6	73.0	393.5	51.8
Total income before provision for income taxes	**$ 766.2**	**100.0 %**	$ 596.8	100.0 %	$ 759.0	100.0 %
Tax expense at U.S. statutory rate	**$ 160.9**	**21.0 %**	$ 167.0	28.0 %	$ 265.7	35.0 %
State taxes, net of federal benefit	**(1.3)**	**(0.2)**	2.4	0.4	15.1	2.0
Effects of foreign operations	**(18.0)**	**(2.4)**	(55.6)	(9.3)	(86.7)	(11.4)
Transition tax on deferred foreign earnings	**7.5**	**1.0**	266.0	44.6	—	—
Re-measurement of deferred taxes	**(6.2)**	**(0.8)**	(87.8)	(14.7)	—	—
Effects of tax credits and acquisition reorganization	**(23.2)**	**(3.0)**	(36.2)	(6.1)	(12.3)	(1.6)
Change in state valuation allowance	**4.4**	**0.6**	(40.7)	(6.8)	—	—
Other, net	**(1.3)**	**(0.2)**	(15.8)	(2.7)	(13.8)	(1.9)
Taxes at effective worldwide rates	**$ 122.8**	**16.0 %**	$ 199.3	33.4 %	$ 168.0	22.1 %

[1] For the fiscal years ended June 29, 2019, June 30, 2018 and July 1, 2017, the United States jurisdiction includes foreign pre-tax earnings allocated to the Company from its interest in a foreign partnership.

Current and deferred tax provision (benefit) was:

	Fiscal Year Ended					
	June 29, 2019		June 30, 2018		July 1, 2017	
	Current	**Deferred**	Current	Deferred	Current	Deferred
	(millions)					
Federal	**$ (16.9)**	**$ 62.7**	$ 181.1	$ (1.9)	$ 42.9	$ 56.4
Foreign	**76.7**	**(3.2)**	79.1	(11.2)	39.7	7.4
State	**28.5**	**(25.0)**	(10.0)	(37.8)	7.4	14.2
Total current and deferred tax provision (benefit)	**$ 88.3**	**$ 34.5**	$ 250.2	$ (50.9)	$ 90.0	$ 78.0

The components of deferred tax assets and liabilities were:

	June 29, 2019	June 30, 2018
	(millions)	
Share-based compensation	**$ 32.2**	$ 27.1
Reserves not deductible until paid	**41.1**	39.2
Deferred rent	**30.9**	22.5
Employee benefits	**22.6**	19.0
Foreign investments	**4.9**	—
Net operating loss	**100.6**	395.2
Other	**8.1**	9.5
Inventory	**24.2**	18.9
Capital loss carryforward	**—**	56.8
Gross deferred tax assets	**264.6**	588.2
Valuation allowance	**32.9**	305.9
Deferred tax assets after valuation allowance	**$ 231.7**	$ 282.3
Goodwill	**83.7**	84.3
Other intangibles	**320.2**	347.9
Property and equipment	**41.3**	25.8
Foreign investments	**—**	5.7
Prepaid expenses	**1.2**	0.5
Gross deferred tax liabilities	**446.4**	464.2
Net deferred tax (liabilities) assets	**$ (214.7)**	$ (181.9)
Consolidated Balance Sheets Classification		
Deferred income taxes – noncurrent asset	**19.4**	24.3
Deferred income taxes – noncurrent liability	**(234.1)**	(206.2)
Net deferred tax (liabilities) assets	**$ (214.7)**	$ (181.9)

In fiscal 2018, the Company recorded a net deferred tax liability of $325.7 million as part of the opening balance sheet recorded in purchase accounting for fiscal 2018 acquisitions. Given that this balance was recorded as part of purchase accounting, it had no impact on total deferred tax expense recorded during fiscal 2018.

Significant judgment is required in determining the worldwide provision for income taxes, and there are many transactions for which the ultimate tax outcome is uncertain. It is the Company's policy to establish provisions for taxes that may become payable in future years, including those due to an examination by tax authorities. The Company establishes the provisions based upon management's assessment of exposure associated with uncertain tax positions. The provisions are analyzed at least quarterly and adjusted as appropriate based on new information or circumstances in accordance with the requirements of ASC 740.

A reconciliation of the beginning and ending gross amount of unrecognized tax benefits is as follows:

	June 29, 2019	June 30, 2018	July 1, 2017
		(millions)	
Balance at beginning of fiscal year	**$ 75.3**	$ 94.1	$ 138.6
Gross increase due to tax positions related to prior periods	**21.8**	3.8	2.7
Gross decrease due to tax positions related to prior periods	**(0.8)**	(4.0)	(2.7)
Gross increase due to tax positions related to current period	**10.7**	6.4	8.1
Decrease due to lapse of statutes of limitations	**(20.1)**	(23.9)	(39.5)
Decrease due to settlements with taxing authorities	**(1.1)**	(25.1)	(13.1)
Increase due to current year acquisitions	**—**	24.0	—
Balance at end of fiscal year	**$ 85.8**	$ 75.3	$ 94.1

Of the $85.8 million ending gross unrecognized tax benefit balance as of June 29, 2019, $58.1 million relates to items which, if recognized, would impact the effective tax rate. Of the $75.3 million ending gross unrecognized tax benefit balance as of June 30, 2018, $57.0 million relates to items which, if recognized, would impact the effective tax rate. Of the $94.1 million ending gross unrecognized tax benefit balance as of July 1, 2017, $83.6 million relates to items which, if recognized, would impact the effective tax rate. As of June 29, 2019, June 30, 2018 and July 1, 2017, gross interest and penalties payable was $12.6 million, $12.9 million and $24.1 million, respectively, which are included in Other liabilities on the Company's Consolidated Balance Sheet. During fiscal 2019 and fiscal 2018, the Company recognized gross interest and penalty income of $0.2 million and $10.8 million, respectively, and gross interest and penalty expense of $2.8 million during fiscal 2017.

The Company files income tax returns in the U.S. federal jurisdiction, as well as various state and foreign jurisdictions. Tax examinations are currently in progress in select foreign and state jurisdictions that are extending the years open under the statutes of limitation. Fiscal years 2016 to present are open to examination in the U.S. federal jurisdiction, fiscal 2010 to present in select state jurisdictions and fiscal 2012 to present in select foreign jurisdictions. The Company is currently under audit in the U.S. for fiscal 2017. The Company anticipates that one or more of these audits may be finalized and certain statutes of limitation may expire in the foreseeable future. However, based on the status of these examinations, and the average time typically incurred in finalizing audits with the relevant tax authorities, the Company cannot reasonably estimate the impact these audits may have in the next 12 months, if any, to previously recorded uncertain tax positions. The Company accrues for certain known and reasonably anticipated income tax obligations after assessing the likely outcome based on the weight of available evidence. Although the Company believes that the estimates and assumptions used are reasonable and legally supportable, the final determination of tax audits could be different than that which is reflected in historical income tax provisions and recorded assets and liabilities. With respect to all jurisdictions, the Company has made adequate provision for all income tax uncertainties.

As of June 29, 2019, the Company had the following tax loss carryforwards available: U.S. federal loss carryforwards of $127.7 million, state tax loss carryforwards of $717.2 million and tax loss carryforwards of various foreign jurisdictions of $116.0 million. As of June 30, 2018, the Company had the following tax loss carryforwards available: U.S. federal loss carryforwards of $448.4 million, state tax loss carryforwards of approximately $831 million and tax loss carryforwards of various foreign jurisdictions of $921.9 million. The federal and state net operating loss carryforwards generally start to expire in 2031 and 2019, respectively. The majority of the foreign net operating loss can be carried forward indefinitely. Deferred tax assets, including the deferred tax assets recognized on these net operating losses, have been reduced by a valuation allowance of $32.9 million as of June 29, 2019 and $305.9 million as of June 30, 2018. During fiscal 2019, the Company wrote off certain net operating losses and corresponding full valuation allowances that were determined to have a remote likelihood of being utilized.

The Company is not permanently reinvested with respect to the earnings of a limited number of foreign entities and has recorded the tax consequences of remitting earnings from these entities. The Company is permanently reinvested with respect to all other earnings. The total estimated amount of unremitted earnings of foreign subsidiaries as of June 29, 2019 and June 30, 2018 was $2.04 billion and $3.09 billion, respectively. 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. The Tax Legislation imposed a one-time Transition Tax on the deemed repatriated earnings, thereby removing the potential federal income tax consequences of repatriating these earnings to the U.S. However actual remittance from non-U.S. subsidiaries may result in additional foreign withholding taxes, U.S. state taxes and taxes related to foreign currency gains or losses. The Company intends to distribute $650 million of earnings that were previously subject to U.S. Federal Tax and has recorded a deferred tax liability of

$2.3 million during fiscal 2019 for U.S. state taxes related to the future distribution. Based on the Company's current analysis, the amount of the unrecognized deferred tax liability related to unremitted earnings is estimate to be between $5 million and $7 million.

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") 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.

In December 2017, the SEC Staff issued Staff Accounting Bulletin ("SAB") 118 to provide guidance to registrants in accounting for income taxes under the Tax Legislation. In accordance with SAB 118, the Company made reasonable estimates and recorded provisional amounts for the Tax Legislation during fiscal 2018. Under the transitional provisions of SAB 118, the Company had a one-year measurement period to complete the accounting for the initial tax effects of the Tax Legislation, which was completed during fiscal 2019.

The following table represents amounts recorded to provision for income taxes in the year ended June 29, 2019 for items related to the Tax Legislation:

	Fiscal Year Ended	
	June 29, 2019	June 30, 2018
	(millions)	
Impact of Change in U.S. Federal Statutory Rate on Pre-Tax Income	**$ (32.6)**	**$ (10.9)**
Discrete Impacts of Tax Legislation:		
Transition Tax - Federal and State	**6.9**	**266.0**
Re-measurement of deferred taxes (federal and state)	**(6.2)**	**(87.8)**
Global intangible low-taxed income	**33.1**	**—**
Foreign derived intangible income	**(12.6)**	—
Total Impact of Tax Legislation	**$ (11.4)**	**$ 167.3**

The Company has elected to pay the Transition Tax in installments. As shown in the table below, the remaining Transition Tax payable is $155.9 million and is payable between fiscal 2021 and fiscal 2025. The $155.9 million Transition Tax payable is reduced from the fiscal 2018 Transition Tax liability of $266.0 million due to payments made during fiscal 2019, as well as the application of net operating losses to reduce the Transition Tax payable.

	Transition Tax Payments
	(millions)
Fiscal 2020	$ —
Fiscal 2021	11.9
Fiscal 2022	16.9
Fiscal 2023	31.8
Fiscal 2024	42.4
Fiscal 2025	52.9
Total	**$ 155.9**

Under GILTI, a portion of the Company's foreign earnings will be subject to U.S. taxation, offset by available foreign tax credits subject to limitations. For companies subject to GILTI, the FASB has indicated that companies are allowed to record a deferred tax liability related to the outside basis difference in the fiscal year of enactment or record the 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 record the future tax

associated with GILTI as a period cost, and accordingly, the Company has recorded no additional deferred tax liability in fiscal 2018.

16. DEFINED CONTRIBUTION PLAN

The Company maintains the Tapestry, Inc. 401(k) Savings Plan, which is a defined contribution plan. Employees who meet certain eligibility requirements and are not part of a collective bargaining agreement may participate in this program. The annual expense incurred by the Company for this defined contribution plan was $12.8 million, $12.3 million and $9.1 million in fiscal 2019, fiscal 2018 and fiscal 2017, respectively.

17. SEGMENT INFORMATION

The Company has three reportable segments:

- *Coach* - Includes global sales of Coach products to customers through Coach operated stores, including the Internet and concession shop-in-shops, and 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.

In deciding how to allocate resources and assess performance, the Company's chief operating decision maker regularly evaluates the sales and operating income of these segments. Operating income is the gross margin of the segment less direct expenses of the segment. 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 in fiscal 2017 and fiscal 2018 within our reportable segments are now reflected in Corporate expense. The costs primarily relate to employee costs within shared functional groups.

The following table summarizes segment performance for fiscal 2019, fiscal 2018 and fiscal 2017:

	Coach[1]	Kate Spade[1]	Stuart Weitzman[1]	Corporate[2]	Total
			(millions)		
Fiscal 2019					
Net sales	**$ 4,270.9**	**$ 1,366.8**	**$ 389.4**	$ —	**$ 6,027.1**
Gross profit	**2,996.4**	**863.6**	**193.7**	**—**	**4,053.7**
Operating income (loss)	**1,148.4**	**165.7**	**(51.2)**	**(448.8)**	**814.1**
Income (loss) before provision for income taxes	**1,148.4**	**165.7**	**(51.2)**	**(496.7)**	**766.2**
Depreciation and amortization expense[3]	**137.2**	**63.5**	**19.4**	**50.3**	**270.4**
Total assets	**1,945.9**	**2,596.1**	**749.4**	**1,585.9**	**6,877.3**
Additions to long-lived assets[4]	**85.0**	**74.2**	**12.3**	**102.7**	**274.2**
Fiscal 2018					
Net sales	$ 4,221.5	$ 1,284.7	$ 373.8	$ —	$ 5,880.0
Gross profit	2,931.5	705.7	211.3	—	3,848.5
Operating income (loss)	1,117.2	(22.7)	(0.3)	(423.4)	670.8
Income (loss) before provision for income taxes	1,117.2	(22.7)	(0.3)	(497.4)	596.8
Depreciation and amortization expense[3]	139.5	67.2	20.8	43.8	271.3
Total assets	2,256.8	2,626.3	746.4	1,048.8	6,678.3
Additions to long-lived assets[4]	134.4	34.4	7.8	90.8	267.4

Fiscal 2017					
Net sales	$ 4,114.7	$ —	$ 373.6	$ —	$ 4,488.3
Gross profit	2,855.0	—	226.1	—	3,081.1
Operating income (loss)	1,072.4	—	15.4	(300.4)	787.4
Income (loss) before provision for income taxes	1,072.4	—	15.4	(328.8)	759.0
Depreciation and amortization expense[3]	149.9	—	18.9	50.1	218.9
Total assets	1,937.1	—	628.4	3,266.1	5,831.6
Additions to long-lived assets[4]	170.5	—	20.2	92.4	283.1

(1) During fiscal 2019, the Company acquired certain distributors for the Stuart Weitzman and Kate Spade brands. During the first quarter of fiscal 2018, the Company acquired Kate Spade & Company. During the third quarter of fiscal 2018, the Company acquired 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 entity have been consolidated commencing on the date of each transaction.

(2) Corporate, which is not a reportable segment, represents certain costs that are not directly attributable to a brand. These costs primarily represent administrative and information systems expense. Furthermore, certain integration and acquisition costs as well as costs under the Company's Operational Efficiency Plan and Transformation Plan as described in Note 6, "Restructuring Activities," are included within Corporate.

(3) Depreciation and amortization expense includes $2.2 million of Integration & Acquisition costs for the fiscal year ended June 29, 2019. There were no costs incurred related to the Operational Efficiency Plan for the fiscal year ended June 29, 2019 and June 30, 2018. Depreciation and amortization expenses includes $6.1 million of Operational Efficiency Plan charges for the fiscal year ended July 1, 2017. These charges are recorded within Corporate. Depreciation and amortization expense for the segments includes an allocation of expense related to assets which support multiple segments.

(4) 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 includes 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.

The following table shows net sales for each product category represented:

	Fiscal Year Ended					
	June 29, 2019		June 30, 2018		July 1, 2017	
	Amount	% of total net sales	Amount	% of total net sales	Amount	% of total net sales
	(millions)					
Coach						
Women's Handbags	$ 2,261.3	38%	$ 2,298.2	39%	$ 2,308.0	52%
Men's	862.0	14	844.6	14	808.0	18
Women's Accessories	766.5	13	747.1	13	721.0	16
Other Products	381.1	6	331.6	6	277.7	6
Total Coach	$ 4,270.9	71%	$ 4,221.5	72%	$ 4,114.7	92%
Kate Spade[1]						
Women's Handbags	$ 763.7	13%	$ 703.4	12%	$ —	—%
Other Products	315.2	5	311.6	5	—	—
Women's Accessories	287.9	5	269.7	5	—	—
Total Kate Spade	$ 1,366.8	23%	$ 1,284.7	22%	$ —	—%
Stuart Weitzman[2]	$ 389.4	6%	$ 373.8	6%	$ 373.6	8%
Total Net sales	$ 6,027.1	100%	$ 5,880.0	100%	$ 4,488.3	100%

(1) On July 11, 2017, the Company completed its acquisition of Kate Spade. The operating results of the Kate Spade brand have been consolidated in the Company's operating results commencing on July 11, 2017.

(2) The significant majority of sales for the Stuart Weitzman brand is attributable to women's footwear.

Geographic Area Information

Geographic revenue information is based on the location of our customer sale. Geographic long-lived asset information is based on the physical location of the assets at the end of each fiscal year and includes property and equipment, net and other assets.

	United States	Japan	Greater China[2]	Other[3]	Total
			(millions)		
Fiscal 2019					
Net sales[1]	$ 3,395.0	$ 711.9	$ 912.9	$ 1,007.3	$ 6,027.1
Long-lived assets	708.9	90.2	114.2	159.6	1,072.9
Fiscal 2018					
Net sales[1]	$ 3,457.4	$ 695.7	$ 837.1	$ 889.8	$ 5,880.0
Long-lived assets	663.3	60.6	98.4	181.9	1,004.2
Fiscal 2017					
Net sales[1]	$ 2,432.5	$ 572.8	$ 696.3	$ 786.7	$ 4,488.3
Long-lived assets	497.7	58.3	93.2	162.2	811.4

(1) Includes net sales from our global travel retail business in locations within the specified geographic area.

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

(3) Other includes sales in Europe, Canada, South Korea, Malaysia, Singapore, Australia and New Zealand and royalties related to licensing.

18. 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.

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

	Fiscal Year Ended		
	June 29, 2019	June 30, 2018	July 1, 2017
	(millions, except per share data)		
Net income	**$ 643.4**	$ 397.5	$ 591.0
Weighted-average basic shares	**289.4**	285.4	280.6
Dilutive securities:			
Effect of dilutive securities	**1.4**	3.2	2.2
Weighted-average diluted shares	**290.8**	288.6	282.8
Net income per share:			
Basic	**$ 2.22**	$ 1.39	$ 2.11
Diluted	**$ 2.21**	$ 1.38	$ 2.09

At June 29, 2019, options to purchase 12.3 million shares of common stock were outstanding but not included in the computation of diluted earnings per share, as these options' exercise prices, ranging from $31.46 to $78.46, were greater than the average market price of the common shares.

At June 30, 2018, options to purchase 3.4 million shares of common stock were outstanding but not included in the computation of diluted earnings per share, as these options' exercise prices, ranging from $48.08 to $78.46, were greater than the average market price of the common shares.

At July 1, 2017, options to purchase 4.5 million shares of common stock were outstanding but not included in the computation of diluted earnings per share, as these options' exercise prices, ranging from $45.13 to $78.46, were greater than the average market price of the common shares.

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 (and any applicable market condition modifiers) (i) are satisfied as of the end of the reporting period or (ii) would be considered satisfied if the end of the reporting period were the end of the related contingency period and the result would be dilutive under the treasury stock method. As of June 29, 2019, June 30, 2018 and July 1, 2017, there were approximately 12.6 million, 4.2 million, and 5.6 million, respectively, of 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.

19. RELATED PARTIES

The Stuart Weitzman brand owns approximately 50% of a factory and one of its former employees, who left the Company during fiscal 2017, maintains a partial ownership interest of less than 50% in a factory, both of which are located in Spain, which are involved in the production of Stuart Weitzman inventory. Payments to these two factories represented $16.8 million and $17.1 million in fiscal 2019 and fiscal 2018, respectively. Amounts payable to these factories were not material at June 29, 2019 or June 30, 2018.

20. SUPPLEMENTAL BALANCE SHEET INFORMATION

The components of certain balance sheet accounts are as follows:

	June 29, 2019	June 30, 2018
	(millions)	
Property and equipment		
Land and building	**$ 21.8**	$ 19.0
Machinery and equipment	**51.0**	56.0
Software and computer equipment	**541.8**	409.1
Furniture and fixtures	**413.2**	322.5
Leasehold improvements	**1,006.3**	891.0
Construction in progress	**105.2**	142.2
Less: accumulated depreciation	**(1,200.5)**	(954.4)
Total property and equipment, net	**$ 938.8**	$ 885.4
Accrued liabilities		
Payroll and employee benefits	**$ 63.6**	$ 174.3
Accrued rent	**67.3**	53.9
Dividends payable	**96.8**	97.2
Operating expenses	**445.9**	347.8
Total accrued liabilities	**$ 673.6**	$ 673.2
Other liabilities		
Deferred lease obligation	**$ 221.6**	$ 200.7
Gross unrecognized tax benefit	**85.8**	75.3
Other	**146.6**	191.0
Total other liabilities	**$ 454.0**	$ 467.0

21. HEADQUARTERS TRANSACTIONS

Sale of Interest and Lease Transaction of Hudson Yards

During the first quarter of fiscal 2017, the Company sold its investments in 10 Hudson Yards, in New York City, and announced the lease of its new global headquarters. The Company sold its equity investment in the Hudson Yards joint venture as well as net fixed assets related to the design and build-out of the space. The Company received a purchase price of approximately $707 million (net of approximately $77 million due to the developer of Hudson Yards) before transaction costs of approximately $26 million, resulting in a gain of $28.8 million, which was initially amortized through SG&A expenses over the lease term of 20 years. As a result of the adoption of ASU No. 2016-02, as discussed in Note 2, the unamortized balance of the gain will be recorded to equity at the start of fiscal 2020.

The Company has simultaneously entered into a 20-year lease, accounted for as an operating lease, for the headquarters space in the building, comprised of approximately 694,000 square feet. Under the lease, the Company has the right to expand its premises to portions of the 24th and 25th floors of the building and has a right of first offer with respect to available space on the 26th floor of the building. The total commitment related to this lease was approximately $1.05 billion. Minimum lease payments of $45.1 million are due each year from fiscal 2018 through fiscal 2021, and $825.5 million total due for years subsequent to 2021. In addition to its fixed rent obligations, the Company is obligated to pay its percentage share for customary escalations for operating expenses attributable to the building and the Hudson Yards development, taxes and tax related payments. The Company is not obligated to pay any amount of contingent rent.

Sale of Former Headquarters

During the second quarter of fiscal 2017, the Company completed the sale of its former headquarters on West 34th Street. Net cash proceeds of $126.0 million were generated and the sale did not result in a material gain or loss.

Sublease Agreement

During the first quarter of 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").

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.

TAPESTRY, INC.

Schedule II — Valuation and Qualifying Accounts
For the Fiscal Years Ended June 29, 2019, June 30, 2018 and July 1, 2017

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Other Adjustments[1]	Write-offs/ Allowances Taken	Balance at End of Year
			(millions)		
Fiscal 2019					
Allowance for bad debts	**$ 1.5**	**$ 7.1**	**$ —**	**$ (4.2)**	**$ 4.4**
Allowance for returns	**11.5**	**20.3**	**2.8**	**(24.0)**	**10.6**
Allowance for markdowns	**16.7**	**54.9**	**2.3**	**(56.1)**	**17.8**
Valuation allowance	**305.9**	**21.9**	**—**	**(294.9)**	**32.9**
Total	**$ 335.6**	**$ 104.2**	**$ 5.1**	**$ (379.2)**	**$ 65.7**
Fiscal 2018					
Allowance for bad debts	$ 1.9	$ 1.3	$ —	$ (1.7)	$ 1.5
Allowance for returns	4.4	12.9	5.0	(10.8)	11.5
Allowance for markdowns	9.4	51.4	9.1	(53.2)	16.7
Valuation allowance	196.1	20.7	129.8	(40.7)	305.9
Total	$ 211.8	$ 86.3	$ 143.9	$ (106.4)	$ 335.6
Fiscal 2017					
Allowance for bad debts	$ 2.2	$ 1.7	$ —	$ (2.0)	$ 1.9
Allowance for returns	6.0	10.3	—	(11.9)	4.4
Allowance for markdowns	15.2	36.9	—	(42.7)	9.4
Valuation allowance	173.4	22.7	—	—	196.1
Total	$ 196.8	$ 71.6	$ —	$ (56.6)	$ 211.8

(1) During the year ended June 29, 2019, other adjustments of $5.1 million represent the adjustment to the allowance for returns as a result of the adoption of ASU 2014-09, "*Revenue from Contracts with Customers.*" During the fiscal year ended June 30, 2018, other adjustments of $143.9 million represent additions as a result of acquisitions.

TAPESTRY, INC.

Quarterly Financial Data
(unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(millions, except per share data)			
Fiscal 2019[1]				
Net sales	**$ 1,381.2**	**$ 1,800.8**	**$ 1,331.4**	**$ 1,513.7**
Gross profit	**935.1**	**1,203.5**	**915.9**	**999.2**
Net income	**122.3**	**254.8**	**117.4**	**148.9**
Net income per common share:				
Basic	**$ 0.42**	**$ 0.88**	**$ 0.40**	**$ 0.51**
Diluted	**$ 0.42**	**$ 0.88**	**$ 0.40**	**$ 0.51**
Fiscal 2018[1]				
Net sales	$ 1,288.9	$ 1,785.0	$ 1,322.4	$ 1,483.7
Gross profit	762.9	1,176.2	907.6	1,001.8
Net income	(17.7)	63.2	140.3	211.7
Net income per common share:				
Basic	$ (0.06)	$ 0.22	$ 0.49	$ 0.74
Diluted	$ (0.06)	$ 0.22	$ 0.48	$ 0.73
Fiscal 2017[1]				
Net sales	$ 1,037.6	$ 1,321.7	$ 995.2	$ 1,133.8
Gross profit	714.7	906.2	705.7	754.5
Net income	117.4	199.7	122.2	151.7
Net income per common share:				
Basic	$ 0.42	$ 0.71	$ 0.44	$ 0.54
Diluted	$ 0.42	$ 0.71	$ 0.43	$ 0.53

(1) The sum of the quarterly earnings per share may not equal the full-year amount, as the computations of the weighted-average number of common basic and diluted shares outstanding for each quarter and the full year are performed independently.

EXHIBITS TO FORM 10-K

(a)Exhibit Table (numbered in accordance with Item 601 of Regulation S-K)

Exhibit	Description
2.1	Agreement and Plan of Merger, dated as of May 7, 2017, by and among Coach, Inc., Kate Spade & Company and Chelsea Merger Sub, Inc., which is incorporated by reference from Exhibit 2.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended April 1, 2017
3.1	Amended and Restated Bylaws of Tapestry, Inc., effective as of October 31, 2017, which is incorporated herein by reference from Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on October 31, 2017
3.2	Articles of Incorporation, dated June 1, 2000, which is incorporated herein by reference from Exhibit 3.1 of to the Registrant's Registration Statement on Form S-1 filed on June 16, 2000
3.3	Articles Supplementary of Coach, Inc., dated May 3, 2001, which is incorporated herein by reference from Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed on May 9, 2001
3.4	Articles of Amendment of Coach, Inc., dated May 3, 2001, which is incorporated herein by reference from Exhibit 3.3 to the Registrant's Current Report on Form 8-K filed on May 9, 2001
3.5	Articles of Amendment of Coach, Inc., dated May 3, 2002, which is incorporated by reference from Exhibit 3.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 29, 2002
3.6	Articles of Amendment of Coach, Inc., dated February 1, 2005, which is incorporated by reference from Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed on February 2, 2005
3.7	Articles of Amendment to Charter of Tapestry, Inc., effective as of October 31, 2017, which is incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 31, 2017
4.1	Specimen Certificate for Common Stock of Tapestry, Inc. which is incorporated by reference from Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2018, filed on August 16, 2018
4.2	Indenture, dated as of March 2, 2015, between Coach, Inc. and U.S. Bank National Association, as trustee, which is incorporated herein by reference from Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on March 2, 2015
4.3	First Supplemental Indenture, dated as of March 2, 2015, relating to the 4.250% senior unsecured notes due 2025, between Coach, Inc. and U.S. Bank National Association, as trustee, which is incorporated herein by reference from Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on March 2, 2015
4.4	Form of 4.250% senior unsecured notes due 2025 (included in the First Supplemental Indenture), which is incorporated herein by reference from Exhibit 4.3 to the Registrant's Current Report on Form 8-K filed on March 2, 2015
4.5	Second Supplemental Indenture, dated as of June 20, 2017, relating to the 3.000% senior unsecured notes due 2022, between Coach, Inc. and U.S. Bank National Association, as trustee, which is incorporated by reference from Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on June 20, 2017
4.6	Third Supplemental Indenture, dated as of June 20, 2017, relating to the 4.125% senior unsecured notes due 2027, between Coach, Inc. and U.S. Bank National Association, as trustee, which is incorporated by reference from Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed on June 20, 2017
4.7	Form of 3.000% senior unsecured notes due 2022 (included in the Second Supplemental Indenture), which is incorporated by reference from Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed on June 20, 2017
4.8	Form of 4.125% senior unsecured notes due 2027 (included in the Third Supplemental Indenture), which is incorporated by reference from Exhibit 4.4 to the Registrant's Current Report on Form 8-K, filed on June 20, 2017
10.1	Purchase Agreement among Stuart Weitzman Topco LLC, Stuart Weitzman Intermediate LLC and Coach, Inc., dated January 5, 2015, which is incorporated by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended December 27, 2014
10.2	Letter Agreement between Stuart Weitzman and Coach, Inc., dated January 5, 2015, which is incorporated by reference from Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the period ended December 27, 2014
10.3†	Coach, Inc. Non-Qualified Deferred Compensation Plan for Outside Directors, which is incorporated by reference from Exhibit 10.14 to The Registrant's Annual Report on Form 10-K for the fiscal year ended June 28, 2003
10.4†	Amended and Restated Tapestry, Inc. 2001 Employee Stock Purchase Plan, which is incorporated by reference to Appendix C to the Registrant's Definitive Proxy Statement for the 2016 Annual Meeting of Stockholders filed on September 30, 2016
10.5†	Coach, Inc. 2004 Stock Incentive Plan, which is incorporated by reference from Appendix A to the Registrant's Definitive Proxy Statement for the 2004 Annual Meeting of Stockholders, filed on September 29, 2004

Exhibit	Description
10.6†	Coach, Inc. 2010 Stock Incentive Plan, which is incorporated by reference from Appendix A to the Registrant's Definitive Proxy Statement for the 2010 Annual Meeting of Stockholders, filed on September 24, 2010
10.7†	Amendment to the Coach, Inc. 2010 Stock Incentive Plan, which is incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 22, 2014
10.8†	Coach, Inc. Amended and Restated 2010 Stock Incentive Plan, which is incorporated herein by reference from Appendix B to the Registrant's Definitive Proxy Statement for the 2014 Annual Meeting of Stockholders, filed on September 26, 2014
10.9†	Coach, Inc. Amended and Restated 2010 Stock Incentive Plan (Amended and Restated as of September 18, 2015), which is incorporated herein by reference from Appendix B to the Registrant's Definitive Proxy Statement for the 2015 Annual Meeting of Stockholders, filed on September 25, 2015
10.10*†	Coach Inc. Executive Deferred Compensation Plan, effective as of January 1, 2016
10.11†	Coach, Inc. Amended and Restated 2010 Stock Incentive Plan (Amended and Restated as of September 23, 2016), which is incorporated herein by reference from Appendix B to the Registrant's Definitive Proxy Statement for the 2016 Annual Meeting of the Stockholders, filed on September 30, 2016
10.12†	Coach, Inc. Amended and Restated 2010 Stock Incentive Plan (Amended and Restated as of September 20, 2017), which is incorporated herein by reference from Appendix B to the Registrant's Definitive Proxy Statement for the 2017 Annual Meeting of the Stockholders, filed on September 29, 2017
10.13†	Tapestry Inc. 2018 Stock Incentive Plan, which is incorporated herein by reference from Appendix B to the Registrant's Definitive Proxy Statement for the 2018 Annual Meeting of Stockholders, filed on September 28, 2018
10.14*†	Form of Stock Option Grant Notice and Agreement under the Tapestry, Inc. 2018 Stock Incentive Plan
10.15*†	Form of Restricted Stock Unit Award Grant Notice and Agreement under the Tapestry, Inc. 2018 Stock Incentive Plan
10.16*†	Form of Performance Restricted Stock Unit Agreement Grant Notice and Agreement under the Tapestry, Inc. 2018 Stock Incentive Plan
10.17†	Form of Stock Option Grant Notice and Agreement for Outside Directors under the Tapestry, Inc. 2018 Stock Incentive Plan, which is incorporated by reference from Exhibit 10.3 to the Registrant's Quarterly Report on Form-Q for the period ended December 29, 2018
10.18†	Form of Restricted Stock Unit Grant Notice and Agreement for Outside Directors under the Tapestry, Inc. 2018 Stock Incentive Plan, which is incorporated by reference from Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the period ended December 29, 2018
10.19†	Coach, Inc. 2013 Performance-Based Annual Incentive Plan, which is incorporated herein by reference from Appendix B to the Registrant's Definitive Proxy Statement for the 2013 Annual Meeting of Stockholders, filed on September 27, 2013
10.20†	Tapestry, Inc. 2018 Performance-Based Annual Incentive Plan, which is incorporated herein by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on August 10, 2018
10.21†	Letter Agreement, dated February 13, 2013, between Coach, Inc. and Victor Luis, which is incorporated herein by reference from Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 29, 2013
10.22†	Employment Offer Letter, dated January 26, 2015, between Coach, Inc. and Ian Bickley, which is incorporated by reference from Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the period ended March 28, 2015
10.23†	Letter Agreement, dated June 22, 2015, between Coach, Inc. and Sarah Dunn, which is incorporated by reference from Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed on June 22, 2015
10.24†	Letter Agreement, dated June 22, 2015, between Coach, Inc. and Todd Kahn, which is incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on June 22, 2015
10.25†	Letter Agreement, dated August 22, 2016, between Coach, Inc. and Victor Luis, which is incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on August 26, 2016
10.26†	Letter Agreement, dated August 22, 2016, between Coach, Inc. and Ian Bickley, which is incorporated by reference from Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on August 26, 2016
10.27	Redemption Agreement and Amendment to Limited Liability Company Agreement, dated as of August 1, 2016, by and between Legacy Yards LLC, Coach Legacy Yards LLC and Podium Fund Tower C SPV LLC, which is incorporated by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended October 1, 2016
10.28	Lease Agreement, dated as of August 1, 2016, by and between Coach, Inc. and Legacy Yards Tenant LP, which is incorporated by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended October 1, 2016

Exhibit	Description
10.29	Amended and Restated Development Agreement, dated as of August 1, 2016, by and between ERY Developer LLC and Coach Legacy Yards LLC, which is incorporated by reference from Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the period ended October 1, 2016
10.30	Termination and Release of the Coach Guaranty, dated as of August 1, 2016, by and between Podium Fund Tower C SPV LLC and ERY Developer LLC, which is incorporated by reference from Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the period ended October 1, 2016
10.31†	Employment Offer Letter, dated December 12, 2016, between Coach, Inc. and Kevin Wills, which is incorporated by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2016
10.32†	Employment Offer Letter, dated March 27, 2017, between Coach, Inc. and Joshua Schulman, which is incorporated by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the period ended April 1, 2017
10.33	Credit Agreement, dated as of May 30, 2017, by and among Coach, Inc., Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A. and HSBC Bank USA, National Association, as Co-Syndication Agents, and the other lenders party thereto, which is incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on May 31, 2017
10.34	Sublease, dated as of September 13, 2017 between Coach, Inc. and The Guardian Life Insurance Company of America, a New York mutual insurance company, which is incorporated by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on September 14, 2017.
10.35*†	Letter Agreement, dated March 8, 2018, between the Registrant and Anna Bakst
10.36†	Separation and Release Agreement dated December 6, 2018, between Tapestry and Kevin Wills, which is incorporated by reference from Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the period ended December 29, 2018
10.37*†	Letter Agreement, dated May 8, 2019 between the Registrant and Thomas Glaser
10.38*†	Tapestry, Inc. Severance Pay Plan for Vice Presidents and Above, Amended and Restated effective May 9, 2019
10.39*†	Letter Agreement, dated June 17, 2019 between the Registrant and Joanne Crevoiserat
10.40*†	Tapestry, Inc. Special Severance Plan, effective August 12, 2019
18	Letter re: change in accounting principle, which is incorporated herein by reference from Exhibit 18 to the Registrant's Quarterly Report on Form 10-Q for the period ended October 2, 2010
21.1*	List of Subsidiaries of Tapestry, Inc.
23.1*	Consent of Deloitte & Touche LLP
31.1*	Rule 13(a)-14(a)/15(d)-14(a) Certifications
32.1*	Section 1350 Certifications
101.INS*	XBRL Instance Document
	Note: the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document

* Filed herewith

† Management contract or compensatory plan or arrangement.

Coach, Inc. Executive Deferred Compensation Plan

January 1, 2016

IMPORTANT NOTE

This document has not been approved by the Department of Labor, Internal Revenue Service or any other governmental entity. An adopting Employer must determine whether the Plan is subject to the Federal securities laws and the securities laws of the various states. An adopting Employer may not rely on this document to ensure any particular tax consequences or to ensure that the Plan is "unfunded and maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees" under Title I of the Employee Retirement Income Security Act of 1974, as amended, with respect to the Employer's particular situation. Fidelity Employer Services Company, its affiliates and employees cannot provide you with legal advice in connection with the execution of this document. This document should be reviewed by the Employer's attorney prior to execution.

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PREAMBLE

The Plan is intended to be a “plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, or an “excess benefit plan” within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, or a combination of both. The Plan is further intended to conform with the requirements of Internal Revenue Code Section 409A and the final regulations issued thereunder and shall be interpreted, implemented and administered in a manner consistent therewith.

ARTICLE 1 – GENERAL

1.1 Plan. The Plan will be referred to by the name specified in the Adoption Agreement.

1.2 Effective Dates.

(a) Original Effective Date. The Original Effective Date is the date as of which the Plan was initially adopted.

(b) Amendment Effective Date. The Amendment Effective Date is the date specified in the Adoption Agreement as of which the Plan is amended and restated. Except to the extent otherwise provided herein or in the Adoption Agreement, the Plan shall apply to amounts deferred and benefit payments made on or after the Amendment Effective Date.

(c) Special Effective Date. A Special Effective Date may apply to any given provision if so specified in Appendix A of the Adoption Agreement. A Special Effective Date will control over the Original Effective Date or Amendment Effective Date, whichever is applicable, with respect to such provision of the Plan.

1.3 Amounts Not Subject to Code Section 409A

Except as otherwise indicated by the Plan Sponsor in Section 1.01 of the Adoption Agreement, amounts deferred before January 1, 2005 that are earned and Vested on December 31, 2004 will be separately accounted for and administered in accordance with the terms of the Plan as in effect on December 31, 2004.

ARTICLE 2 – DEFINITIONS

Pronouns used in the Plan are in the masculine gender but include the feminine gender unless the context clearly indicates otherwise. Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

2.1 **"Account"** means an account established for the purpose of recording amounts credited on behalf of a Participant and any income, expenses, gains, losses or distributions included thereon. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant or to the Participant's Beneficiary pursuant to the Plan.

2.2 **"Administrator"** means the person or persons designated by the Plan Sponsor in Section 1.05 of the Adoption Agreement to be responsible for the administration of the Plan. If no Administrator is designated in the Adoption Agreement, the Administrator is the Plan Sponsor.

2.3 **"Adoption Agreement"** means the agreement adopted by the Plan Sponsor that establishes the Plan.

2.4 **"Beneficiary"** means the persons, trusts, estates or other entities entitled under Section 8.2 to receive benefits under the Plan upon the death of a Participant.

2.5 **"Board" or "Board of Directors"** means the Board of Directors of the Plan Sponsor.

2.6 **"Bonus"** means an amount of incentive remuneration payable by the Employer to a Participant.

2.7 **"Change in Control"** means the occurrence of an event involving the Plan Sponsor that is described in Section 9.7.

2.8 **"Code"** means the Internal Revenue Code of 1986, as amended.

2.9 **"Compensation"** has the meaning specified in Section 3.01 of the Adoption Agreement.

2.10 **"Director"** means a non-employee member of the Board who has been designated by the Employer as eligible to participate in the Plan.

2.11 **"Eligible Employee"** means an employee of the Employer who satisfies the requirements in Section 2.01 of the Adoption Agreement.

2.12 **"Employer"** means the Plan Sponsor and any other entity which is authorized by the Plan Sponsor to participate in and, in fact, does adopt the Plan.

2.13 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

2.14 **"Identification Date"** means the date as of which Key Employees are determined which is specified in Section 1.06 of the Adoption Agreement.

2.15 **"Key Employee"** means an employee who satisfies the conditions set forth in Section 9.6.

2.16 **"Long Term Disability"** means a determination by the Administrator that the Participant is either (a) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or last for a continuous period of not less than twelve months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer. A Participant will be considered to have incurred a Long Term Disability if he is determined to be totally disabled by the Social Security Administration or the Railroad Retirement Board.

2.17 **"Participant"** means an Eligible Employee or Director who commences participation in the Plan in accordance with Article 3.

2.18 **"Plan"** means the unfunded plan of deferred compensation set forth herein, including the Adoption Agreement and any trust agreement, as adopted by the Plan Sponsor and as amended from time to time.

2.19 **"Plan Sponsor"** means the entity identified in Section 1.03 of the Adoption Agreement or any successor by merger, consolidation or otherwise.

2.20 **"Plan Year"** means the period identified in Section 1.02 of the Adoption Agreement.

2.21 **"Related Employer"** means the Employer and (a) any corporation that is a member of a controlled group of corporations as defined in Code

Section 414(b) that includes the Employer and (b) any trade or business that is under common control as defined in Code Section 414(c) that includes the Employer.

2.22 **"Retirement"** has the meaning specified in 6.01(f) of the Adoption Agreement.

2.23 **"Separation from Service"** means the date that the Participant dies, retires or otherwise has a termination of employment with respect to all entities comprising the Related Employer. A Separation from Service does not occur if the Participant is on military leave, sick leave or other bona fide leave of absence if the period of leave does not exceed six months or such longer period during which the Participant's right to re-employment is provided by statute or contract. If the period of leave exceeds six months and the Participant's right to re-employment is not provided either by statute or contract, a Separation from Service will be deemed to have occurred on the first day following the six-month period. If the period of leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where the impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a 29 month period of absence may be substituted for the six month period.

Whether a termination of employment has occurred is based on whether the facts and circumstances indicate that the Related Employer and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or as an independent contractor) would permanently decrease to no more than 20 percent of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding 36 month period (or the full period of services to the Related Employer if the employee has been providing services to the Related Employer for less than 36 months).

An independent contractor is considered to have experienced a Separation from Service with the Related Employer upon the expiration of the contract (or, in the case of more than one contract, all contracts) under which services are performed for the Related Employer if the expiration constitutes a good-faith and complete termination of the contractual relationship.

If a Participant provides services as both an employee and an independent contractor of the Related Employer, the Participant must

separate from service both as an employee and as an independent contractor to be treated as having incurred a Separation from Service. If a Participant ceases providing services as an independent contractor and begins providing services as an employee, or ceases providing services as an employee and begins providing services as an independent contractor, the Participant will not be considered to have experienced a Separation from Service until the Participant has ceased providing services in both capacities.

If a Participant provides services both as an employee and as a member of the board of directors of a corporate Related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as a director are not taken into account in determining whether the Participant has incurred a Separation from Service as an employee for purposes of a nonqualified deferred compensation plan in which the Participant participates as an employee that is not aggregated under Code Section 409A with any plan in which the Participant participates as a director.

If a Participant provides services both as an employee and as a member of the board of directors of a corporate related Employer (or an analogous position with respect to a noncorporate Related Employer), the services provided as an employee are not taken into account in determining whether the Participant has experienced a Separation from Service as a director for purposes of a nonqualified deferred compensation plan in which the Participant participates as a director that is not aggregated under Code Section 409A with any plan in which the Participant participates as an employee.

All determinations of whether a Separation from Service has occurred will be made in a manner consistent with Code Section 409A and the final regulations thereunder.

2.24 **"Unforeseeable Emergency"** means a severe financial hardship of the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code Section 152, without regard to Code section 152(b)(1), (b)(2) and (d)(1)(B); loss of the Participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

2.25 **"Valuation Date"** means each business day of the Plan Year that the New York Stock Exchange is open.

2.26 "**Vested**" when used with reference to a Participant's Nonqualified Accounts, shall mean not subject to forfeiture, except as provided in the Plan, and unconditionally subject to distribution on his behalf, but only in accordance with the Plan.

2.27 **"Years of Service"** means each one year period for which the Participant receives service credit in accordance with the provisions of Section 7.01(d) of the Adoption Agreement.

ARTICLE 3 – PARTICIPATION

3.1 Participation. The Participants in the Plan shall be those Directors and employees of the Employer who satisfy the requirements of Section 2.01 of the Adoption Agreement.

3.2 Termination of Participation. The Administrator may terminate a Participant's participation in the Plan in a manner consistent with Code Section 409A. If the Employer terminates a Participant's participation before the Participant experiences a Separation from Service the Participant's Vested Accounts shall be paid in accordance with the provisions of Article 9.

ARTICLE 4 – PARTICIPANT ELECTIONS

4.1 Deferral Agreement. If permitted by the Plan Sponsor in accordance with Section 4.01 of the Adoption Agreement, each Eligible Employee and Director may elect to defer his Compensation within the meaning of Section 3.01 of the Adoption Agreement by executing in writing or electronically, a deferral agreement in accordance with rules and procedures established by the Administrator and the provisions of this Article 4.

A new deferral agreement must be timely executed for each Plan Year during which the Eligible Employee or Director desires to defer Compensation. An Eligible Employee or Director who does not timely execute a deferral agreement shall be deemed to have elected zero deferrals of Compensation for such Plan Year.

A deferral agreement may be changed or revoked during the period specified by the Administrator. Except as provided in Section 9.3 or in Section 4.01(c) of the Adoption Agreement, a deferral agreement becomes irrevocable at the close of the specified period.

4.2 Amount of Deferral. An Eligible Employee or Director may elect to defer Compensation in any amount permitted by Section 4.01(a) of the Adoption Agreement.

4.3 Timing of Election to Defer. Each Eligible Employee or Director who desires to defer Compensation otherwise payable during a Plan Year must execute a deferral agreement within the period preceding the Plan Year specified by the Administrator. Each Eligible Employee who desires to defer Compensation that is a Bonus must execute a deferral agreement within the period preceding the Plan Year during which the Bonus is earned that is specified by the Administrator, except that if the Bonus can be treated as performance based compensation as described in Code Section 409A(a)(4)(B)(iii), the deferral agreement may be executed within the period specified by the Administrator, which period, in no event, shall end after the date which is six months prior to the end of the period during which the Bonus is earned, provided the Participant has performed services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date the Participant executed the deferral agreement and provided further that the compensation has not yet become ‘readily ascertainable’ within the meaning of Reg. Sec 1.409A-2(a)(8). In addition, if the Compensation qualifies as ‘fiscal year compensation’ within the meaning of Reg. Sec.

1.409A-2(a)(6), the deferral agreement may be made not later than the end of the Employer's taxable year immediately preceding the first taxable year of the Employer in which any services are performed for which such Compensation is payable.

Except as otherwise provided below, an employee who is classified or designated as an Eligible Employee during a Plan Year or a Director who is designated as eligible to participate during a Plan Year may elect to defer Compensation otherwise payable during the remainder of such Plan Year in accordance with the rules of this Section 4.3 by executing a deferral agreement within the thirty (30) day period beginning on the date the employee is classified or designated as an Eligible Employee or the date the Director is designated as eligible, whichever is applicable, if permitted by Section 4.01(b)(ii) of the Adoption Agreement. If Compensation is based on a specified performance period that begins before the Eligible Employee or Director executes his deferral agreement, the election will be deemed to apply to the portion of such Compensation equal to the total amount of Compensation for the performance period multiplied by the ratio of the number of days remaining in the performance period after the election becomes irrevocable and effective over the total number of days in the performance period. The rules of this paragraph shall not apply unless the Eligible Employee or Director can be treated as initially eligible in accordance with Reg. Sec. 1.409A-2(a)(7).

4.4 Election of Payment Schedule and Form of Payment.

All elections of a payment schedule and a form of payment will be made in accordance with rules and procedures established by the Administrator and the provisions of this Section 4.4.

(a) If the Plan Sponsor has elected to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director completes a deferral agreement, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for the Compensation subject to the deferral agreement from among the options the Plan Sponsor has made available for this purpose and which are specified in 6.01(b) of the Adoption Agreement. Prior to the time required by Reg. Sec. 1.409A-2, the Eligible Employee or Director shall elect a distribution event (which includes a specified time) and a form of payment for any Employer contributions that may be credited to the Participant's Account during the Plan Year. If an Eligible Employee or Director fails to elect a distribution event, he shall be deemed to have elected Separation from Service as the distribution event. If he fails to

elect a form of payment, he shall be deemed to have elected a lump sum form of payment.

(b) If the Plan Sponsor has elected not to permit annual distribution elections in accordance with Section 6.01(h) of the Adoption Agreement the following rules apply. At the time an Eligible Employee or Director first completes a deferral agreement but in no event later than the time required by Reg. Sec. 1.409A-2, the Eligible Employee or Director must elect a distribution event (which includes a specified time) and a form of payment for amounts credited to his Account from among the options the Plan Sponsor has made available for this purpose and which are specified in Section 6.01(b) of the Adoption Agreement. If an Eligible Employee or Director fails to elect a distribution event, he shall be deemed to have elected Separation from Service in the distribution event. If the fails to elect a form of payment, he shall be deemed to have elected a lump sum form of payment.

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ARTICLE 5 – EMPLOYER CONTRIBUTIONS

5.1 Matching Contributions. If elected by the Plan Sponsor in Section 5.01(a) of the Adoption Agreement, the Employer will credit the Participant's Account with a matching contribution determined in accordance with the formula specified in Section 5.01(a) of the Adoption Agreement. The matching contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(a)(iii) of the Adoption Agreement.

5.2 Other Contributions. If elected by the Plan Sponsor in Section 5.01(b) of the Adoption Agreement, the Employer will credit the Participant's Account with a contribution determined in accordance with the formula or method specified in Section 5.01(b) of the Adoption Agreement. The contribution will be treated as allocated to the Participant's Account at the time specified in Section 5.01(b)(iii) of the Adoption Agreement.

ARTICLE 6 – ACCOUNTS AND CREDITS

6.1 Establishment of Account. For accounting and computational purposes only, the Administrator will establish and maintain an Account on behalf of each Participant which will reflect the credits made pursuant to Section 6.2, distributions or withdrawals, along with the earnings, expenses, gains and losses allocated thereto, attributable to the hypothetical investments made with the amounts in the Account as provided in Article 7. The Administrator will establish and maintain such other records and accounts, as it decides in its discretion to be reasonably required or appropriate to discharge its duties under the Plan.

6.2 Credits to Account. A Participant's Account will be credited for each Plan Year with the amount of his elective deferrals under Section 4.1 at the time the amount subject to the deferral election would otherwise have been payable to the Participant and the amount of Employer contributions treated as allocated on his behalf under Article 5.

ARTICLE 7 – INVESTMENT OF CONTRIBUTIONS

7.1 Investment Options. The amount credited to each Account shall be treated as invested in the investment options designated for this purpose by the Administrator.

7.2 Adjustment of Accounts. The amount credited to each Account shall be adjusted for hypothetical investment earnings, expenses, gains or losses in an amount equal to the earnings, expenses, gains or losses attributable to the investment options selected by the party designated in Section 9.01 of the Adoption Agreement from among the investment options provided in Section 7.1. If permitted by Section 9.01 of the Adoption Agreement, a Participant (or the Participant's Beneficiary after the death of the Participant) may, in accordance with rules and procedures established by the Administrator, select the investments from among the options provided in Section 7.1 to be used for the purpose of calculating future hypothetical investment adjustments to the Account or to future credits to the Account under Section 6.2 effective as of the Valuation Date coincident with or next following notice to the Administrator. Each Account shall be adjusted as of each Valuation Date to reflect: (a) the hypothetical earnings, expenses, gains and losses described above; (b) amounts credited pursuant to Section 6.2; and (c) distributions or withdrawals. In addition, each Account may be adjusted for its allocable share of the hypothetical costs and expenses associated with the maintenance of the hypothetical investments provided in Section 7.1.

ARTICLE 8 – RIGHT TO BENEFITS

8.1 Vesting. A Participant, at all times, has a 100% nonforfeitable interest in the amounts credited to his Account attributable to his elective deferrals made in accordance with Section 4.1.

A Participant's right to the amounts credited to his Account attributable to Employer contributions made in accordance with Article 5 shall be determined in accordance with the relevant schedule and provisions in Section 7.01 of the Adoption Agreement. Upon a Separation from Service and after application of the provisions of Section 7.01 of the Adoption Agreement, the Participant shall forfeit the nonvested portion of his Account.

FORFEITURE OF PREVIOUSLY VESTED AMOUNTS

Notwithstanding the above paragraph, if a Participant's employment with the Employer is terminated for Cause or if a Participant engages in any activity inimical, contrary or harmful to the interests of the Employer during their employment with the Employer or any Employer Affiliate or at any time during the period ending one (1) year after employment terminates with the Employer or any Employer Affiliate, including but not limited to: (a) competing directly or indirectly (either as owner, employee or agent of a Competitive Business (as defined below)) with any of the businesses of the Employer, (b) making, 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 Employer, (c) violating any business standards established by the Employer, (d) soliciting any present or future employees or customers of the Employer or any Employer Affiliate to terminate such employment or business relationship(s) with the Employer or Employer Affiliate, (e) disclosing or misusing any confidential information regarding the Employer, or (c) participating in any activity not approved by the Employer's Board of Directors which is reasonably likely to contribute to or result in a Change of Control, as defined in Article 2 of the Company's Amended and Restated Coach, Inc. 2010 Stock Incentive Plan (Amended and Restated as of September 18, 2015 (such activities to be collectively referred to as "Wrongful Conduct"), then such Participant shall be required to repay to the Employer or forfeit any amounts that were credited to the Participant's Account as Employer Contributions 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 such Wrongful Conduct or termination together with any Plan earnings on such amounts.

A “Competitive Business” means any entity that the Human Resources Committee of the Employer’s Board of Directors (the “Committee”) designates in its sole discretion as an entity that competes with any of the businesses of Employer or any Employer Affiliate; the Committee may change its designation of Competitive Businesses at any time. A Participant will only be restricted from those entities on the list as of the date of the Participant’s resignation or termination of employment, whichever is earlier. A current list of “Competitive Businesses”, including any changes made to the list by the Committee, shall be maintained on the Company intranet.

“Cause” shall mean fraud, misappropriation, embezzlement or other act of material misconduct against Employer; substantial and willful failure to render services in accordance with the terms of Participant’s duties as an employee, provided that (A) a demand for performance of services had been delivered to Participant at least thirty (30) days prior to Participants termination identifying the manner in which Participant has failed to perform and (B) thereafter Participant fails to remedy such failure to perform; conviction of or plea of guilty or nolo contendere to a felony; or violation of any business standards established by the Employer.

8.2 **Death.** The Plan Sponsor may elect to accelerate vesting upon the death of the Participant in accordance with Section 7.01(c) of the Adoption Agreement and/or to accelerate distributions upon Death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement. If the Plan Sponsor does not elect to accelerate distributions upon death in accordance with Section 6.01(b) or Section 6.01(d) of the Adoption Agreement, the Vested amount credited to the Participant’s Account will be paid in accordance with the provisions of Article 9.

A Participant may designate a Beneficiary or Beneficiaries, or change any prior designation of Beneficiary or Beneficiaries in accordance with rules and procedures established by the Administrator.

A copy of the death notice or other sufficient documentation must be filed with and approved by the Administrator. If upon the death of the Participant there is, in the opinion of the Administrator, no designated Beneficiary for part or all of the Participant’s Vested Account, such amount will be paid to his estate (such estate shall be deemed to be the Beneficiary for purposes of the Plan) in accordance with the provisions of Article 9.

8.3 **Long Term Disability.** If the Plan Sponsor has elected to accelerate vesting upon the occurrence of a Long Term Disability in accordance with Section 7.01(c) of the Adoption Agreement and/or to permit distributions upon Long Term Disability in accordance with Section 6.01(b) or Section

6.01(d) of the Adoption Agreement, the determination of whether a Participant has incurred a Long Term Disability shall be made by the Administrator in its sole discretion in a manner consistent with the requirements of Code Section 409A.

ARTICLE 9 – DISTRIBUTION OF BENEFITS

9.1 Amount of Benefits. The Vested amount credited to a Participant's Account as determined under Articles 6, 7 and 8 shall determine and constitute the basis for the value of benefits payable to the Participant under the Plan.

9.2 Method and Timing of Distributions. Except as otherwise provided in this Article 9, distributions under the Plan shall be made in accordance with the elections made or deemed made by the Participant under Article 4. Subject to the provisions of Section 9.6 requiring a six month delay for certain distributions to Key Employees, distributions following a payment event shall commence at the time specified in Section 6.01(a) of the Adoption Agreement. If permitted by Section 6.01(g) of the Adoption Agreement, a Participant may elect, at least twelve months before a scheduled distribution event, to delay the payment date for a minimum period of sixty months from the originally scheduled date of payment, provided the election does not take effect for at least twelve months from the date on which the election is made. The distribution election change must be made in accordance with procedures and rules established by the Administrator. The Participant may, at the same time the date of payment is deferred, change the form of payment but such change in the form of payment may not effect an acceleration of payment in violation of Code Section 409A or the provisions of Reg. Sec. 1.409A-2(b). For purposes of this Section 9.2, a series of installment payments is always treated as a single payment and not as a series of separate payments.

9.3 Unforeseeable Emergency. A Participant may request a distribution due to an Unforeseeable Emergency if the Plan Sponsor has elected to permit Unforeseeable Emergency withdrawals under Section 8.01(a) of the Adoption Agreement. The request must be in writing and must be submitted to the Administrator along with evidence that the circumstances constitute an Unforeseeable Emergency. The Administrator has the discretion to require whatever evidence it deems necessary to determine whether a distribution is warranted, and may require the Participant to certify that the need cannot be met from other sources reasonably available to the Participant. Whether a Participant has incurred an Unforeseeable Emergency will be determined by the Administrator on the basis of the relevant facts and circumstances in its sole discretion, but, in no event, will an Unforeseeable Emergency be deemed to exist if the hardship can be relieved: (a) through reimbursement or compensation by

insurance or otherwise, (b) by liquidation of the Participant's assets to the extent such liquidation would not itself cause severe financial hardship, or (c) by cessation of deferrals under the Plan. A distribution due to an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need and may include any amounts necessary to pay any federal, state, foreign or local income taxes and penalties reasonably anticipated to result from the distribution. The distribution will be made in the form of a single lump sum cash payment. If permitted by Section 8.01(b) of the Adoption Agreement, a Participant's deferral elections for the remainder of the Plan Year will be cancelled upon a withdrawal due to an Unforeseeable Emergency. If the payment of all or any portion of the Participant's Vested Account is being delayed in accordance with Section 9.6 at the time he experiences an Unforeseeable Emergency, the amount being delayed shall not be subject to the provisions of this Section 9.3 until the expiration of the six month period of delay required by section 9.6.

9.4 Payment Election Overrides. If the Plan Sponsor has elected one or more payment election overrides in accordance with Section 6.01(d) of the Adoption Agreement, the following provisions apply. Upon the occurrence of the first event selected by the Plan Sponsor, the remaining Vested amount credited to the Participant's Account shall be paid in the form designated to the Participant or his Beneficiary regardless of whether the Participant had made different elections of time and /or form of payment or whether the Participant was receiving installment payments at the time of the event.

9.5 Cashouts Of Amounts Not Exceeding Stated Limit. If the Vested amount credited to the Participant's Account does not exceed the limit established for this purpose by the Plan Sponsor in Section 6.01(e) of the Adoption Agreement at the time he incurs a Separation from Service for any reason, the Employer shall distribute such amount to the Participant at the time specified in Section 6.01(a) of the Adoption Agreement in a single lump sum cash payment following such Separation from Service regardless of whether the Participant had made different elections of time or form of payment as to the Vested amount credited to his Account or whether the Participant was receiving installments at the time of such termination. A Participant's Account, for purposes of this Section 9.5, shall include any amounts described in Section 1.3.

9.6 Required Delay in Payment to Key Employees. Except as otherwise provided in this Section 9.6, a distribution made on account of Separation from Service (or Retirement, if applicable) to a Participant who is a Key Employee as of the date of his Separation from Service (or Retirement, if

applicable) shall not be made before the date which is six months after the Separation from Service (or Retirement, if applicable). If payments to a Key Employee are delayed in accordance with this Section 9.6, the payments to which the Key Employee would otherwise have been entitled during the six month period shall be accumulated and paid in a single lump sum at the time specified in Section 6.01(a) of the Adoption Agreement after the six month period elapses.

(a) A Participant is treated as a Key Employee if (i) he is employed by a Related Employer any of whose stock is publicly traded on an established securities market, and (ii) he satisfies the requirements of Code Section 416(i)(1)(A)(i), (ii) or (iii), determined without regard to Code Section 416(i)(5), at any time during the twelve month period ending on the Identification Date.

(b) A Participant who is a Key Employee on an Identification Date shall be treated as a Key Employee for purposes of the six month delay in distributions for the twelve month period beginning on the first day of a month no later than the fourth month following the Identification Date. The Identification Date and the effective date of the delay in distributions shall be determined in accordance with Section 1.06 of the Adoption Agreement.

(c) The Plan Sponsor may elect to apply an alternative method to identify Participants who will be treated as Key Employees for purposes of the six month delay in distributions if the method satisfies each of the following requirements. The alternative method is reasonably designed to include all Key Employees, is an objectively determinable standard providing no direct or indirect election to any Participant regarding its application, and results in either all Key Employees or no more than 200 Key Employees being identified in the class as of any date. Use of an alternative method that satisfies the requirements of this Section 9.6(c) will not be treated as a change in the time and form of payment for purposes of Reg. Sec. 1.409A-2(b).

(d) The six month delay does not apply to payments described in Section 9.9(a),(b) or (d) or to payments that occur after the death of the Participant. If the payment of all or any portion of the Participant's Vested Account is being delayed in accordance with this Section 9.6 at the time he incurs a Long Term Disability which would otherwise require a distribution under the terms of the Plan, no amount shall be paid until the expiration of the six month period of delay required by this Section 9.6.

9.7 Change in Control. If the Plan Sponsor has elected to permit distributions upon a Change in Control, the following provisions shall apply. A distribution made upon a Change in Control will be made at the time specified in Section 6.01(a) of the Adoption Agreement in the form elected by the Participant in accordance with the procedures described in Article 4. Alternatively, if the Plan Sponsor has elected in accordance with Section 11.02 of the Adoption Agreement to require distributions upon a Change in Control, the Participant's remaining Vested Account shall be paid to the Participant or the Participant's Beneficiary at the time specified in Section 6.01(a) of the Adoption Agreement as a single lump sum payment. A Change in Control, for purposes of the Plan, will occur upon a change in the ownership of the Plan Sponsor, a change in the effective control of the Plan Sponsor or a change in the ownership of a substantial portion of the assets of the Plan Sponsor, but only if elected by the Plan Sponsor in Section 11.03 of the Adoption Agreement. The Plan Sponsor, for this purpose, includes any corporation identified in this Section 9.7. All distributions made in accordance with this Section 9.7 are subject to the provisions of Section 9.6.

If a Participant continues to make deferrals in accordance with Article 4 after he has received a distribution due to a Change in Control, the residual amount payable to the Participant shall be paid at the time and in the form specified in the elections he makes in accordance with Article 4 or upon his death or Long Term Disability as provided in Article 8.

Whether a Change in Control has occurred will be determined by the Administrator in accordance with the rules and definitions set forth in this Section 9.7. A distribution to the Participant will be treated as occurring upon a Change in Control if the Plan Sponsor terminates the Plan in accordance with Section 10.2 and distributes the Participant's benefits within twelve months of a Change in Control as provided in Section 10.3.

(a Relevant Corporations. To constitute a Change in Control for purposes of the Plan, the event must relate to (i) the corporation for whom the Participant is performing services at the time of the Change in Control, (ii) the corporation that is liable for the payment of the Participant's benefits under the Plan (or all corporations liable if more than one corporation is liable) but only if either the deferred compensation is attributable to the performance of services by the Participant for such corporation (or corporations) or there is a bona fide business purpose for such corporation (or corporations) to be liable for such payment and, in either case, no significant purpose of making such corporation (or corporations) liable for such payment is the avoidance of federal income tax, or (iii) a corporation that is a

majority shareholder of a corporation identified in (i) or (ii), or any corporation in a chain of corporations in which each corporation is a majority shareholder of another corporation in the chain, ending in a corporation identified in (i) or (ii). A majority shareholder is defined as a shareholder owning more than fifty percent (50%) of the total fair market value and voting power of such corporation.

(b Stock Ownership. Code Section 318(a) applies for purposes of determining stock ownership. Stock underlying a Vested option is considered owned by the individual who owns the Vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). If, however, a Vested option is exercisable for stock that is not substantially Vested (as defined by Treasury Regulation Section 1.83-3(b) and (j)) the stock underlying the option is not treated as owned by the individual who holds the option.

(c Change in the Ownership of a Corporation. A change in the ownership of a corporation occurs on the date that any one person or more than one person acting as a group, acquires ownership of stock of the corporation that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of such corporation. If any one person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation (or to cause a change in the effective control of the corporation as discussed below in Section 9.7(d)). An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock. Section 9.7(c) applies only when there is a transfer of stock of a corporation (or issuance of stock of a corporation) and stock in such corporation remains outstanding after the transaction. For purposes of this Section 9.7(c), persons will not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time or as a result of a public offering. Persons will, however, be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is

considered to be acting as a group with other shareholders in a corporation only with respect to ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

(d Change in the effective control of a corporation. A change in the effective control of a corporation occurs on the date that either (i) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the corporation possessing thirty percent (30%) or more of the total voting power of the stock of such corporation, or (ii) a majority of members of the corporation's board of directors is replaced during any twelve month period by directors whose appointment or election is not endorsed by a majority of the members of the corporation's board of directors prior to the date of the appointment or election, provided that for purposes of this paragraph (ii), the term corporation refers solely to the relevant corporation identified in Section 9.7(a) for which no other corporation is a majority shareholder for purposes of Section 9.7(a). In the absence of an event described in Section 9.7(d)(i) or (ii), a change in the effective control of a corporation will not have occurred. A change in effective control may also occur in any transaction in which either of the two corporations involved in the transaction has a change in the ownership of such corporation as described in Section 9.7(c) or a change in the ownership of a substantial portion of the assets of such corporation as described in Section 9.7(e). If any one person, or more than one person acting as a group, is considered to effectively control a corporation within the meaning of this Section 9.7(d), the acquisition of additional control of the corporation by the same person or persons is not considered to cause a change in the effective control of the corporation or to cause a change in the ownership of the corporation within the meaning of Section 9.7(c). For purposes of this Section 9.7(d), persons will or will not be considered to be acting as a group in accordance with rules similar to those set forth in Section 9.7(c) with the following exception. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation only with respect to the ownership in that corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

(e **Change in the ownership of a substantial portion of a corporation's assets.** A change in the ownership of a substantial portion of a corporation's assets occurs on the date that any one person, or more than one person acting as a group (as determined in accordance with rules similar to those set forth in Section 9.7(d)), acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the corporation immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the corporation or the value of the assets being disposed of determined without regard to any liabilities associated with such assets. There is no Change in Control event under this Section 9.7(e) when there is a transfer to an entity that is controlled by the shareholders of the transferring corporation immediately after the transfer. A transfer of assets by a corporation is not treated as a change in ownership of such assets if the assets are transferred to (i) a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock, (ii) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the corporation, (iii) a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the corporation, or (iv) an entity, at least fifty (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in Section 9.7(e)(iii). For purposes of the foregoing, and except as otherwise provided, a person's status is determined immediately after the transfer of assets.

9.8 Permissible Delays in Payment. Distributions may be delayed beyond the date payment would otherwise occur in accordance with the provisions of Articles 8 and 9 in any of the following circumstances as long as the Employer treats all payments to similarly situated Participants on a reasonably consistent basis.

(a The Employer may delay payment if it reasonably anticipates that its deduction with respect to such payment would be limited or eliminated by the application of Code Section 162(m). Payment must be made during the Participant's first taxable year in which the Employer reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year the deduction of such payment will not be barred by the application of Code Section

162(m) or during the period beginning with the Participant's Separation from Service and ending on the later of the last day of the Employer's taxable year in which the Participant separates from service or the 15th day of the third month following the Participant's Separation from Service. If a scheduled payment to a Participant is delayed in accordance with this Section 9.8(a), all scheduled payments to the Participant that could be delayed in accordance with this Section 9.8(a) will also be delayed. A payment delay pursuant to this Section 9.8(a) must comply with all of the requirements of Reg. Sec. 1-409A-2(b)(7)(i).

(b The Employer may also delay payment if it reasonably anticipates that the making of the payment will violate federal securities laws or other applicable laws provided payment is made at the earliest date on which the Employer reasonably anticipates that the making of the payment will not cause such violation. A payment delay pursuant to this Section 9.8(b) must comply with all of the requirements of Reg. Sec. 1-409A-2(b)(7)(ii).

(c The Employer reserves the right to amend the Plan to provide for a delay in payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin

9.9 Permitted Acceleration of Payment. The Employer may permit acceleration of the time or schedule of any payment or amount scheduled to be paid pursuant to a payment under the Plan provided such acceleration would be permitted by the provisions of Reg. Sec. 1.409A-3(j)(4), including the following events:

(a) **Domestic Relations Order.** A payment may be accelerated if such payment is made to an alternate payee pursuant to and following the receipt and qualification of a domestic relations order as defined in Code Section 414(p).

(b) **Compliance with Ethics Agreements and Legal Requirements.** A payment may be accelerated as may be necessary to comply with ethics agreements with the Federal government or as may be reasonably necessary to avoid the violation of Federal, state, local or foreign ethics law or conflicts of laws, in accordance with the requirements of Code Section 409A.

(c) **De Minimis Amounts.** A payment will be accelerated if (i) the amount of the payment is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), (ii) at the time the

payment is made the amount constitutes the Participant's entire interest under the Plan and all other plans that are aggregated with the Plan under Reg. Sec. 1.409A-1(c)(2).

(d) **FICA Tax.** A payment may be accelerated to the extent required to pay the Federal Insurance Contributions Act tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2) of the Code with respect to compensation deferred under the Plan (the "FICA Amount"). Additionally, a payment may be accelerated to pay the income tax on wages imposed under Code Section 3401 of the Code on the FICA Amount and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes. The total payment under this subsection (d) may not exceed the aggregate of the FICA Amount and the income tax withholding related to the FICA Amount.

(e) **Section 409A Additional Tax.** A payment may be accelerated if the Plan fails to meet the requirements of Code Section 409A; provided that such payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Code Section 409A.

(f) **Offset.** A payment may be accelerated in the Employer's discretion as satisfaction of a debt of the Participant to the Employer, where such debt is incurred in the ordinary course of the service relationship between the Participant and the Employer, the entire amount of the reduction in any of the Employer's taxable years does not exceed $5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

(g) **Other Events.** A payment may be accelerated in the Administrator's discretion in connection with such other events and conditions as permitted by Code Section 409A.

ARTICLE 10 – AMENDMENT AND TERMINATION

10.1 Amendment by Plan Sponsor. The Plan Sponsor reserves the right to amend the Plan (for itself and each Employer) through action of its Board of Directors. No amendment can directly or indirectly deprive any current or former Participant or Beneficiary of all or any portion of his Account which had accrued and Vested prior to the amendment.

10.2 Plan Termination Following Change in Control or Corporate Dissolution. If so elected by the Plan Sponsor in 11.01 of the Adoption Agreement, the Plan Sponsor reserves the right to terminate the Plan and distribute all amounts credited to all Participant Accounts within the 30 days preceding or the twelve months following a Change in Control as determined in accordance with the rules set forth in Section 9.7. For this purpose, the Plan will be treated as terminated only if all agreements, methods, programs and other arrangements sponsored by the Related Employer immediately after the Change in Control which are treated as a single plan under Reg. Sec. 1.409A-1(c)(2) are also terminated with respect to each Participant who experienced the Change in Control so that all Participants under the Plan and all similar arrangements who experienced the Change in Control are required to receive all amounts deferred under the terminated arrangements within twelve months of the date the Plan Sponsor irrevocably takes all necessary action to terminate the arrangements. In addition, the Plan Sponsor reserves the right to terminate the Plan within twelve months of a corporate dissolution taxed under Code Section 331 or with the approval of a bankruptcy court pursuant to 11 U. S. C. Section 503(b)(1)(A) provided that amounts deferred under the Plan are included in the gross incomes of Participants in the latest of (a) the calendar year in which the termination and liquidation occurs, (b) the first calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (c) the first calendar year in which payment is administratively practicable.

10.3 Other Plan Terminations. The Plan Sponsor retains the discretion to terminate the Plan if (a) all arrangements sponsored by the Plan Sponsor that would be aggregated with any terminated arrangement under Code Section 409A and Reg. Sec. 1.409A-1(c)(2) are terminated, (b) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements, (c) all payments are made within twenty-four months of the date the Plan Sponsor takes all necessary action to irrevocably terminate and liquidate the arrangements, (d) the Plan Sponsor does not adopt a new arrangement that would be aggregated with any terminated arrangement under Code Section 409A

and the regulations thereunder at any time within the three year period following the date of termination of the arrangement, and (e) the termination does not occur proximate to a downturn in the financial health of the Plan sponsor. The Plan Sponsor also reserves the right to amend the Plan to provide that termination of the Plan will occur under such conditions and events as may be prescribed by the Secretary of the Treasury in generally applicable guidance published in the Internal Revenue Bulletin.

ARTICLE 11 – THE TRUST

11.1 Establishment of Trust. The Plan Sponsor may but is not required to establish a trust to hold amounts which the Plan Sponsor may contribute from time to time to correspond to some or all amounts credited to Participants under Section 6.2. In the event that the Plan Sponsor wishes to establish a trust to provide a source of funds for the payment of Plan benefits, any such trust shall be constructed to constitute an unfunded arrangement that does not affect the status of the Plan as an unfunded plan for purposes of Title I of ERISA and the Code. If the Plan Sponsor elects to establish a trust in accordance with Section 10.01 of the Adoption Agreement, the provisions of Sections 11.2 and 11.3 shall become operative.

11.2 Rabbi Trust. Any trust established by the Plan Sponsor shall be between the Plan Sponsor and a trustee pursuant to a separate written agreement under which assets are held, administered and managed, subject to the claims of the Plan Sponsor's unsecured general creditors in the event of the Plan Sponsor's insolvency. The trust is intended to be treated as a rabbi trust in accordance with existing guidance of the Internal Revenue Service, and the establishment of the trust shall not cause the Participant to realize current income on amounts contributed thereto. The Plan Sponsor must notify the trustee in the event of a bankruptcy or insolvency.

11.3 Investment of Trust Funds. Any amounts contributed to the trust by the Plan Sponsor shall be invested by the trustee in accordance with the provisions of the trust and the instructions of the Administrator. Trust investments need not reflect the hypothetical investments selected by Participants under Section 7.1 for the purpose of adjusting Accounts and the earnings or investment results of the trust need not affect the hypothetical investment adjustments to Participant Accounts under the Plan.

ARTICLE 12 – PLAN ADMINISTRATION

12.1 Powers and Responsibilities of the Administrator. The Administrator has the full power and the full responsibility to administer the Plan in all of its details, subject, however, to the applicable requirements of ERISA. The Administrator's powers and responsibilities include, but are not limited to, the following:

(a) To make and enforce such rules and procedures as it deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the Plan, its interpretation thereof to be final, except as provided in Section 12.2, on all persons claiming benefits under the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan;

(d) To administer the claims and review procedures specified in Section 12.2;

(e) To compute the amount of benefits which will be payable to any Participant, former Participant or Beneficiary in accordance with the provisions of the Plan;

(f) To determine the person or persons to whom such benefits will be paid;

(g) To authorize the payment of benefits;

(h) To comply with the reporting and disclosure requirements of Part 1 of Subtitle B of Title I of ERISA;

(i) To appoint such agents, counsel, accountants, and consultants as may be required to assist in administering the Plan; and

(j) By written instrument, to allocate and delegate its responsibilities, including the formation of an Administrative Committee to administer the Plan.

12.2 Claims and Review Procedures.

(a) Claims Procedure.

If any person believes he is being denied any rights or benefits under the Plan, such person may file a claim in writing with the Administrator. If any such claim is wholly or partially denied, the Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the person's right to bring a civil action following an adverse decision on review. Such notification will be given within 90 days (45 days in the case of a claim regarding Long Term Disability) after the claim is received by the Administrator. The Administrator may extend the period for providing the notification by 90 days (30 days in the case of a claim regarding Long Term Disability) if special circumstances require an extension of time for processing the claim and if written notice of such extension and circumstance is given to such person within the initial 90 day period (45 day period in the case of a claim regarding Long Term Disability). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his claim.

(b) Review Procedure.

Within 60 days (180 days in the case of a claim regarding Long Term Disability) after the date on which a person receives a written notification of denial of claim (or, if written notification is not provided, within 60 days (180 days in the case of a claim regarding Long Term Disability) of the date denial is considered to have occurred), such person (or his duly authorized representative) may (i) file a written request with the Administrator for a review of his denied claim and of pertinent documents and (ii) submit written issues and comments to the Administrator. The Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The notification will explain

that the person is entitled to receive, upon request and free of charge, reasonable access to and copies of all pertinent documents and has the right to bring a civil action following an adverse decision on review. The decision on review will be made within 60 days (45 days in the case of a claim regarding Long Term Disability). The Administrator may extend the period for making the decision on review by 60 days (45 days in the case of a claim regarding Long Term Disability) if special circumstances require an extension of time for processing the request such as an election by the Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period (45 days in the case of a claim regarding Long Term Disability). If the decision on review is not made within such period, the claim will be considered denied.

(c) Exhaustion of Claims Procedures and Right to Bring Legal Claim

No action at law or equity may be brought by a person before such person has exhausted all remedies under this Section 12.2 and the Administrator's affirmation of a denial of a claim, and no action at law or equity shall be brought more than one (1) year after the date of Administrator's affirmation of a denial of a claim, or, if earlier, more than four (4) years after the facts or events giving rising to the claimant's allegation(s) or claim(s) first occurred.

12.3 Plan Administrative Costs. All reasonable costs and expenses (including legal, accounting, and employee communication fees) incurred by the Administrator in administering the Plan shall be paid by the Plan to the extent not paid by the Employer.

ARTICLE 13 – MISCELLANEOUS

13.1 Unsecured General Creditor of the Employer. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Employer. For purposes of the payment of benefits under the Plan, any and all of the Employer's assets shall be, and shall remain, the general, unpledged, unrestricted assets of the Employer. Each Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

13.2 Employer's Liability. Each Employer's liability for the payment of benefits under the Plan shall be defined only by the Plan and by the deferral agreements entered into between a Participant and the Employer. An Employer shall have no obligation or liability to a Participant under the Plan except as provided by the Plan and a deferral agreement or agreements. An Employer shall have no liability to Participants employed by other Employers.

13.3 Limitation of Rights. Neither the establishment of the Plan, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to the Participant or any other person any legal or equitable right against the Employer, the Plan or the Administrator, except as provided herein; and in no event will the terms of employment or service of the Participant be modified or in any way affected hereby.

13.4 Anti-Assignment. Except as may be necessary to fulfill a domestic relations order within the meaning of Code Section 414(p), none of the benefits or rights of a Participant or any Beneficiary of a Participant shall be subject to the claim of any creditor. In particular, to the fullest extent permitted by law, all such benefits and rights shall be free from attachment, garnishment, or any other legal or equitable process available to any creditor of the Participant and his or her Beneficiary. Neither the Participant nor his or her Beneficiary shall have the right to alienate, anticipate, commute, pledge, encumber, or assign any of the payments which he or she may expect to receive, contingently or otherwise, under the Plan, except the right to designate a Beneficiary to receive death benefits provided hereunder. Notwithstanding the preceding, the benefit payable from a Participant's Account may be reduced, at the discretion of the administrator, to satisfy any debt or liability to the Employer.

13.5 Facility of Payment. If the Administrator determines, on the basis of medical reports or other evidence satisfactory to the Administrator, that the recipient of

any benefit payments under the Plan is incapable of handling his affairs by reason of minority, illness, infirmity or other incapacity, the Administrator may direct the Employer to disburse such payments to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments therefore, and any such payment to the extent thereof, shall discharge the liability of the Employer, the Plan and the Administrator for the payment of benefits hereunder to such recipient.

13.6 Notices. Any notice or other communication to the Employer or Administrator in connection with the Plan shall be deemed delivered in writing if addressed to the Plan Sponsor at the address specified in Section 1.03 of the Adoption Agreement and if either actually delivered at said address or, in the case or a letter, 5 business days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and registered or certified.

13.7 Tax Withholding. If the Employer concludes that tax is owing with respect to any deferral or payment hereunder, the Employer shall withhold such amounts from any payments due the Participant or from amounts deferred, as permitted by law, or otherwise make appropriate arrangements with the Participant or his Beneficiary for satisfaction of such obligation. Tax, for purposes of this Section 13.7 means any federal, state, local or any other governmental income tax, employment or payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any earnings thereon, and any payments made to Participants under the Plan.

13.8 Indemnification. (a) Each Indemnitee (as defined in Section 13.8(e)) shall be indemnified and held harmless by the Employer for all actions taken by him and for all failures to take action (regardless of the date of any such action or failure to take action), to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated, against all expense, liability, and loss (including, without limitation, attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined in Subsection (e)). No indemnification pursuant to this Section shall be made, however, in any case where (1) the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness or (2) there is a settlement to which the Employer does not consent.

(b) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Employer in advance of the final disposition of the

Proceeding, to the fullest extent permitted by the law of the jurisdiction in which the Employer is incorporated; provided that, if such law requires, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only on delivery to the Employer of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.

(c) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be such and shall inure to the benefit of his heirs, executors, and administrators. The Employer agrees that the undertakings made in this Section shall be binding on its successors or assigns and shall survive the termination, amendment or restatement of the Plan.

(d) The foregoing right to indemnification shall be in addition to such other rights as the Indemnitee may enjoy as a matter of law or by reason of insurance coverage of any kind and is in addition to and not in lieu of any rights to indemnification to which the Indemnitee may be entitled pursuant to the by-laws of the Employer.

(e) For the purposes of this Section, the following definitions shall apply:

(1) "Indemnitee" shall mean each person serving as an Administrator (or any other person who is an employee, director, or officer of the Employer) who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that he is or was performing administrative functions under the Plan.

(2) "Proceeding" shall mean any threatened, pending, or completed action, suit, or proceeding (including, without limitation, an action, suit, or proceeding by or in the right of the Employer), whether civil, criminal, administrative, investigative, or through arbitration.

13.9 Successors. The provisions of the Plan shall bind and inure to the benefit of the Plan Sponsor, the Employer and their successors and assigns and the Participant and the Participant's designated Beneficiaries.

13.10 Disclaimer. It is the Plan Sponsor's intention that the Plan comply with the requirements of Code Section 409A. Neither the Plan Sponsor nor the Employer shall have any liability to any Participant should any provision of the Plan fail to satisfy the requirements of Code Section 409A.

13.11 Governing Law. The Plan will be construed, administered and enforced according to the laws of the State specified by the Plan Sponsor in Section 12.01 of the Adoption Agreement.

13.12 Section 409A. The Plan (together with the Adoption Agreement) is intended to comply with the requirements of Code Section 409A, and shall be administered and interpreted consistent with such intent. Notwithstanding the foregoing, the Employer makes no representations that the benefits provided under the Plan (together with the Adoption Agreement) comply with Code Section 409A, and in no event shall the Employer be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by a Participant on account of non-compliance with Code Section 409A.

tapestry

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

"**Change in Control Cause**" shall mean the occurrence of any of the following: (i) conviction of, or plea of guilty or nolo contendere to, a felony or a crime involving moral turpitude; (ii) willful

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

5. **Death, Total Disability or Retirement.** If you cease active employment with the Tapestry Companies because of your death or Permanent and Total Disability, this Option will vest as of the date of your death or the date you are determined to be Permanently and Totally Disabled, which date shall be the sole remaining Vesting Date, and the last day on which this Option may be exercised is the earlier of (a) the Expiration Date or (b) five (5) years after the date of your death or Permanent and Total Disability. For purposes of the foregoing, "**Permanent and Total Disability**" means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

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

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

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

Severance Event Termination, excluding any Option Shares that have already become vested on previous applicable Vesting Dates under this Agreement, and any Option Shares that remain unvested after giving effect to the foregoing pro-rata vesting will be forfeited for no consideration as of the date of your Severance Event Termination. The 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; Capri Holdings Limited; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; L Brands, Inc.; LVMH Moet Hennessy Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Samsonite International S.A.; Tory Burch LLC; V.F. Corporation and Under Armour, Inc.

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

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

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

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

11. **Transferability of Option Shares**. Option Shares generally are freely tradable in the United States. 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: _____

tapestry

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

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

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

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

4. **Death, Total Disability or Retirement**. If you cease active employment with the Tapestry Companies because of your death or Permanent and Total Disability (as defined below), all then unvested RSUs will vest as of the date of your death or the date you are determined to be Permanently and Totally Disabled, which date shall be the sole remaining Vesting Date for purposes of the Agreement. The Shares underlying the RSUs will be distributed to you (or, in the case of your death, your estate) in accordance with Section 3 of the Agreement. For purposes of the foregoing, "**Permanent and Total Disability**" means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

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

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

(a) Except with respect to any Change in Control Termination, if your employment with the Tapestry Companies is terminated by the Tapestry Companies prior to the final Vesting Date and you are entitled to receive severance benefits under any written severance plan or policy of the Tapestry Companies or an employment agreement between you and the Tapestry Companies

in connection with such termination (collectively, a "**Severance Event Termination**"), then, unless such agreement provides otherwise, you will receive pro-rata vesting based on the number of days you were employed during the period beginning on the 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; Capri Holdings Limited; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; L Brands, Inc.; LVMH Moet Hennessy

Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Samsonite International S.A.; Tory Burch LLC; V.F. Corporation; and Under Armour, Inc.

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

By accepting these 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: _____

tapestry

COACH | kate spade | STUART WEITZMAN

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

GRANT NOTICE

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

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

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

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

TAPESTRY, INC.

Sarah Dunn
Global Human Resources Officer

EMPLOYEE NAME _____

EXHIBIT A

2018 Stock Incentive Plan
Performance Restricted Stock Unit Award Agreement

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

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

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

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

(a) Notwithstanding any other provision of the Plan, the Agreement, the Grant Notice or any other Award documentation: (a) except as otherwise provided by Section 5(b) and Section 5(d), no PRSUs shall vest for the Performance Period unless the Committee approves the payment of the PRSUs for the Performance Period; and (b) the number of PRSUs that vest may not exceed

the Maximum Number of PRSUs (as defined below); *provided*, *however*, in no event shall the number of PRSUs that vest (with the number of Dividend Equivalent PRSUs (as defined below) earned thereon), together with all other share-based Awards granted to you under the Plan during the Company's ____ fiscal year exceed the maximum number of shares that may be granted to any individual under the Plan during any fiscal year (the "**Plan Annual Award Limit**").

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

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

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

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

For purposes of the Agreement, (i) "**Cumulative Net Income Measure**" shall mean the Cumulative Net Income goal established by the Committee with respect to 75% of the Award and set forth on the FY___PRSU Award Goals and Targets table set forth on Exhibit B hereto (the "**Performance Metric Schedule**"), (ii) "**Average RONA Measure**" shall mean the Average RONA

goal established by the Committee with respect to 25% of the Award and set forth on the Performance Metric Schedule, (iii) "**Performance Level**" with respect to each Performance Metric shall mean the Company's performance result with respect to the Performance Period (measured in dollars or percentages, as applicable) with respect to such Performance Metric, and (iv) "**Threshold**," "**Target**" and "**Maximum**" shall mean, respectively, the minimum, target and maximum amounts established by the Committee with respect to each Performance Metric (measured in terms of dollar amounts or percentages, as applicable), as set forth on the Performance Metric Schedule.

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

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

b. **Settlement; Withholding Taxes**.

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

c. **Responsibility for Taxes.**

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

the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

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 PRSUs 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 of Common Stock the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any withholding obligation for applicable Tax-Related Items.

The Company will not issue any shares of Common Stock to you until you satisfy the Tax-Related Items. In the event that withholding shares of Common Stock is problematic under applicable tax or securities law or has materially adverse accounting consequences, by your acceptance of the PRSU, 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 of Common Stock 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 of Common Stock, for tax purposes, you shall be deemed to have been issued the full number of shares of Common Stock subject to the vested PRSUs, notwithstanding that a number of shares of Common Stock 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 agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described.

d. Restrictions on Resale.

The shares you will receive under the Award on or following the Vesting Date (or such other vesting date pursuant to Section 5) generally are freely tradable in the United States. However, you may not offer, sell or otherwise dispose of any shares in a way which would (i) require the Company to file any registration statement with the Securities and Exchange Commission (or any similar filing under state law or the laws of any other country) or to amend or supplement any such filing, or (ii) violate or cause the Company to violate the 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 any shares of Common Stock received by you pursuant to the Award.

3. Dividend Equivalents.

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

4. Nontransferability of PRSUs.

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

5. Separation of Employment.

(a) **In General**. Except as otherwise provided in subparagraph (b) below with respect to a termination of employment due to your death or Permanent and Total Disability (as defined below), in subparagraph (c) below with respect to a termination of employment due to your Retirement (as defined below), in subparagraph (d) below with respect to certain terminations of employment in connection with a Change in Control, and in subparagraph (e) below with respect to certain other severance-eligible terminations of employment, or as may otherwise be specifically agreed to by the Committee in accordance with the terms of the Plan, if your employment by Tapestry Companies is terminated for any reason prior to the Vesting Date, all unvested PRSUs shall immediately be forfeited upon the last day of your active employment with the Tapestry Companies (the "**Date of Termination**").

(a) **Death or Disability**. Notwithstanding Section 5(a), if you cease active employment with the Tapestry Companies because of your death or Permanent and Total Disability prior to the Vesting Date, the Target Number of PRSUs subject to the Award shall become vested

effective as of the Date of Termination and such vested PRSUs shall be distributed to you (or your beneficiary or estate, as the case may be) as soon as reasonably practicable on or following such Date of Termination (and in no event later than the later of the end of the year in which the Date of Termination occurs and the 15th day of the third month following the Date of Termination).

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

(c) **Change in Control**. Notwithstanding Section 5(a), if prior to the Vesting Date and upon a Change in Control, (i) your employment is terminated by the Tapestry Companies without Change in Control Cause (as defined below) or by you for Change in Control Good Reason, the Award shall have the Performance Goals deemed to be achieved at the Target level of performance and the Performance Period deemed to have expired, and the entire Target Number of PRSUs subject to the Award shall become fully vested effective as of the Date of Termination and such vested PRSUs shall be distributed to you as soon as reasonably practicable on or following such Date of Termination in accordance with the Plan (and in no event later than the later of the end of the year in which the Date of Termination occurs and the 15th day of the third month following the Date of Termination); or (ii) your employment is not terminated by the Tapestry Companies, the Target Number of PRSUs subject to the Award shall have the Performance Goals deemed to be achieved at the Target level of performance and the Performance Period deemed to have expired, and the entire Target Number of PRSUs subject to the Award will be converted to restricted stock units ("**RSUs**") subject to time-based vesting in accordance with the Plan, and subsequently if your employment is terminated either by the Tapestry Companies without Change in Control Cause or by you for Change in Control Good Reason (as defined below) during the twenty four (24)-month period immediately following the Change in Control, the full portion of the unvested RSUs will become fully vested, effective immediately upon such termination.

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

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

(d) **Severance Events**. Except with respect to any Change in Control Termination, and notwithstanding Section 5(a), if your employment with the Tapestry Companies is terminated by the Tapestry Companies prior to the Vesting Date and you are eligible to receive severance benefits under any written severance plan or policy of the Tapestry Companies or an employment agreement between you and the Tapestry Companies in connection with such termination (a “**Severance Event Termination**”), then, unless such agreement provides otherwise, a pro-rata portion of the Award, determined based upon the number of days you were employed during the period from the Grant Date to the your Date of Termination, shall remain eligible to become vested on the Vesting Date, pursuant to Section 2, based on the Company’s actual achievement of the Performance Metrics as determined as of the Measurement Date. Earned PRSUs will be settled pursuant to Section 2(c). Your receipt of pro-rata vesting with respect to a portion of the PRSUs granted pursuant to this Award upon a Severance Event Termination will be subject to (i) your timely execution and non-revocation of a waiver and release agreement in the form prescribed by the Tapestry Companies and (ii) the terms and conditions set forth in (A) the Agreement, (B) any employment agreement between you and the Tapestry Companies (as applicable) and (C) any written severance plan or policy of the Tapestry Companies applicable to you and in effect as of the date of your Severance Event Termination.

(e) **Certain Definitions**. For purposes of the Agreement, (1) “**Cause**” shall mean a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Employee Guide or any other written policies or procedures of the Tapestry Companies, (ii) your indictment, conviction of, or plea of guilty or nolo contendere to, a felony or a crime involving moral turpitude, (iii) your willful or grossly negligent breach of your duties, (iv) any act of fraud, embezzlement or other similar dishonest conduct, (v) any act or omission that the Company determines could have a material adverse effect on the Tapestry Companies, including without limitation, its reputation, business interests or financial condition, (vi) your failure to follow the lawful directives of the Chief Executive Officer or other employee of the Company to whom you report, or (vii) your breach of any written agreement between you and the Company or any of its affiliates.; (2) “**Permanent and Total Disability**” means that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months; and (3) “**Retirement**” shall mean your departure from employment with the Tapestry Companies other than for Cause (as defined below)

if either (A) you have attained age sixty-five (65) and five (5) years of service with the Tapestry Companies or (B) you have attained age fifty-five (55) and ten (10) years of service with the Tapestry Companies.

6. Term of PRSUs.

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

7. Adjustments upon Changes in Capitalization.

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

8. Additional PRSUs.

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

9. Rights as Stockholder.

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

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

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

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

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

(c) your participation in the Plan is voluntary;

(d) this Award of PRSUs and the Common Stock subject to the PRSUs are extraordinary items that (i) do not constitute compensation of any kind for services of any kind rendered to the

Company, any Affiliate or to your actual employer (the "Employer"), and (ii) are outside the scope of your employment or service contract, if any;

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

(f) this Award of PRSUs and the Common Stock subject to the PRSUs, and 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;

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

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

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

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the PRSUs resulting from the termination of your employment by 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 PRSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Tapestry Companies, including the Employer, waive your ability, if any, to bring any such claim, and release the Tapestry Companies, including the Employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) for purposes of this Award, unless your termination is a Severance Event Termination, regardless of the reason of your termination (and whether or not later found to be invalid or in breach of applicable 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 PRSUs (including whether you may still be considered to be providing services while on a leave of absence);

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

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

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

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

11. Forfeiture and Clawback Provisions.

(a) **PRSU Claw-Back**. Notwithstanding anything contained in the Agreement to the contrary, (i) if your employment with the Tapestry Companies is terminated for Cause (as defined above) ("**Termination for Cause**"), (ii) if you elect to terminate your employment with the Tapestry Companies (including in the event of your Retirement) and you do not provide the Tapestry Companies with the Required Notice (as defined below) applicable to your level ("**Termination without Notice**"), or (iii) if you engage in any activity inimical, contrary or harmful to the interests of the Tapestry Companies during your employment with the Tapestry Companies or at any time during the period ending one (1) year after your employment with the Tapestry Companies terminates (other than due to Retirement, in which case the claw-back and forfeiture provisions set forth in Section 11(a) of the Agreement that apply in the event the Restrictive Covenants are violated shall remain in effect through the 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 PRSU Gain (as defined below) received by you within the twelve (12) month period (if your role is at the Corporate level of Vice President or higher) or six (6) month period (if your role is below the Corporate level of Vice President) immediately preceding the date on which you first engaged in such Wrongful Conduct or the date of your Termination for Cause or Termination without Notice. For the two (2) year period commencing on

a Change in Control, items (A) and (B) under Section 11(a)iii) shall not constitute Wrongful Conduct. For the avoidance of doubt, the claw-back provisions set forth in this Section 11(a) are in addition to any other claw-back policy applicable to you, including, without limitation, the Company's incentive repayment policy in the event of employee accountability for a material restatement of the Company's financial results and any claw-back or similar requirements which might be imposed pursuant to Section 304 under the Sarbanes-Oxley Act of 2002, or pursuant to any modification or expansion of the Company's claw-back policy to the extent required by the Dodd-Frank Act of 2010 and the related rules of the Securities and Exchange Commission.

Solely in the event of your Retirement, if you violate any of the Restrictive Covenants prior to the distribution of the Common Stock subject to the PRSUs that vest on the Vesting Date 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 PRSU Gain (as defined below) 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, "**PRSU Gain**" shall mean an amount equal to the product of (i) the number of shares of Common Stock that are distributed pursuant to the Award and (ii) the Fair Market Value per share of Common Stock on the date of such distribution (without reduction for any shares of Common Stock sold, surrendered or attested to in payment of Tax-Related Items).

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

(d) For purposes of the Agreement, "**Restrictive Covenants**" shall mean your agreement not to (i) compete directly or indirectly (either as owner, employee or agent of a Competitive Business (as defined below)) with any of the businesses of the Tapestry Companies, (ii) make, directly or indirectly, a five percent (5%) or more investment in a Competitive Business, or any new luxury accessories business that competes directly with the existing or planned product lines of the Tapestry Companies, (iii) solicit any present or future employees or customers of the Tapestry Companies to terminate such employment or business relationship(s) with the Tapestry Companies, in the case of each of (i), (ii) and (iii), at any time during your employment with the Tapestry Companies or at any time during the period ending one (1) year after your employment with the Tapestry Companies terminates (other than due to Retirement, in which case the claw-

back and forfeiture provisions set forth in Section 11(a) of the Agreement that apply in the event the Restrictive Covenants are violated shall remain in effect through the 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 the Award in consideration of your agreement to be bound by the Restrictive Covenants, and you acknowledge and agree that this Award is good and valuable consideration for the Restrictive Covenants. Accordingly, if you breach any of the Restrictive Covenants, in addition to the forfeiture and claw-back consequences described in Section 11(a), the Company shall be entitled to recover any damages incurred as a result of such breach. You further acknowledge and agree that the Tapestry Companies would be irreparably harmed by any breach of the Restrictive Covenants and that money damages would be an inadequate remedy for any such breach and, accordingly, in the event of your breach or threatened breach of any of the Restrictive Covenants, the Company may, in addition to any money damages or other rights and remedies existing in its favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the Restrictive Covenants. For the avoidance of doubt, the remedies in law and in equity for any breach of the Restrictive Covenants set forth in this Section 11(d) are in addition to, and cumulative of, the claw-back and forfeiture provisions set forth in Section 11(a). Notwithstanding anything herein to the contrary, nothing herein is intended to limit any restrictive covenant provision contained in any other agreement between you and the Tapestry Companies that may permit any of the Tapestry Companies to seek injunctive relief, money damages or any other rights or remedies at law or in equity in the event of a breach or threatened breach of any restrictive covenant provision contained in any other agreement.

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

The following entities, together with their respective subsidiaries, parent entities and other affiliates, have been designated by the Committee as Competitive Businesses as of the date of the Agreement for Company Employees employed by the Company's North American entities or Global Operations division (regardless of the employee's geographic place of work or residence) excluding those described in the paragraph below: Adidas AG; Burberry Group PLC; Capri Holdings Limited; Cole Haan LLC; Fast Retailing Co., Ltd.; Compagnie Financiere Richemont SA; Fung Group; G-III Apparel Group, Ltd.; The Gap, Inc.; Kering; L Brands, Inc.; LVMH Moet Hennessy

Louis Vuitton SA; Nike, Inc.; Prada, S.p.A; PVH Corp.; Ralph Lauren Corporation; Samsonite International S.A.; Tory Burch LLC; V.F. Corporation; and Under Armour, Inc.

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

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

12. Entire Agreement.

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

13. Amendment and Modification.

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

14. Dispute Resolution.

(a) **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.

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

15. Successors and Assigns.

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

16. Severability.

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

17. Annexes.

Notwithstanding any provisions in the Agreement, the PRSU grant shall be subject to any special terms and conditions as set forth in any annex to the Agreement. Moreover, if you relocate to one of the countries included in Annex A, the special terms and conditions for such country will

apply to you, to the extent the Company determines that the application of such terms is necessary or advisable for legal or administrative reason. The Annexes constitute part of the Agreement.

18. Code Section 409A.

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

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

19. Data Privacy.

Data Privacy Information and Consent. Where required by applicable law, you hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your Data (as defined below) by and among, as necessary and applicable, the Employer, 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 PRSUs or any other restricted stock units or other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to Fidelity Stock Plan Services 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 PRSUs.

You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You understand that Data shall be held as long as is reasonably necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service with the Employer will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you PRSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing such consent may affect your ability to participate in the Plan. In addition, you understand that the 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.

20. Miscellaneous.

(a) **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.

(b) **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.

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

(d) **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., PRSUs) 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.

(e) **Foreign Asset/Account Reporting Requirements and Exchange Controls**. Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold Common Stock under the Plan or cash received from participating in the Plan (including from any dividends paid on Common Stock, sale proceeds resulting from the sale of Common Stock acquired under the Plan) in a

brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you should consult your personal legal advisor for any details

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

EXHIBIT B

Performance Metric Schedule

March 8, 2018

Dear Anna,

It is with great pleasure that I confirm our offer to appoint you as Chief Executive Officer and Brand President, Kate Spade, of Tapestry, Inc. (“Tapestry,”), reporting to the Chief Executive Officer of Tapestry. Upon effectiveness of the appointment, you will be a member of Tapestry’s Executive Committee. You will be considered an “officer” under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as well as an “Executive Officer” of Tapestry pursuant to Rule 3b-7 of the Exchange Act.

This letter details your base salary, bonus opportunity, annual equity opportunity, joining compensation and other benefits. It also lays out the conditions of your employment with Tapestry and Kate Spade (collectively, the “Company”). If you accept our offer, you agree to start in your new role no later than March 26, 2018 **(the “Effective Date ”)**.

1. Base Salary

$875,000 per annum.

Your salary will be paid in accordance with the Company’s payroll practices, which are subject to change from time-to-time at the discretion of the Company, and will be paid less withholding and deductions authorized under applicable law.

Performance reviews are typically conducted at the end of our fiscal year, which presently runs from approximately July 1 through June 30. Any merit increases for which you may be eligible would be determined at that time, and would take effect in September. Provided your Effective Date is on or before April 1, 2018, you will be eligible for a merit increase in September 2019.

2. Incentive Compensation

You will be eligible to participate in the Company ’s Performance-Based Annual Incentive Plan ("AIP"), a cash incentive program under which your payout is based on Kate Spade’s and Tapestry’s financial performance, subject to its terms and conditions. Your target bonus will be 100% of your salary actually paid during the fiscal year. The actual bonus payout may range from 0% of target for performance below established thresholds to 200% of target for maximum performance, with performance components, measures and target values to be established by the Tapestry’s Board of Directors or the Human Resources Committee of the Board of Directors (the “Committee”). Since your Effective Date is before April 1, 2018, you will be eligible for the AIP beginning in fiscal year 2018, and any such AIP bonus earned will be guaranteed at Target- 100% of your salary paid during the fiscal year and pro-rated in accordance with the Effective Date. For fiscal year 2019 your bonus will be guaranteed at Target- 100% of your salary paid during the fiscal year.

Any AIP bonus is paid within three months of the end of the fiscal year and you must be an employee in good standing with the Company on the AIP bonus payment date in order to be eligible to receive any such AIP bonus payment. If you resign your employment or are terminated for "cause," you are not eligible for this bonus for the fiscal year in which your employment is terminated. For the purposes of this letter, termination for “cause” is defined in the Addendum. Please refer to the My Pay section of Tapestry’s intranet, the *Loop*, for the governing terms and conditions of the AIP bonus plan. In addition, Tapestry’s Board of Directors has adopted an incentive repayment policy (attached) for members of the Executive Committee, which you must sign and return to me coincident with your acceptance of this offer.

3. Equity Compensation

Your compensation package includes a guideline annual equity grant value of $1,700,000, to be granted in a fixed proportion of different equity vehicles, which may include restricted stock units ("RSUs"), performance restricted stock units ("PRSUs"), and/or stock options, as determined annually by the Committee and normally granted in August. Notwithstanding your joining grant outlined below, Executive Officers of Tapestry, of which you will be one, currently receive the following mix of equity vehicles: 20% RSU’s, 40% PRSU’s and 40% stock options. Currently, PRSUs cliff vest on the third anniversary of the grant date and may vest between 0 to 200% of target shares depending on performance, RSUs vest and stock options are exercisable one fourth each year over four years beginning on the first anniversary of the grant date, in each case, subject to your continued employment or other service with the Company from the grant date to each applicable vesting date. Any future equity grants will be determined based on your position, performance, time in job and other criteria Tapestry determines in its discretion, which are subject to change. All equity awards are subject to approval by the Committee.

Your joining grant, with a grant value of $1,000,000 will be made on the first business day of the fiscal month coincident with or following your Effective Date, and will be granted in RSUs. The number of stock options you receive will be based on the grant price (closing price of Tapestry, Inc. stock on the grant date) and on an industry standard valuation model, Black-Scholes, which determines the value of a stock option. The number of RSUs you receive will be based on the grant price. The RSUs for your joining grant will vest one fourth each year over four years, beginning on the first anniversary of the grant date, subject to your continued employment or other service with the Company.

You are subject to the terms and conditions of the grant agreements, including, but not limited

to, the provisions relating to claw back of equity gains in certain post-employment scenarios. Notwithstanding anything to the contrary in this letter, the terms of the Amended and Restated Coach, Inc. 2010 Stock Incentive Plan (Amended and Restated as of September 20, 2017) (as it may be amended from time to time, the "Stock Plan") and related grant agreements, as they may be changed from time to time, are controlling.

4. Severance

If your employment at the Company should cease involuntarily for any reason other than for "cause," or if you resign for “Good Reason, ” each as defined in the attached addendum (e.g.,

position elimination), you will be eligible to receive twelve (12) months of base salary under the Company’s Severance Pay Plan, subject to its terms and conditions (including with regard to the time and form of payment). For more information, please view the severance plan document on the *Loop* or contact Human Resources. To receive separation pay, you will be required to sign a waiver and release agreement in the form provided by the Company. This agreement will include restrictions on your ability to compete with the Company and solicit Company employees.

5. Retirement

Upon your voluntary resignation from the Company after attaining either (i) age 62 with 5 years of service with the Company and its affiliates, or (ii) age 55 with 10 years of service with the Company and its affiliates, your voluntary resignation will be deemed a “Retirement,” as such term is defined in applicable award agreements, provided that you continue to comply with the terms and conditions of any restrictive covenants (e.g., non-competition, non-investment in a company competitor, non-solicitation of company employees and customers and nondisclosure of confidential company information), and provided further, that any such awards shall be subject to the terms and conditions of the applicable award agreements and the Stock Plan.

6. Section 409A of the Internal Revenue Code

It is expressly intended and contemplated that this letter comply with the provisions of Section 409A of the Code and the applicable guidance thereunder ("Section 409A") and that the payments hereunder will either be exempt from Section 409A or will comply with the provisions of Section 409A. This letter will be administered and interpreted in a manner consistent with this intent, and, notwithstanding any provision of this letter to the contrary, in the event that the Company determines that any amounts payable hereunder would be immediately taxable to you under Section 409A, the Company reserves the right (without any obligation to do so or to indemnify you for failure to do so) to amend this letter to satisfy Section 409A or be exempt therefrom (which amendment may be retroactive to the extent permitted by Section 409A).

Notwithstanding any other provision of this letter, if you are a "specified employee" within the meaning of Treas. Reg. §1.409A-1(i)(1), then the payment of any amount or the provision of any benefit under this letter which is considered deferred compensation subject to Section 409A

shall be deferred for six (6) months after your "separation from service" or, if earlier, the date of your death to the extent required by Section 409A(a)(2)(B)(i) (the "409A Deferral Period"). In the event payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum on the Company's first standard payroll date that arises on or after the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. For purposes of any provision of this letter providing for reimbursements to you, such reimbursements shall be made no later than the end of the calendar year following the calendar year in which you incurred such expenses, and in no event shall the unused reimbursement amount during one calendar year be carried over into a subsequent calendar year. For purposes of this letter, you shall not be deemed to have terminated employment unless you have a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h). All rights to payments and benefits under this letter shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A. 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 the Company or any of its affiliates, employees or agents.

7. Benefits

Your other major benefits will include medical, dental, vision, retirement savings, life insurance, short and long term disability, Employee Stock Purchase Plan, employee discount program and 25 business days of vacation per calendar year, as generally provided by the Company to employees at a comparable level in accordance with the plans, practices and programs of the Company, and subject to your satisfaction of applicable eligibility requirements. These benefits are subject to change from time-to-time in the discretion of the Company. We are enclosing a summary of executive benefits highlighting these programs in Your Tapestry Benefits Overview.

8. Legal Fees and Related Expenses

The Company agrees to reimburse your legal fees in connection with the negotiations concerning the commencement of your employment arrangement with the Company, including in connection with the review and signing of this offer letter, up to a maximum of $20,000 (twenty thousand dollars). Subject to your representations in Section 9 below and your continued compliance therewith, the Company agrees to engage legal counsel of its choosing, at the Company's cost and direction, to defend you in any legal matters regarding your joining the Company.

9. Confidentiality

The Company believes strongly in respecting the proprietary rights of third parties and expects each of its employees to honor their confidentiality obligations to former employers. Accordingly, we expect you to fully comply with any and all obligations you may have, including non- compete, non-solicitation and confidentiality obligations. By accepting this offer, you are confirming your representation to the Company that you are not subject to any existing non-

compete obligations with your current or former employer that would prevent you from commencing employment with the Company on the Effective Date without restriction or penalty. Further, you are confirming your representation that you are currently in compliance with any non-solicitation obligation(s) you have with respect to your current or former employer and that you have not had any discussions with anyone or referred any individuals to the Company in violation of those obligations. The Company does not want, and specifically instructs you not to violate any non-solicitation obligations you may have with respect to your current and former employers and to maintain in confidence, and not destroy, delete or alter, information that is confidential and/or proprietary to your current and former employers. The Company acknowledges that you have provided the non-solicitation provisions of your employment agreement, equity award agreements, and separation agreement and general release with your prior employer, and that it has not, and shall not, through January 31, 2019, ask you to assist the Company in hiring or retaining (and has instructed you not to participate in or arrange the employment or retention of) any person who was employed or retained by your prior employer or any of its affiliates within the one-year period immediately preceding such employment or retention. As a reminder, we are offering you this position based upon your talent and the skills you have acquired throughout your career.

As an employee of the Company, and as a part of this offer, you will be subject to the various policies set forth in the attached Addendum, as well as those set forth in the Your Tapestry Benefits Overview that accompanies this offer. Such policies include, but are not limited to the following:

- Incentive Repayment Policy;

- Executive Stock Ownership Policy;
- Notice of Intent to Terminate Employment;
- Post-Employment Restrictions;
- Code of Conduct;
- Confidentiality, Information Security and Privacy Agreement; and
- Other Terms and Conditions of Employment.

By accepting this offer, you are also expressly accepting and agreeing to be bound by and adhere to the Company policies set forth in the attached Addendum and in the packet of materials that accompany this offer letter. This letter, along with the documents attached hereto or referred to herein, constitute the entire agreement and understanding between you and the Company with respect to your employment, and supersedes all prior discussions, promises, negotiations and agreements (whether written or oral) between you and the Company.

Anna, we are excited at the prospect of your joining us. This letter and the documents attached hereto constitute the Company's entire offer. As you review this offer, please feel free to contact me with any questions. To accept the offer, and acknowledge you are not relying on any promise or representation that is not contained in this letter, please sign in the space below and return one of the attached copies to me no later than **March 12, 2018** .

Sincerely,

/s/ Sarah Dunn_____

Sarah J. Dunn

Global Human Resources Officer

Tapestry, Inc.

Agreed and accepted by:

/s/ Anna Bakst	3/9/18
Anna Bakst	Date

ADDENDUM

COMPANY POLICIES & CONDITIONS OF EMPLOYMENT

As an employee with Kate Spade of Tapestry, Inc. (collectively, the (Company"), you will be subject to the following policies. Please sign the acknowledgement at the end noting your understanding and agreement.

1. **Incentive Repayment Policy**

Tapestry's Board of Directors has adopted an incentive repayment policy affecting all performance-based compensation that the Company pays to members of its Executive Committee. Information on this policy is attached. You agree that you remain subject to this repayment policy and that it may change from time-to-time as the Committee deems appropriate and/or as is required by law.

2. **Executive Stock Ownership Policy**

Tapestry ’s Board of Directors has implemented a stock ownership policy for all Executive Officers and Directors. Information on this policy and the required amounts of stock ownership for your position is attached. As an Executive Committee member and Section 16(b) officer of Tapestry, you will be required to obtain pre-approval of all Tapestry stock transactions from the Tapestry Law Department and Tapestry’s CEO.

3. **Notice of Intent to Terminate Employment**

If at any time you elect to terminate your employment with the Company, including a valid retirement from the Company, you agree to provide six (6) months’ advance written notice of your intent to terminate your employment and such notice shall be provided via email to the Chief Executive Officer and Global Human Resources Officer of Tapestry. After you have provided your required notice, you will continue to be an employee of the Company. Your duties and other obligations as an employee of the Company will continue and you will be expected to cooperate in the transition of your responsibilities. The Company shall, however, have the right in its sole discretion to direct that you no longer come to work or to shorten the notice period. Nothing herein alters your status as an employee at-will. The Company reserves all legal and equitable rights to enforce the advance notice provisions of this paragraph. You acknowledge and agree that your failure to comply with the notice requirements set forth in this paragraph shall result in: (i) the Company being entitled to an immediate injunction, prohibiting you from commencing employment elsewhere for the length of the required notice, (ii) the Company being entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company, (iii) the forfeiture of any unpaid bonus as of your last day of employment with the Company, (iv) any unvested or vested equity awards held by you shall be automatically forfeited on your last day of employment with the Company, and (v) the Company being entitled to claw back any Financial Gain (as defined below) you realize from the vesting of any Tapestry equity award within the twelve (12) month period immediately preceding your last day of employment with the Company. “Financial Gain” shall have the meaning set forth in the various equity award grant agreements that you receive during your employment with the Company.

4. **Post-Employment Restrictions**

(a) Non-Competition. You are prohibited from, directly or indirectly, counseling, advising, consulting for, becoming employed by or providing services in any capacity to a “competitor” (as defined below) of the Company or any of its operating divisions, brands, subsidiaries or affiliates (collectively, the “Tapestry Group”) during your employment and the twelve (12) month period beginning on your last day of employment with the Company (the “Restricted Period”).

“Competitor” includes: the companies, together with their respective subsidiaries, parent entities, and all other affiliates as set forth on Exhibit A, attached hereto (such companies subject to change from time-to-time as posted on Tapestry’s intranet, the *Loop*). In the event your employment is terminated for any reason (other than for “cause, ” as defined below) and the Company, at its sole discretion, elects to enforce its right to enjoin you from joining a competitor at any time during the Restricted Period, including prohibiting you from engaging in any of the activities prohibited by this Section 4(a), the Company shall compensate you at your

most recent base salary, subject to usual withholdings, to be paid monthly, during the remainder of the Restricted Period. The foregoing payments will be made to you solely to the extent that severance or other termination payments are not paid to you during the remainder of the Restricted Period. Nothing herein shall impact or limit your right to receive any severance payments and benefits pursuant to the terms of your offer letter, except that it is expressly understood and agreed that (i) you will not be entitled to receive payments pursuant to this paragraph during any period you are receiving severance or other termination payments and (ii) your receipt of any severance or other termination payments shall not impact the Company's right to enforce its rights under this Section 4(a) or otherwise.

You agree that if you are offered and desire to accept employment with, or provide consulting services to, another business, person or enterprise, including, but not limited to, a "competitor," during the Restricted Period, you will promptly inform Tapestry's Global Human Resources Officer, in writing, of the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, and the proposed starting date of that employment or consulting services. You also agree that you will inform that prospective employer or entity of the terms of these provisions. Failure to abide by the requirements of this Section 4(a) will also be deemed a failure to provide the required advance written notice set forth above under **Notice of Intent to Terminate Employment** .

(b) Non-Solicitation. You agree that during the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, without the prior written consent of the Company, hire or attempt to hire, employ or solicit for employment, consulting or other service, any officer, employee or agent of the Tapestry Group (each, a "Protected Person"), or encourage, persuade or induce any Protected Person to terminate, diminish or otherwise alter such Protected Person's relationship with the Tapestry Group.

For purposes of this Section 4(b) and to avoid any ambiguity, you and the Company agree that it will be a rebuttable presumption that you solicited any Protected Person if such Protected Person commences employment or other service for or on behalf of you or any entity to which you provide services or terminates, diminishes or otherwise alters such Protected Person's relationship with the Tapestry Group prior to the end of the Restricted Period.

(c) Non-Interference. During the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, whether as an employee, owner, stockholder, partner, director, officer, consultant, advisor or otherwise, assist, attempt to or

encourage (i) any vendor, supplier, customer or client of, or any other person or entity in a business relationship with the Tapestry Group to terminate, reduce, limit or otherwise alter such relationship, whether contractual or otherwise, (ii) any prospective vendor, supplier, customer or client not to enter into a business or contractual relationship with the Tapestry Group or (iii) to impair or attempt to impair any relationship, contractual or otherwise, between the Tapestry Group and any vendor, supplier, customer or client or any other person or entity in a business relationship with the Tapestry Group.

(d) Remedies. You acknowledge that compliance with Section 4 is necessary to protect the business, good will and proprietary and confidential information of the Tapestry Group and that a breach or threatened breach of any provision in Section 4 will irreparably and continually damage the Tapestry Group, for which money damages may not be adequate. Accordingly, in the event that you breach any provision in Section 4, you will forfeit any remaining earned but unpaid bonus and the Company shall be entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company. In addition, the Company will be entitled to preliminarily or permanently enjoin you from violating Section 4 in order to prevent the continuation of such harm.

(e) Reasonableness of Restrictions. You acknowledge: (i) that the scope and duration of the restrictions on your activities under Section 4 are reasonable and necessary to protect the legitimate business interests, goodwill and confidential and proprietary information of the Tapestry Group; (ii) that the Tapestry Group does business worldwide and, therefore, you specifically agree that, in order to adequately protect the Tapestry Group, the scope of the restrictions in this provision is reasonable; and (iii) that you will be reasonably able to earn a living without violating the terms of these provisions.

(f) Judicial Modification. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable, the remainder of such covenants and parts thereof shall not thereby be affected and shall be given full effect, without regard to the invalid portion. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable because of the geographic or temporal scope of such provisions, such court shall reduce such scope to the minimum extent necessary to make such covenants valid and enforceable. You agree that in the event that any court of competent jurisdiction finally holds that any provision of Section 4 constitutes an unreasonable restriction against you, such provision shall not be rendered void but shall apply to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances.

5. **Other Terms and Conditions of Employment**

If you accept the Company ’s offer, our relationship is "employment-at-will." That means you are free, at any time, for any reason, to end your employment with the Company and that the Company may do the same, subject to the advance notice requirements set forth above under **Notice of Intent to Terminate Employment** .

For the purposes of this letter, termination for “cause” means a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Company’s Employee Guides or any other written policies or procedures of the Company, which is not remedied within 30 days of written notice to you, via email, (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 Company, including without limitation, its reputation, business interests or financial condition, which is not remedied within 30 days of written notice to you, via email, (vi) your failure to follow the lawful directives of your supervisor, which is not remedied within 30 days of written notice to you, via email, or (vii) your breach of this offer letter or any other written agreement between you and the Company or any of its affiliates, which is not remedied within 30 days of written notice to you, via email.

For any dispute arising between the parties regarding or relating to this letter and/or any aspect of your employment, the parties hereby consent to the exclusive jurisdiction in the state and Federal courts located in New York, New York. This Agreement will be construed and enforced in accordance with the laws of the state of New York, without regard to conflicts of laws principles.

You have “Good Reason ” to resign your employment upon the occurrence of the following without your consent: (i) material diminution of position and title “Chief Executive Officer and Brand President, Kate Spade,” or comparable role; or (ii) relocation of the Company’s executive offices more than 50 miles outside of New York, New York; provided however, that notwithstanding the foregoing you may not resign your employment for Good Reason unless: (x) you provide the Company with at least 30 days prior written notice of your intent to resign for Good Reason (which notice is provided not later than the 60 day following the occurrence of the event constituting Good Reason) and (y) the Company does not remedy the alleged violation(s) within such 30-day period.

Our agreement regarding employment-at-will may not be changed, except specifically in writing signed by both the Committee and you. The Company may in its discretion add to, discontinue, or change compensation, duties, reporting lines, Company committees, Section 16 and/or executive officer status, benefits and policies. Nothing in the preceding two sentences shall be construed as diminishing the financial obligations of either of the parties hereunder, including, without limitation, the Company’s obligations to pay salary, bonus, equity compensation, severance etc., pursuant to the pertinent provisions set forth above. All payments made hereunder are subject to the usual withholdings required by law. In the event of a breach by you of any provision of this offer letter and/or any of the Company policies which are included herewith, you agree to reimburse the Company for any and all reasonable attorney’s fees and expenses related to the enforcement of this agreement, including, but not limited to, the clawback of gains specified hereunder.

Our offer of employment is contingent on the following:

- Formal ratification of this agreement by the Human Resources Committee;
- You passing a credit/background check and verification of your identity and authorization to be employed in the United States;
- Your returning a signed copy of this offer letter by **March 12, 2018**;
- Your agreement to be bound by, and adhere to, all of the Company’s policies in effect during your employment with the Company, including the Executive Stock Ownership Policy, Incentive Repayment Policy, Code of Conduct, and our Confidentiality,

Information Security and Privacy Agreement; and
- The terms and conditions of individual equity award agreements.

Agreed and Accepted by: Anna Bakst _/s/ Anna Bakst_____ Date :_3/9/18_____

EXHIBIT A

Competitor List

(as of March 2018)

Adidas AG

Burberry Group PLC

Cole Haan LLC

Fast Retailing Co., Ltd.

Fung Group

G-III Apparel Group, Ltd.

The Gap, Inc.

J. Crew Group, Inc.

Kering

L Brands, Inc.

LVMH Moet Hennessy Louis Vuitton SA

Michael Kors Holdings Limited

Prada, S.p.A.

Proenza Schouler, LLC

PVH Corp.

Rag & Bone, Inc.

Ralph Lauren Corporation

Tory Burch LLC

tapestry

COACH | kate spade | STUART WEITZMAN

May 7, 2019

Thomas Glaser

Dear Tom,

It is with great pleasure that I confirm our offer to appoint you as Chief Operations Officer of Tapestry, Inc. (“Tapestry” or the “Company”), reporting to the Chief Executive Officer of Tapestry. Upon effectiveness of the appointment, you will be a member of Tapestry’s Executive Committee. You will be considered an “officer” under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as well as an “Executive Officer” of Tapestry pursuant to Rule 3b-7 of the Exchange Act.

This letter details your base salary, bonus opportunity, annual equity opportunity, joining compensation and other benefits. It also lays out the conditions of your employment with Tapestry. If you accept our offer, you agree to start in your new role no later than **July 15, 2019** (the “Effective Date”).

1. **Base Salary**

$800,000 per annum.

Your salary will be paid in accordance with the Company’s payroll practices, currently bi-weekly, which are subject to change from time-to-time at the discretion of the Company, and will be paid less withholding and deductions authorized under applicable law.

Performance reviews are typically conducted at the end of our fiscal year, which presently runs from approximately July 1 through June 30. Any merit increases for which you may be eligible would be determined at that time, and would take effect in September. You will first be eligible for a merit increase in September 2020.

2. **Incentive Compensation**

You will be eligible to participate in the Company’s Performance-Based Annual Incentive Plan ("AIP"), a cash incentive program under which your payout is based on Tapestry’s financial performance, subject to its terms and conditions. Your target bonus will be 100% of your salary actually paid during the fiscal year. The actual bonus payout may range from 0% of target for performance below established thresholds to 200% of target for maximum performance, with performance components, measures and target values to be established by the Company’s Board of Directors or the Human Resources Committee of the Board of Directors (the “Committee”). You will first be eligible for the AIP beginning in fiscal year 2020, generally payable in August 2020.

Any AIP bonus is paid within three months of the end of the fiscal year and you must be an employee in good standing with the Company on the AIP bonus payment date in order to be eligible to receive any such AIP bonus payment. If you resign your employment or are terminated for "cause," you are not eligible for this bonus for the fiscal year in which you provide the required notice of your intent to resign your employment (or resign without notice) or your employment is terminated, as applicable. For the purposes of this letter, termination for “cause” is defined in the Addendum. Please refer to the My Pay section of Tapestry’s intranet, the *Loop*, for the governing terms and conditions of the AIP bonus plan. In addition, Tapestry’s Board of Directors has adopted an incentive repayment policy (attached) for members of the Executive Committee, which you must sign and return to me coincident with your acceptance of this offer.

3. Equity Compensation

Your compensation package includes a guideline annual equity grant value of $1,500,000, to be granted in a fixed proportion of different equity vehicles, which may include restricted stock units ("RSUs"), performance restricted stock units ("PRSUs"), and/or stock options, as determined annually by the Committee and normally granted in August. Your first annual grant will be made in August 2019. Notwithstanding your joining grants outlined below, the current mix of equity vehicles for your role is 20% RSUs, 40% PRSUs and 40% stock options. Currently, PRSUs cliff vest on the third anniversary of the grant date and may vest between 0 to 200% of target shares depending on performance, RSUs vest and stock options are exercisable one fourth each year over four years beginning on the first anniversary of the grant date, in each case, subject to your continued employment or other service with the Company from the grant date to each applicable vesting date. The number of stock options you receive will be based on the grant price (closing price of Tapestry, Inc. stock on the grant date) and on an industry standard valuation model, Black-Scholes, which determines the value of a stock option. The number of RSUs you receive will be based on the grant price. The grant value and vehicle mix of any future equity grants will be determined based on your position, performance, time in job and other criteria Tapestry determines in its discretion, which are subject to change. All equity awards are subject to approval by the Committee.

4. Special New Hire Compensation

You will receive a gross sign-on cash bonus of $200,000, 50% of which will be payable within six (6) weeks of the Effective Date, and 50% on your 6 month anniversary, in each case subject to your continued employment from the Effective Date until payment date and subject to normal tax withholding. In accepting our offer, you agree that you will repay the full amount of your gross sign-on cash bonus if you provide notice of your intent to resign your employment (or resign without notice) at any time within 24 months of your Effective Date, or if your employment is terminated for “cause,” as defined in the Addendum. Full repayment of this gross sign-on bonus must occur within one (1) month of your termination date.

You will receive a joining equity grant in the form of RSUs, with a grant value of $1,500,000, to be made on the first business day of the fiscal month coincident with or following your Effective Date, subject to your continued employment from the Effective Date until grant date. The RSUs for your joining grant will cliff vest after two years, subject to your continued employment or other service with the Company. In accepting our offer, you agree that you will forfeit the joining equity grant or repay the Financial Gain (as defined below) of the joining equity grant, as

applicable, if you provide notice of your intent to resign your employment (or resign without notice) at any time within 24 months of your Effective Date, or if your employment is terminated for “cause,” as defined in the Addendum. “Financial Gain” shall equal, on the vesting date, the fair market value of the Company’s 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). Full repayment of the Financial Gain of the joining equity grant must occur within one (1) month of your termination date.

You are subject to the terms and conditions of the grant agreements, including, but not limited to, the provisions relating to claw back of equity gains in certain post-employment scenarios. Notwithstanding anything to the contrary in this letter, the terms of the Tapestry, Inc. 2018 Stock Incentive Plan (as it may be amended from time to time, the "Stock Plan") and related grant agreements, as they may be changed from time to time, are controlling.

5. Severance

If your employment at the Company should cease involuntarily for any reason other than for "cause" (e.g., position elimination) or if you resign for “Good Reason,” each as defined in the attached Addendum, and subject to compliance with the Restrictive Covenants set forth in Section 4 in the attached Addendum, you will be eligible to receive (i) twelve (12) months of base salary under the Company’s Severance Pay Plan, subject to its terms and conditions (including with regard to the time and form of payment), and (ii) payment on the regular payout date of any AIP bonus which was earned and payable for the prior fiscal year (and is actually paid to Tapestry employees for such fiscal year) based on Tapestry’s financial performance, as established by the Company’s Board of Directors or the Committee, which has not been paid as of the date of termination, provided that your date of termination is after the end of the fiscal year during which such AIP bonus is earned. For more information, please view the severance plan document on the *Loop* or contact Human Resources. To receive separation pay, you will be required to sign a waiver and release agreement in the form provided by the Company. This agreement will include restrictions on your ability to compete with the Company and solicit Company employees, customers and vendors.

6. Retirement

Notwithstanding the terms of your equity award agreements, upon your voluntary resignation from the Company after attaining age 64 with not less than five (5) completed years of service with the Company and its affiliates, your voluntary resignation will be deemed a “Retirement,” as such term is defined in applicable award agreements, provided that you continue to comply with the terms and conditions of any restrictive covenants (e.g., non-competition, non-investment in a company competitor, non-solicitation of company employees and customers and nondisclosure of confidential company information), and provided further, that any such awards shall be subject to the terms and conditions of the applicable award agreements and the Stock Plan.

7. Section 409A of the Internal Revenue Code

It is expressly intended and contemplated that this letter comply with the provisions of Section 409A of the Code and the applicable guidance thereunder ("Section 409A") and that the

payments hereunder will either be exempt from Section 409A or will comply with the provisions of Section 409A. This letter will be administered and interpreted in a manner consistent with this intent, and, notwithstanding any provision of this letter to the contrary, in the event that the Company determines that any amounts payable hereunder would be immediately taxable to you under Section 409A, the Company reserves the right (without any obligation to do so or to indemnify you for failure to do so) to amend this letter to satisfy Section 409A or be exempt therefrom (which amendment may be retroactive to the extent permitted by Section 409A).

Notwithstanding any other provision of this letter, if you are a "specified employee" within the meaning of Treas. Reg. §1.409A-1(i)(1), then the payment of any amount or the provision of any benefit under this letter which is considered deferred compensation subject to Section 409A shall be deferred for six (6) months after your "separation from service" or, if earlier, the date of your death to the extent required by Section 409A(a)(2)(B)(i) (the "409A Deferral Period"). In the event payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum on the Company's first standard payroll date that arises on or after the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. For purposes of any provision of this letter providing for reimbursements to you, such reimbursements shall be made no later than the end of the calendar year following the calendar year in which you incurred such expenses, and in no event shall the unused reimbursement amount during one calendar year be carried over into a subsequent calendar year. For purposes of this letter, you shall not be deemed to have terminated employment unless you have a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h). All rights to payments and benefits under this letter shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A. 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 the Company or any of its affiliates, employees or agents.

8. Benefits

The Company agrees to pay or reimburse reasonable and documented legal fees incurred by you in connection with the negotiation of this offer letter, up to a maximum of $10,000 (ten thousand dollars). Such benefit is taxable to you and will be included in your calendar year 2019 Tapestry income. Your other major benefits will include medical, dental, vision, retirement savings, life insurance, short and long term disability, Employee Stock Purchase Plan, employee discount program and 25 business days of vacation per calendar year, as generally provided by the Company to employees at a comparable level in accordance with the plans, practices and programs of the Company, and subject to your satisfaction of applicable eligibility requirements. These benefits are subject to change from time-to-time in the discretion of the Company. We are enclosing a summary of benefits highlighting these programs in Your Tapestry Benefits Overview.

9. Relocation

You are eligible for relocation under the Tapestry Relocation Policy. Please see the enclosed packet of information. Upon your acceptance, a member of the Human Resources Global Mobility team will be in touch with you to get started. Should you provide notice of your intent to resign your employment (or resign without notice) at any time within 24 months of your Effective

Date, or if your employment is terminated for “cause,” as defined in the Addendum, Tapestry may require you to repay relocation expenses. You will be required to sign a repayment agreement prior to receiving relocation benefits.

10. Confidentiality

The Company believes strongly in respecting the proprietary rights of third parties and expects each of its employees to honor their confidentiality obligations to former employers. Accordingly, we expect you to fully comply with any and all obligations you may have, including non-compete, non-solicitation and confidentiality obligations.

By accepting this offer, you are confirming your representation to the Company that you are not subject to any existing non-compete obligations with your current or former employer that would prevent you from commencing employment with the Company on the Effective Date without restriction or penalty. Further, you are confirming your representation that you are currently in compliance with any non-solicitation obligation(s) you have with respect to your current or former employer and that you have not had any discussions with anyone or referred any individuals to the Company in violation of those obligations. The Company does not want, and specifically instructs you not to violate any non-solicitation obligations you may have with respect to your current and former employers and to maintain in confidence, and not destroy, delete or alter, information that is confidential and/or proprietary to your current and former employers. As a reminder, we are offering you this position based upon your talent and the skills you have acquired throughout your career.

As an employee of the Company, and as a part of this offer, you will be subject to the various policies set forth in the attached Addendum, as well as those set forth in the Your Tapestry Benefits Overview that accompanies this offer. Such policies include, but are not limited to, the following:

- Incentive Repayment Policy;
- Executive Stock Ownership Policy;
- Notice of Intent to Terminate Employment;
- Post-Employment Restrictions;
- Code of Conduct;
- Confidentiality, Information Security and Privacy Agreement; and
- Other Terms and Conditions of Employment.

By accepting this offer, you are also expressly accepting and agreeing to be bound by and adhere to the Company policies set forth in the attached Addendum and in the packet of materials that accompany this offer letter. This letter, along with the documents attached hereto or referred to herein, constitute the entire agreement and understanding between you and the Company with respect to your employment, and supersedes all prior discussions, promises, negotiations and agreements (whether written or oral) between you and the Company.

Tom, we are excited at the prospect of your joining us. This letter and the documents provided herewith constitute the Company’s entire offer. As you review this offer, please feel free to contact me with any questions. To accept the offer, and acknowledge you are not relying on any promise or representation that is not contained in this letter, please sign in the space below and return one of the attached copies to me no later than **May 8, 2019**.

Sincerely,

/s/ Sarah J. Dunn_____
Sarah J. Dunn
Global Human Resources Officer
Tapestry, Inc.

Agreed and accepted by:

_/s/ Thomas Glaser_____ 5/8/19_____
Thomas Glaser Date

ADDENDUM
COMPANY POLICIES & CONDITIONS OF EMPLOYMENT

As an employee of Tapestry, Inc. (the "Company"), you will be subject to the following policies. Please sign the acknowledgement at the end noting your understanding and agreement.

1. **Incentive Repayment Policy**

Tapestry's Board of Directors has adopted an incentive repayment policy affecting all performance-based compensation that the Company pays to members of its Executive Committee. Information on this policy is attached. You agree that you remain subject to this repayment policy and that it may change from time-to-time as the Committee deems appropriate and/or as is required by law.

2. **Executive Stock Ownership Policy**

Tapestry's Board of Directors has implemented a stock ownership policy for all "Key Executives" and Directors. Information on this policy and the required amounts of stock ownership for your position is attached. As a Key Executive and Section 16(b) officer you will be required to obtain pre-approval of all Tapestry stock transactions from the Tapestry Law Department and Tapestry's CEO.

3. **Notice of Intent to Terminate Employment**

If at any time you elect to terminate your employment with the Company, including a valid retirement from the Company, you agree to provide six (6) months' advance written notice of your intent to terminate your employment and such notice shall be provided via email to the Chief Executive Officer and Global Human Resources Officer of Tapestry. Such notice shall include, if applicable, the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, as well as the proposed starting date of that employment or consulting services. After you have provided your required notice, you will continue to be an employee of the Company. Your duties and other obligations as an employee of the Company will continue and you will be expected to cooperate in the transition of your responsibilities. The Company shall, however, have the right in its sole discretion to direct that you no longer come to work or to shorten the notice period. Nothing herein alters your status as an employee at-will. The Company reserves all legal and equitable rights to enforce the advance notice provisions of this paragraph. You acknowledge and agree that your failure to comply with the notice requirements set forth in this paragraph shall result in: (i) the Company being entitled to an immediate injunction, prohibiting you from commencing employment elsewhere for the length of the required notice, (ii) the Company being entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company, (iii) the forfeiture of any unpaid bonus as of your last day of employment with the Company, (iv) any unvested equity awards and any vested but unexercised stock option awards held by you shall be automatically forfeited on your last day of employment with the Company, and (v) the Company being entitled to claw back any Financial Gain (as defined below) you realize from the

vesting of any Tapestry equity award within the twelve (12) month period immediately preceding your last day of employment with the Company. “Financial Gain” shall have the meaning set forth in the various equity award grant agreements that you receive during your employment with the Company.

4. Post-Employment Restrictions

(a) Non-Competition. You are prohibited from, directly or indirectly, counseling, advising, consulting for, becoming employed by or providing services in any capacity to a “competitor” (as defined below) of the Company or any of its operating divisions, brands, subsidiaries or affiliates (collectively, the “Tapestry Group”) during your employment and the twelve (12) month period beginning on your last day of employment with the Company (the “Restricted Period”).

“Competitor” includes: the companies, together with their respective subsidiaries, parent entities, and all other affiliates as set forth on Exhibit A, attached hereto (such companies subject to change from time-to-time as posted on Tapestry’s intranet, the *Loop*). In the event your employment is terminated for any reason (other than for “cause,” as defined below), or if you resign for “Good Reason,” and the Company, at its sole discretion, elects to enforce its right to enjoin you from joining a competitor at any time during the Restricted Period, including prohibiting you from engaging in any of the activities prohibited by this Section 4(a), the Company shall compensate you at your most recent base salary, subject to usual withholdings, to be paid on normal pay cycles, during the remainder of the Restricted Period. The foregoing payments will be made to you solely to the extent that severance or other termination payments are not paid to you during the remainder of the Restricted Period. Nothing herein shall impact or limit your right to receive any severance payments and benefits pursuant to the terms of your offer letter, except that it is expressly understood and agreed that (i) you will not be entitled to receive payments pursuant to this paragraph during any period you are receiving severance or other termination payments and (ii) your receipt of any severance or other termination payments shall not impact the Company’s right to enforce its rights under this Section 4(a) or otherwise.

You agree that if you are offered and desire to accept employment with, or provide consulting services to, another business, person or enterprise, including, but not limited to, a “competitor,” during the Restricted Period, you will promptly inform Tapestry’s Global Human Resources Officer, in writing, of the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, and the proposed starting date of that employment or consulting services. You also agree that you will inform that prospective employer or entity of the terms of these provisions. Failure to abide by the requirements of this Section 4(a) will also be deemed a failure to provide the required advance written notice set forth above under **Notice of Intent to Terminate Employment**.

(b) Non-Solicitation. You agree that during the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, without the prior written consent of the Company, hire or attempt to hire, employ or solicit for employment, consulting or other service, any officer, employee or agent of the Tapestry Group (each, a “Protected Person”), or encourage, persuade or induce any Protected Person to terminate, diminish or otherwise alter such Protected Person’s relationship with the Tapestry Group.

For purposes of this Section 4(b) and to avoid any ambiguity, you and the Company agree that it will be a rebuttable presumption that you solicited any Protected Person if such Protected Person commences employment or other service for or on behalf of you or any entity to which you provide services or terminates, diminishes or otherwise alters such Protected Person's relationship with the Tapestry Group prior to the end of the Restricted Period.

(c) Non-Interference. During the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, whether as an employee, owner, stockholder, partner, director, officer, consultant, advisor or otherwise, assist, attempt to or encourage (i) any vendor, supplier, customer or client of, or any other person or entity in a business relationship with the Tapestry Group to terminate, reduce, limit or otherwise alter such relationship, whether contractual or otherwise, (ii) any prospective vendor, supplier, customer or client not to enter into a business or contractual relationship with the Tapestry Group or (iii) to impair or attempt to impair any relationship, contractual or otherwise, between the Tapestry Group and any vendor, supplier, customer or client or any other person or entity in a business relationship with the Tapestry Group.

(d) Remedies. You acknowledge that compliance with Section 4 is necessary to protect the business, good will and proprietary and confidential information of the Tapestry Group and that a breach or threatened breach of any provision in Section 4 will irreparably and continually damage the Tapestry Group, for which money damages may not be adequate. Accordingly, in the event that you breach any provision in Section 4, you will forfeit any remaining earned but unpaid bonus and the Company shall be entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company. In addition, the Company will be entitled to preliminarily or permanently enjoin you from violating Section 4 in order to prevent the continuation of such harm.

(e) Reasonableness of Restrictions. You acknowledge: (i) that the scope and duration of the restrictions on your activities under Section 4 are reasonable and necessary to protect the legitimate business interests, goodwill and confidential and proprietary information of the Tapestry Group; (ii) that the Tapestry Group does business worldwide and, therefore, you specifically agree that, in order to adequately protect the Tapestry Group, the scope of the restrictions in this provision is reasonable; and (iii) that you will be reasonably able to earn a living without violating the terms of these provisions.

(f) Judicial Modification. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable, the remainder of such covenants and parts thereof shall not thereby be affected and shall be given full effect, without regard to the invalid portion. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable because of the geographic or temporal scope of such provisions, such court shall reduce such scope to the minimum extent necessary to make such covenants valid and enforceable. You agree that in the event that any court of competent jurisdiction finally holds that any provision of Section 4 constitutes an unreasonable restriction against you, such provision shall not be rendered void but shall apply to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances.

5. **Other Terms and Conditions of Employment**

If you accept the Company's offer, our relationship is "employment-at-will." That means you are free, at any time, for any reason, to end your employment with the Company and that the Company may do the same, subject to the advance notice requirements set forth above under **Notice of Intent to Terminate Employment**. You hereby represent and warrant that you are not currently, and have never been, the subject of any allegation or complaint of harassment, discrimination, retaliation, or sexual or other misconduct in connection with prior employment or otherwise, and have not been a party to any settlement agreement or nondisclosure agreement relating to such matters (the "Representations").

For the purposes of this letter, termination for "cause" means a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Company's Code of Conduct, employee guides, or any other written policies or procedures of the Company, which is not remedied within 30 days of written notice to you, via email, (ii) your violation of any of the Company's policies regarding sexual harassment and misconduct, (iii) your indictment, conviction of, or plea of guilty or *nolo contendere* to, a felony or a crime involving moral turpitude, (iv) your willful or grossly negligent breach of your duties, (v) any act of fraud, embezzlement or other similar dishonest conduct, (vi) any act or omission that the Company determines could have a material adverse effect on the Company, including without limitation, its reputation, business interests or financial condition, which is not remedied within 30 days of written notice to you, via email (vii) your failure to follow the lawful directives of your supervisor, which is not remedied within 30 days of written notice to you, via email, (viii) your breach of this offer letter or any other written agreement between you and the Company or any of its affiliates, which is not remedied within 30 days of written notice to you, via email or (ix) your breach of the Representations set forth in this Section 5 above or the Restrictive Covenants set forth in Section 4 above.

For any dispute arising between the parties regarding or relating to this letter and/or any aspect of your employment, the parties hereby consent to the exclusive jurisdiction in the state and Federal courts located in New York, New York. This Agreement will be construed and enforced in accordance with the laws of the state of New York, without regard to conflicts of laws principles.

You have "Good Reason" to resign your employment upon the occurrence of the following without your consent: (i) material diminution of position and title "Chief Operations Officer," or comparable role; or (ii) relocation of the Company's executive offices more than 50 miles outside of New York, New York; provided however, that notwithstanding the foregoing you may not resign your employment for Good Reason unless: (x) you provide the Company with at least 30 days prior written notice of your intent to resign for Good Reason (which notice is provided not later than the 60th day following the occurrence of the event constituting Good Reason) and (y) the Company does not remedy the alleged violation(s) within such 30-day period.

Our agreement regarding employment-at-will may not be changed, except specifically in writing signed by both the Chief Executive Officer and you. However, the Company may in its discretion add to, discontinue, or change compensation, duties, reporting lines, Company committees, Section 16 and/or executive officer status, benefits and policies. Nothing in the preceding two sentences shall be construed as diminishing the financial obligations of either of the parties hereunder, including, without limitation, the Company's obligations to pay salary, bonus, equity compensation, severance etc., pursuant to the pertinent provisions set forth above. All payments made hereunder are subject to the usual withholdings required by law. In the event of a breach by you of any provision of this offer letter and/or any of the Company policies which are included herewith, you agree to reimburse the Company for any and all

reasonable attorney's fees and expenses related to the enforcement of this agreement, including, but not limited to, the clawback of gains specified hereunder.

Our offer of employment is contingent on the following:

- Formal ratification of this agreement by the Human Resources Committee;
- You passing a credit/background check and verification of your identity and authorization to be employed in the United States;
- Your returning a signed copy of this offer letter by **May 8, 2019**;
- Your agreement to be bound by, and adhere to, all of the Company's policies in effect during your employment with the Company, including, but not limited to, the Executive Stock Ownership Policy, Incentive Repayment Policy, Code of Conduct, and our Confidentiality, Information Security and Privacy Agreement; and
- The terms and conditions of individual equity award agreements.

Agreed and Accepted by:

/s/ Thomas Glaser_____ 5/8/19_____
Thomas Glaser Date

EXHIBIT A

Competitor List
(as of April 2019)

Adidas AG

Burberry Group PLC

Capri Holdings Limited

Cole Haan LLC

Compagnie Financiere Richemont SA

Fast Retailing Co., Ltd.

Fung Group

G-III Apparel Group, Ltd.

The Gap, Inc.

Kering

L Brands, Inc.

LVMH Moet Hennessy Louis Vuitton SA

Prada, S.p.A.

Proenza Schouler, LLC

PVH Corp.

Rag & Bone, Inc.

Ralph Lauren Corporation

Tory Burch LLC

Tumi Holdings, Inc.

V.F. Corporation

TAPESTRY, INC.
SEVERANCE PAY PLAN
FOR VICE PRESIDENTS AND ABOVE
AND
SUMMARY PLAN DESCRIPTION

(Amended and Restated Effective as of May 9, 2019)

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TAPESTRY, INC.
SEVERANCE PAY PLAN FOR VICE PRESIDENTS AND ABOVE
AND SUMMARY PLAN DESCRIPTION

(Amended and Restated as of May 9, 2019)

SECTION 1
INTRODUCTION

1.1 Purpose

Tapestry, Inc. (the "Company") has established the Tapestry, Inc. Severance Pay Plan For Vice Presidents and Above, as amended (the "Plan"), to enable the Company and its subsidiaries and affiliates to provide severance benefits to eligible employees, as defined in section 2 below, who are at or above the Corporate job level of Vice President (a "Key Executive") and who involuntarily terminate employment. Severance benefits for eligible employees shall be determined exclusively under the Plan. It is the intent of the Company that the Plan, as set forth herein, constitute an "employee welfare benefit plan" within the meaning of Section 3(1) of the Employee Retirement Income Act of 1974, as amended ("ERISA") and comply with the applicable requirements of ERISA.

In furtherance of the purposes of said Plan and in order to amend said Plan in certain respects, the Plan is hereby amended and restated in its entirety, effective as of May 9, 2019. To the extent applicable, this Plan is intended to comply with all applicable laws, including the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, together with any Department of Treasury regulations and other interpretive guidance issued thereunder (collectively, the "Code"), including without limitation, any such regulations or other guidance that may be issued after the effective date of this Amendment and Restatement of the Plan ("Section 409A") and shall be interpreted accordingly.

This document constitutes the official plan document and the required summary plan description under ERISA.

1.2 Effective Date, Plan Year

The Plan was established as of June 29, 2000. A "Plan Year" is the 12-month period beginning on January 1 and ending on the following December 31.

1.3 Tapestry, Inc.

Tapestry, Inc. is referred to herein as the Company. "Employer" shall include the Company and any entity that is under common control with Tapestry, Inc. (under the rules of Section 414(b), (c) or (m) of the Code) that is authorized by Tapestry, Inc. to participate in the Plan. Such authorization by Tapestry, Inc. shall be in a writing signed by Tapestry, Inc.'s Global Human Resources Officer or their designee with the writing specifically referencing participation in the Plan.

1.4 Administration

The Plan is administered by the Tapestry, Inc. Welfare Plan Committee, which may be referred to herein as the "Plan Administrator." The Welfare Plan Committee shall be appointed by the person holding the title of Global Human Resources Officer, or, if there is no employee holding such title, the person acting in that capacity or holding a successor title, as appropriate. The person appointing the Welfare Plan Committee may, but is not required to, appoint herself or himself to the Committee. The Welfare Plan Committee, from time to time, may adopt such rules and regulations as may be necessary or desirable for the proper and efficient administration of the Plan and as are consistent with the terms of the Plan. The Welfare Plan Committee, from time to time, may also appoint such individuals to act as the Committee's representatives as the Committee considers necessary or desirable for the effective administration of the Plan. In administering the Plan, the Welfare Plan Committee shall have the discretionary authority to construe and interpret the provisions of the Plan and make factual determinations thereunder, including the authority to determine the eligibility of employees and the amount of benefits payable under the Plan.

SECTION 2
ELIGIBILITY FOR PARTICIPATION

Each employee of an Employer who is employed as a Key Executive of the Company (excluding corporate officers who are not on a United States payroll of Tapestry, Inc.,) shall become a "Participant" in the Plan on his date of hire, or, if later, the date he becomes a Key Executive and shall continue as a Participant in the Plan until the date he is no longer a Key Executive; provided, that this Plan does not apply to anyone not on a United States payroll system of the Tapestry, Inc. as of the date of termination of employment, and such individuals shall not be Participants for purposes of this Plan. However, the Plan is intended to cover only employees who are in a select group of management or highly compensated employees within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1); and, accordingly, if any interpretation is issued by the Department of Labor that would exclude any Key Executive from satisfying that requirement, such Key Executive immediately will cease to be a participant in this Plan and will instead become a participant in the Tapestry, Inc. Severance Pay Plan, as it may be amended from time to time. No other employee shall be eligible to participate in the Plan.

SECTION 3
PLAN BENEFITS

3.1 Eligibility for Benefits

Subject to the conditions and limitations of the Plan, a Participant whose employment with the Employer is involuntarily terminated due to a Qualifying Termination (as defined below) and who timely executes, delivers and does not revoke a proper release provided by his Employer as set forth in subsection 4.1, will be entitled, subject to subsection 3.6, to receive a benefit commencing on the Payment Commencement Date (as defined in subsection 4.2) equal to one (1) month of base

pay for each full year of service. Notwithstanding the foregoing, in no event shall the benefits payable to a Participant pursuant to this subsection 3.1 be more than an amount equal to twelve (12) months of base pay or less than an amount equal to six (6) months of base pay (such number of months of base pay included in the calculation of a Participant's benefits under this subsection 3.1, the "Salary Continuation Period"). For purposes of determining years of service, partial years of service will be rounded up at six months of service time (e.g., 9 years and 7 months of service would be rounded up to 10 years of service). Only the Participant's base rate of pay on the date of the Involuntary Termination will be used to determine the Participant's benefits under the Plan. Commissions, bonuses, and all other allowances shall not be considered when determining a Participant's benefits under the Plan.

For purposes of this subsection 3.1, a "Qualifying Termination" shall mean a termination of a Participant's employment by the Company due to (a) the elimination of the Participant's position; (b) any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate; or (c) Participant's being included in a reduction-in-force or similar termination program affecting the Participant and other employees of the Company other than the Participant (any such termination of employment which constitutes an "involuntary separation from service" within the meaning of Section 1.409A-1(n) of the Department of Treasury Regulations, an "Involuntary Termination"). Notwithstanding the foregoing, a Qualifying Termination shall not include (x) a termination of the Participant's employment by the Company for Proper Cause (as defined below); (y) a termination of the Participant's employment by the Participant for any reason; or (z) a termination of the Participant's employment by the Company due to the Participant's failure to perform the duties of the Participant's position. All determinations as to whether a Participant's employment with the Company has terminated and whether a particular termination of employment shall be considered a Qualifying Termination shall be made by the Plan Administrator in its sole discretion.

Subject to the conditions and limitations of any applicable supplement to the Plan, for purposes of this subsection 3.1, a termination of employment for "Proper Cause" shall include (but shall not be limited to) termination of employment for any willful or grossly negligent breach of the Participant's duties as an employee of the Employer and termination for fraud, embezzlement or any other similar dishonest conduct, or for violation of Employer's rules of conduct.

3.2 Certain Repayments and Forfeitures

Notwithstanding any other provision of the Plan, any Participant who accepts benefits under the Plan shall reimburse the Employer for the full amount of any benefits he received under the Plan if the Participant subsequently discloses any of the Employer's or the Company's trade secrets, violates any written covenants between such Participant and the Employer or the Company, violates the Employer's or the Company's confidentiality policy (or a confidentiality agreement with the Employer or the Company), or otherwise engages in conduct that may adversely affect the Employer's or the Company's reputation or business relations. In addition, any Participant described in the preceding sentence shall forfeit any right to benefits under the Plan which have not yet been paid.

3.3 Offset for Other Benefits or Amounts Due

The amount of any benefits payable to a Participant under the Plan shall be reduced on a dollar-for-dollar basis by any disability, severance, separation or termination pay benefits that the Employer or the Company pays or is required to pay to such Participant through insurance or otherwise under any plan or contract of the Employer or the Company or under any federal or state law. In addition, the Employer reserves the right to reduce the amount of benefits payable to a Participant under the Plan by the amount, if any, that a Participant owes the Employer or the Company. Notwithstanding the foregoing, any such reductions in the amount of any benefits payable under the Plan may occur only if it would not result in an impermissible acceleration under Section 409A.

3.4 Employment With a Competitor

Each Participant shall be restricted from counseling, advising, becoming employed by a competitor of the Company or providing any and all services to a competitor of the Company for twelve (12) months from the date on which Participant's release agreement as defined in subsection 4.1 has become irrevocable. In the event the Participant fails to comply with such restriction, all unpaid benefits under the Plan shall be forfeited, no further benefits shall be paid under the Plan, and Participant shall be required to reimburse the Company the full amount of any and all benefits paid under the Plan. The Company has the discretion to determine whether an entity is a "competitor" for purposes of this provision. In making such determination, the Company shall take into consideration the trade or business of the entity, the Participant's position with the Employer and the business objectives of the Company or the Employer.

3.5 Continuation Coverage Benefits

If a Participant elects to continue health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and timely executes, delivers and does not revoke a proper release provided by the Company and/or his Employer as set forth in subsection 4.1, the Employer will subsidize the premium for such continuation coverage during the Salary Continuation Period to the extent that the Participant would otherwise be required to pay more for such coverage during such period than a similarly situated active employee would be required to pay for comparable coverage. After the end of the Salary Continuation Period, the Participant will be required to pay the full premium for any remaining COBRA continuation coverage, plus any applicable administrative fee that may be added to the COBRA premium amount. The payment of benefits under the Plan shall in no way affect a Participant's COBRA coverage which coverage shall terminate in accordance with the COBRA coverage provisions of the Employer's health plans covering the Participant. The benefits provided to the Participant under this subsection 3.5, with respect to the period of time during which the Participant would be entitled to COBRA continuation coverage, are intended to qualify for the exception from deferred compensation as a medical benefit provided in accordance with the requirements of Treasury Regulation Section 1.409A-1(b)(9)(v)(B).

3.6 Six-Month Delay for any Specified Employee

Notwithstanding any provisions of the Plan to the contrary, if a Participant is deemed at the time of his Involuntary Termination to be a "specified employee" for purposes of Section 409A(a)

(2)(B)(i) of the Code, and as determined pursuant to applicable resolutions of the Board of Directors or as otherwise permitted by Section 409A, to the extent delayed commencement of any portion of the benefits to which the Participant is entitled under the Plan (after taking into account all exclusions applicable to such termination benefits under Section 409A) is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of such Participant's benefits shall not be provided to the Participant prior to the earlier of (a) the expiration of the six-month period measured from the date of the Participant's "separation from service" with the Employer (as such term is defined in the Department of Treasury Regulations issued under Section 409A) or (b) the date of the Executive's death. Any remaining payments due under the Plan shall be paid as otherwise provided in Section 3 of the Plan. For purposes of Section 409A, the Executive's right to receive installment payments pursuant to Section 3 shall be treated as a right to receive a series of separate and distinct payments.

SECTION 4
PAYMENT OF BENEFITS

4.1 Release Agreement

No benefits under the Plan shall be payable to any Participant until such Participant and the Company and/or the Employer have executed, and the Participant has not revoked, a separation and release agreement (provided by and acceptable to the Company and Employer) including a release of all of such Participant's then existing rights and legal claims against the Employer and the Company. The deadline (the "Release Deadline") by which the release must have been executed by the Participant and become irrevocable shall be a date no earlier than the date required by the Older Workers' Benefit Protection Act for consideration and non-revocation of such release and no later than the 60th day following the date of such Participant's Involuntary Termination (and if no deadline is specified in such release, the Release Deadline will be the 60th day following the date of such Participant's Involuntary Termination). The payment of benefits under the Plan shall be subject to the terms and conditions of such release agreement and the terms and conditions of a Participant's release agreement, with respect to the payment of severance benefits, are incorporated by this reference and form a part of the Plan as applied to such Participant. Such release shall be provided by the Company to the Participant on or about the date of the Participant's termination of employment.

4.2 Form of Payment

Subject to subsection 3.6 and subsection 4.1 and all other conditions and limitations elsewhere in the Plan, benefits shall be paid in equal installments according to the Employer's normal payroll schedule commencing with the date (the "Payment Commencement Date") immediately following the date the Participant's executed release becomes irrevocable; provided, however, that if the Release Deadline falls in the calendar year following the calendar year in which the Participant's employment terminates, then benefits shall commence no earlier than January 1st of the calendar year following the year in which such termination of employment occurs; provided, further, that all benefit payments to a Participant must be completed within 24 months following the date on which the Participant's employment terminates; and, provided, further, that the Company may, in its sole discretion, pay benefits to a Participant in a single-lump sum to the extent that such

lump-sum payment would qualify as a "limited cashout" within the meaning of Treasury Regulation Section 1.409A-3(j)(4)(v) or would otherwise not cause the Plan and benefit payments hereunder to cease to be exempt from, or in compliance with, Section 409A. In the event of a Participant's death before he receives all benefits to which he otherwise would be entitled under the Plan, payment of his benefits shall be made by the Company to his estate under the applicable laws of descent and distribution, in a lump sum, as soon as administratively practicable and in any event within 90 days following the date of such Participant's death; provided, however, that the Plan Administrator may permit the Participant to designate a beneficiary to whom his benefits hereunder shall be paid in accordance with such procedures as shall be established by the Plan Administrator in its sole discretion.

SECTION 5
FINANCING PLAN BENEFITS

All benefits payable under this Plan shall be paid directly by the Employer out of its general assets. The Employer shall not be required to segregate on its books or otherwise any amount to be used for the payment of benefits under this Plan.

SECTION 6
REEMPLOYMENT

If a Participant who is entitled to receive benefits under the Plan is reemployed by an Employer, the Company, any enterprise in which the Company owns an interest or any acquirer of all or a portion of an Employer or the Company (whether by stock or assets), before all his benefits have been paid, any benefits remaining to be paid will be forfeited.

If a former employee of the Company is rehired by the Company and subsequently becomes a Participant, such individual's years of service worked prior to his or her initial termination date shall be taken into account only if such Participant voluntarily terminated with the Company and was rehired within twelve (12) months of such initial termination date. In all other cases, a Participant's years of service shall be determined from the Participant's most recent date of hire. In no event shall a severance pay benefit be payable with respect to any year of service for which the Participant has previously received severance pay under this Plan or any other severance or separation pay plan sponsored by the Company or any enterprise in which the Company owns an interest, either directly or indirectly.

SECTION 7
MISCELLANEOUS

7.1 Information to be Furnished by Participants

Each Participant must furnish to his Employer such documents, evidence, data or other information as the Employer considers necessary or desirable for the purpose of administering the Plan. Benefits under the Plan for each Participant are provided on the condition that he furnishes

full, true and complete data, evidence or other information, and that he will promptly sign any document related to the Plan, requested by his Employer.

7.2 Employment Rights

The Plan does not constitute a contract of employment and participation in the Plan will not give a Participant the right to be rehired or retained in the employ of an Employer on a full-time, part-time or any other basis or to be retrained by the Employer, nor will participation in the Plan give any Participant any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan.

7.3 Decisions Final

Any interpretation of the Plan and any decision on any matter within the discretion of the Plan Administrator, Company and/or Employer made by the Plan Administrator, Company and/or Employer in good faith is binding on all persons.

7.4 Evidence

Evidence required of anyone under the Plan may be by certificate, affidavit, document or other information which the person relying thereon considers pertinent and reliable, and signed, made or presented by the proper party or parties.

7.5 Uniform Rules

In managing the Plan, the Plan Administrator will apply uniform rules to all Participants similarly situated.

7.6 Gender and Number

Where the context admits, words in the masculine gender shall include the feminine and neuter genders, the plural shall include the singular and the singular shall include the plural.

7.7 Action by Company

Any action required of or permitted by the Company under the Plan shall be by resolution of its Board of Directors, by resolution of a duly authorized committee of its Board of Directors, or by a person or persons authorized by resolutions of its Board of Directors or such committee.

7.8 Controlling Laws

Except to the extent superseded by ERISA, the internal laws of the state of New York, without regard to any conflict of laws provisions, shall be controlling in all matters relating to the Plan.

7.9 Interests Not Transferable

Subject to subsection 3.4, the interests of persons entitled to benefits under the Plan are not subject to their debts or other obligations and, except as may be required by the tax withholding provisions of the Internal Revenue Code or any state's income tax act, or pursuant to an agreement between a Participant and the Company, may not be voluntarily sold, transferred, alienated, assigned or encumbered.

7.10 Mistake of Fact

Any mistake of fact or misstatement of fact shall be corrected when it becomes known and proper adjustment made by reason thereof.

7.11 Severability

In the event any provision of the Plan shall be held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if such illegal or invalid provisions had never been contained in the Plan.

7.12 Withholding

The Employers reserve the right to withhold from any amounts payable under this Plan all federal, state, city and local taxes as shall be legally required and any applicable insurance or health coverage premiums, as well as any other amounts authorized or required by Employer policy including, but not limited to, withholding for garnishments and judgments or other court orders.

7.13 Effect on Other Plans or Agreements

Payments or benefits provided to a Participant under any employer stock, deferred compensation, savings, retirement or other employee benefit plan are governed solely by the terms of such plan. Any obligations or duties of a Participant pursuant to any non-competition or other agreement with the Company or an Employer shall be governed solely by the terms of such agreement and shall not be affected by the terms of this Plan.

SECTION 8
ERISA PROVISIONS

As used in this Section 8, "you" and "your" refers to a Key Executive, a Participant or a person claiming Plan benefits or payments through a deceased Participant or Key Executive. This Section 8 provides information to you in accordance with ERISA.

8.1. Claim Procedure

You will automatically receive any benefits set forth under Section 3 of the Plan for which you are entitled. If you feel you have not been provided with all benefits to which you are entitled under the Plan, you must file a written claim with the Plan Administrator with respect to your rights to receive benefits from the Plan. All claims involving eligibility for benefits under the Plan must be submitted to the Plan Administrator within 180 days of your termination of employment. All other claims must be submitted to the Plan Administrator within 180 days of the date you know (or

should have known) that the Plan Administrator disagrees with your position regarding the subject of the claim. You cannot file suit or demand arbitration if you have not filed a timely claim and completed the claims and appeals process.

You will be informed of the Plan Administrator's decision with respect to your claim within 90 days after the Plan Administrator's receipt of the claim. Under special circumstances, the Plan Administrator may require an additional period of not more than 90 days to review your claim. If this occurs, you will be notified in writing prior to the termination of the initial 90-day period of the reason for the extension and the date by which the Plan Administrator expects to render a decision.

If your claim is denied, in whole or in part, you will be notified in writing of the specific reason for the denial, the exact Plan provision on which the decision was based, a description of the additional material or information that is relevant to your claim, and a description of the procedure and time limits you must follow to have your claim reviewed again, including a statement of your right to bring a civil action under ERISA Section 502 following an adverse benefit determination on review. If you are not notified within the 90-day (or 180-day, if extended) period that your claim has been denied, your claim will be deemed to have been denied by the Plan Administrator.

You have 60 days to appeal the decision of the Plan Administrator denying your claim in whole or in part (or the deemed denial of your claim, if applicable). Your appeal must be submitted in writing. Upon request and free of charge, you are entitled to copies of all documents, records, and other information relevant to your claim. You may submit a written statement of issues and comments, and such issues and comments will be taken into consideration without regard to whether such information was submitted or considered in the initial benefit determination.

A decision as to your appeal will be made within 60 days after the Plan Administrator receives the request for a review of the claim. Under special circumstances, the Plan Administrator may require an additional period of not more than 60 days to review your appeal. If this occurs, you will be notified in writing prior to the termination of the initial 60-day period of the reason for the extension and the date by which the Plan expects to render a decision.

If your appeal is denied, in whole or in part, you will be notified in writing of the specific reason for the denial, the exact Plan provision on which the decision was based, a statement of your ability to receive upon request and free of charge, reasonable access to and copies of all documents relevant to your claim, and a statement of your right to bring a civil action under ERISA Section 502 following an adverse benefit determination on review. If you are not notified within the 60-day (or 120-day, if extended) period that your appeal has been denied, you may consider your appeal to have been denied.

Notwithstanding any provisions in the Plan to the contrary, you must exhaust all administrative remedies under the Plan and described herein prior to filing a lawsuit or demanding arbitration because of a claim denial, including but not limited to, the claim procedure described above.

If your appeal is denied in whole or in part, you have the right to file a lawsuit under Section 502(a) of ERISA, subject to your right and the right of the Plan Administrator to demand arbitration in lieu of litigating the matter in court. Any arbitration will be conducted pursuant to the rules of the American Arbitration Association with respect to commercial transactions (subject to ERISA and the terms of this Plan), and litigation or arbitration cannot be conducted on a class action or other representative basis. Any lawsuit or arbitration proceeding must be brought in the district court for the Southern District of New York (in the case of a lawsuit) or before an arbitrator in New York, New York.

If the appeal is denied in whole or in part, you must file suit or demand arbitration within 180 days of the final denial, or the claim will expire and you will never be able to file suit or demand arbitration. If you did not file a claim and exhaust your administrative remedies, including, but not limited to following the claim procedure described above: (i) you must file any lawsuit or demand arbitration within 180 days of the date you knew (or should have known) that the Plan Administrator disagreed with your position regarding benefits under the Plan or some other matter involving the Plan, and (ii) even if you file the lawsuit or demand arbitration within that 180-day period, the Plan will ask the court or arbitrator to dismiss the claim because you failed to exhaust administrative remedies as required. So long as you file the claim with the Plan Administrator within the 180 day period after you discover (or should have discovered) that the Plan Administrator disagrees with your position regarding benefits under the Plan or some other matter involving the Plan and file a timely appeal if the claim is initially denied, you will always have until 180 days after the claim is denied on appeal to file a lawsuit or demand arbitration.

8.2 Plan Interpretation and Benefit Determination

The Plan is administered and operated by the Plan Administrator, who has complete authority, in its sole and absolute discretion, to construe the terms of the Plan (and any related or underlying documents or policies), to interpret applicable law, to make findings of fact and to determine the eligibility for, and amount of, benefits due under the Plan to Participants or any persons claiming benefits derivatively through them. All such interpretations and determinations of the Plan Administrator (whether of fact or law) will be final and binding upon all parties and persons affected thereby. If challenged in a legal proceeding, the Plan Administrator's interpretations and determinations will be reviewed under the most deferential abuse of discretion standard of review.

If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Plan Administrator in its sole and absolute discretion, the provision shall be considered ambiguous and shall be interpreted by the Plan Administrator in a fashion consistent with its intent, as determined in the sole and absolute discretion of the Plan Administrator.

This Section 8.2 may not be invoked by you or any person to require the Plan to be interpreted in a manner inconsistent with its interpretation by the Plan Administrator.

8.3 Your Rights Under ERISA

You are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants will be entitled to:

(a) examine, without charge, at the Plan Administrator's office, and at other specified locations, all documents governing the Plan; and

(b) obtain copies of all documents governing the Plan upon written request to the Plan Administrator, who may make a reasonable charge for the copies.

In addition to creating rights for you under the Plan, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

If your claim for a benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and the Company to pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits hereunder which is denied or ignored, in whole or in part, you may file suit in a state or federal court after you have completed the Plan’s claim process. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

8.4 Other Important Facts

OFFICIAL NAME OF THE PLAN: Tapestry, Inc. Severance Pay Plan for Vice Presidents and Above

SPONSOR: Tapestry, Inc.
10 Hudson Yards
New York, NY 10001

EMPLOYER IDENTIFICATION NUMBER (EIN): 52-2242751

PLAN NUMBER: 503

TYPE OF PLAN: Employee Welfare Severance Benefit Plan

PLAN YEAR: The Plan Year shall begin on each January 1 and end on each December 31.

TYPE OF ADMINISTRATION: Administered by Plan Administrator

PLAN ADMINISTRATOR: Tapestry, Inc. Welfare Plan Committee
10 Hudson Yards
New York, NY 10001
(212) 594-1850

The Plan Administrator keeps records of the Plan and is responsible for the administration of the Plan. The Plan Administrator also will answer any questions you may have about the Plan.

Service of legal process may be made upon the Plan Administrator at the address specified above.

All benefits under the Plan are paid out of the general assets of the Company or Employer. The Plan is not funded and has no assets.

This document constitutes the plan document required by ERISA Section 402 and the summary plan description required by ERISA Section 102.

SECTION 9
AMENDMENT AND TERMINATION

The Company reserves the right, on a case-by-case basis or on a general basis, to amend the Plan at any time and to alter, reduce or eliminate any benefit under the Plan (in whole or in part)

at any time or to terminate the Plan at any time, as to any class or classes of covered employees (including former or retired employees), without notice. Any amendment or termination of the Plan by the Company shall be made in accordance with the procedures set forth in subsection 7.7.

Notwithstanding the foregoing, if and to the extent the Company shall determine that the terms of the Plan may result in the failure of the Plan, or amounts deferred by or for any Participant under the Plan, to comply with the requirements of Section 409A, the Company shall have authority (without any obligation to do so or to indemnify any Participant for failure to do so) to take such action to amend, modify, cancel or terminate the Plan, or take such other actions as it determines are necessary or appropriate to (a) exempt the Plan from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Plan, or (b) comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under such Section.

* * *

IN WITNESS WHEREOF, pursuant to resolutions of the Human Resources Committee of its Board of Directors dated May 9, 2019, Tapestry, Inc. has caused this Plan document to be amended and restated in its entirety and signed by its duly authorized officer as of May 9, 2019.

TAPESTRY, INC.

By: /s/ Sarah Dunn
Sarah Dunn
Global Human Resources Officer

tapestry

COACH | kate spade | STUART WEITZMAN

June 17, 2019

Joanne Crevoiserat

Dear Joanne,

It is with great pleasure that I confirm our offer to appoint you as Chief Financial Officer of Tapestry, Inc. ("Tapestry" or the "Company"), reporting to the Chief Executive Officer of Tapestry. Upon effectiveness of the appointment, you will be a member of Tapestry's Executive Committee. You will be considered an "officer" under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as an "Executive Officer" of Tapestry pursuant to Rule 3b-7 of the Exchange Act.

This letter details your base salary, bonus opportunity, annual equity opportunity, joining compensation and other benefits. It also lays out the conditions of your employment with Tapestry. If you accept our offer, you agree to start in your new role no later than **August 1, 2019** (the "Effective Date").

1. **Base Salary**

$900,000 per annum.

Your salary will be paid in accordance with the Company's payroll practices, currently bi-weekly, which are subject to change from time-to-time at the discretion of the Company, and will be paid less withholding and deductions authorized under applicable law.

Performance reviews are typically conducted at the end of our fiscal year, which presently runs from approximately July 1 through June 30. Any merit increases for which you may be eligible would be determined at that time, and would take effect in September. You will first be eligible for a merit increase in September 2020.

2. **Incentive Compensation**

You will be eligible to participate in the Company's Performance-Based Annual Incentive Plan ("AIP"), a cash incentive program under which your payout is based on Tapestry's financial performance, subject to its terms and conditions. Your target bonus will be 100% of your salary actually paid during the fiscal year. The actual bonus payout may range from 0% of target for performance below established thresholds to 200% of target for maximum performance, with performance components, measures and target values to be established by the Company's Board of Directors or the Human Resources Committee of the Board of Directors (the

“Committee”). You will first be eligible for the AIP beginning in fiscal year 2020, prorated for the actual time worked, and generally payable in August 2020.

Any AIP bonus is paid within three months of the end of the fiscal year and you must be an employee in good standing with the Company on the AIP bonus payment date in order to be eligible to receive any such AIP bonus payment. If you resign your employment or are terminated for "cause," you are not eligible for this bonus for the fiscal year in which you provide the required notice of your intent to resign your employment (or resign without notice) or your employment is terminated, as applicable. For the purposes of this letter, termination for “cause” is defined in the Addendum. Please refer to the My Pay section of Tapestry’s intranet, the *Loop*, for the governing terms and conditions of the AIP bonus plan. In addition, Tapestry’s Board of Directors has adopted an incentive repayment policy (attached) for members of the Executive Committee, which you must sign and return to me coincident with your acceptance of this offer.

3. Equity Compensation

Your compensation package includes a guideline annual equity grant value of $2,000,000, to be granted in a fixed proportion of different equity vehicles, which may include restricted stock units ("RSUs"), performance restricted stock units ("PRSUs"), and/or stock options, as determined annually by the Committee and normally granted in August. Subject to you starting employment with the Company by the Effective Date, your first annual grant will be made in August 2019. Notwithstanding your joining grant outlined below, the current mix of equity vehicles for your role is 20% RSUs, 40% PRSUs and 40% stock options. Currently, PRSUs cliff vest on the third anniversary of the grant date and may vest between 0 to 200% of target shares depending on performance, RSUs vest and stock options are exercisable one fourth each year over four years beginning on the first anniversary of the grant date, in each case, subject to your continued employment or other service with the Company from the grant date to each applicable vesting date. The number of stock options you receive will be based on the grant price (closing price of Tapestry, Inc. stock on the grant date) and on an industry standard valuation model, Black-Scholes, which determines the value of a stock option. The number of RSUs you receive will be based on the grant price. The grant value and vehicle mix of any future equity grants will be determined based on your position, performance, time in job and other criteria Tapestry determines in its discretion, which are subject to change. All equity awards are subject to approval by the Committee.

4. Special New Hire Compensation

You will receive a gross sign-on cash bonus of $700,000, 50% of which will be payable within six (6) weeks of the Effective Date, and 50% on your 6 month anniversary, in each case subject to your continued employment from the Effective Date until payment date and subject to normal tax withholding. In accepting our offer, you agree that you will repay the full amount of your gross sign-on cash bonus if you provide notice of your intent to resign your employment without Good Reason (or resign without notice) at any time within 24 months of your Effective Date, or if your employment is terminated for “cause,” as defined in the Addendum. Full repayment of this gross sign-on bonus must occur within one (1) month of your termination date.

You will receive a joining equity grant in the form of RSUs, with a grant value of $1,600,000, to be made on the first business day of the fiscal month coincident with or following your Effective Date, subject to your continued employment from the Effective Date until grant date. Your

joining grant will vest one fourth each year over four years beginning on the first anniversary of the grant date, in each case, subject to your continued employment or other service with the Company from the grant date to each applicable vesting date. In accepting our offer, you agree that you will repay the Financial Gain (as defined below) of the vested portion of the joining equity grant and forfeit the full amount of the unvested portion(s) if you provide notice of your intent to resign your employment without Good Reason (or resign without notice) at any time within 24 months of your Effective Date, or if your employment is terminated for “cause,” as defined in the Addendum. “Financial Gain” shall equal, on each vesting date, the fair market value of the Company’s 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). Full repayment of the Financial Gain of the vested portion(s) of the joining equity grant must occur within one (1) month of your termination date. At any time within 24 months of your Effective Date should your employment at the Company cease involuntarily for any reason other than for "cause" (e.g., position elimination) or if you resign for “Good Reason,” each as defined in the attached Addendum, and subject to your compliance with the Restrictive Covenants set forth in Section 4 in the attached Addendum, the first two tranches of your joining equity grant, to the extent one or both are unvested on the date of termination, will continue to vest according the original vesting schedule of such grant, provided, however, no portion of the joining equity grant shall be eligible to vest or be distributed prior to end of the six-month period following your involuntary termination other than for “cause” or your resignation for “Good Reason” (or if earlier, the date of your death) to the extent required to comply with Section 409A (as defined below). Any portion of the joining equity grant that would have vested and been distributed to you prior to the end of the six-month period shall be distributed to you as soon as reasonably practicable following the expiration of the six-month period but in no event later than thirty days following the end of the six-month period.

You are subject to the terms and conditions of the grant agreements, including, but not limited to, the provisions relating to claw back of equity gains in certain post-employment scenarios. Notwithstanding anything to the contrary in this letter, the terms of the Tapestry, Inc. 2018 Stock Incentive Plan (as it may be amended from time to time, the "Stock Plan") and related grant agreements, as they may be changed from time to time, are controlling.

5. Severance

If your employment at the Company should cease involuntarily for any reason other than for "cause" (e.g., position elimination) or if you resign for “Good Reason,” each as defined in the attached Addendum, and subject to compliance with the Restrictive Covenants set forth in Section 4 in the attached Addendum, you will be eligible to receive (i) twelve (12) months of base salary under the Company’s Severance Pay Plan, subject to its terms and conditions (including with regard to the time and form of payment), and (ii) payment on the regular payout date of any AIP bonus which was earned and payable for the prior fiscal year (and is actually paid to Tapestry employees for such fiscal year) based on Tapestry’s financial performance, as established by the Company’s Board of Directors or the Committee, which has not been paid as of the date of termination, provided that your date of termination is after the end of the fiscal year during which such AIP bonus is earned. For more information, please view the severance plan document on the *Loop* or contact Human Resources. To receive separation pay, you will be required to sign a waiver and release agreement in the form provided by the Company. This

agreement will include restrictions on your ability to compete with the Company and solicit Company employees, customers and vendors.

6. Section 409A of the Internal Revenue Code

It is expressly intended and contemplated that this letter comply with the provisions of Section 409A of the Code and the applicable guidance thereunder ("Section 409A") and that the payments hereunder will either be exempt from Section 409A or will comply with the provisions of Section 409A. This letter will be administered and interpreted in a manner consistent with this intent, and, notwithstanding any provision of this letter to the contrary, in the event that the Company determines that any amounts payable hereunder would be immediately taxable to you under Section 409A, the Company reserves the right (without any obligation to do so or to indemnify you for failure to do so) to amend this letter to satisfy Section 409A or be exempt therefrom (which amendment may be retroactive to the extent permitted by Section 409A).

Notwithstanding any other provision of this letter, if you are a "specified employee" within the meaning of Treas. Reg. §1.409A-1(i)(1), then the payment of any amount or the provision of any benefit under this letter which is considered deferred compensation subject to Section 409A shall be deferred for six (6) months after your "separation from service" or, if earlier, the date of your death to the extent required by Section 409A(a)(2)(B)(i) (the "409A Deferral Period"). In the event payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum on the Company's first standard payroll date that arises on or after the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. For purposes of any provision of this letter providing for reimbursements to you, such reimbursements shall be made no later than the end of the calendar year following the calendar year in which you incurred such expenses, and in no event shall the unused reimbursement amount during one calendar year be carried over into a subsequent calendar year. For purposes of this letter, you shall not be deemed to have terminated employment unless you have a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h). All rights to payments and benefits under this letter shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A. 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 the Company or any of its affiliates, employees or agents.

7. **Benefits**

Your other major benefits will include medical, dental, vision, retirement savings, life insurance, short and long term disability, Employee Stock Purchase Plan, employee discount program and 25 business days of vacation per calendar year, as generally provided by the Company to employees at a comparable level in accordance with the plans, practices and programs of the Company, and subject to your satisfaction of applicable eligibility requirements. These benefits are subject to change from time-to-time in the discretion of the Company. We are enclosing a summary of benefits highlighting these programs in Your Tapestry Benefits Overview.

8. **Relocation**

You are eligible for relocation under the Tapestry Relocation Policy. Please see the enclosed packet of information. Upon your acceptance, a member of the Human Resources Global Mobility team will be in touch with you to get started. Should you provide notice of your intent to resign your employment (or resign without notice) at any time within 24 months of your Effective Date, or if your employment is terminated for "cause," as defined in the Addendum, Tapestry may require you to repay relocation expenses. You will be required to sign a repayment agreement prior to receiving relocation benefits.

9. **Confidentiality**

The Company believes strongly in respecting the proprietary rights of third parties and expects each of its employees to honor their confidentiality obligations to former employers. Accordingly, we expect you to fully comply with any and all obligations you may have, including non-compete, non-solicitation and confidentiality obligations.

By accepting this offer, you are confirming your representation to the Company that you are not subject to any existing non-compete obligations with your current or former employer that would prevent you from commencing employment with the Company on the Effective Date without restriction or penalty. Further, you are confirming your representation that you are currently in compliance with any non-solicitation obligation(s) you have with respect to your current or former employer and that you have not had any discussions with anyone or referred any individuals to the Company in violation of those obligations. The Company does not want, and specifically instructs you not to violate any non-solicitation obligations you may have with respect to your current and former employers and to maintain in confidence, and not destroy, delete or alter, information that is confidential and/or proprietary to your current and former employers. As a reminder, we are offering you this position based upon your talent and the skills you have acquired throughout your career.

As an employee of the Company, and as a part of this offer, you will be subject to the various policies set forth in the attached Addendum, as well as those set forth in the Your Tapestry Benefits Overview that accompanies this offer. Such policies include, but are not limited to, the following:

- Incentive Repayment Policy;
- Executive Stock Ownership Policy;
- Notice of Intent to Terminate Employment;
- Post-Employment Restrictions;
- Code of Conduct;

- Confidentiality, Information Security and Privacy Agreement; and
- Other Terms and Conditions of Employment.

By accepting this offer, you are also expressly accepting and agreeing to be bound by and adhere to the Company policies set forth in the attached Addendum and in the packet of materials that accompany this offer letter. This letter, along with the documents attached hereto or referred to herein, constitute the entire agreement and understanding between you and the Company with respect to your employment, and supersedes all prior discussions, promises, negotiations and agreements (whether written or oral) between you and the Company.

Joanne, we are excited at the prospect of your joining us. This letter and the documents provided herewith constitute the Company's entire offer. As you review this offer, please feel free to contact me with any questions. To accept the offer, and acknowledge you are not relying on any promise or representation that is not contained in this letter, please sign in the space below and return one of the attached copies to me no later than **June 17, 2019**.

Sincerely,

_/s/ Sarah Dunn_____
Sarah J. Dunn
Global Human Resources Officer
Tapestry, Inc.

Agreed and accepted by:

/s/ Joanne Crevoiserat_____ _6/17/19_____
Joanne Crevoiserat Date

ADDENDUM
COMPANY POLICIES & CONDITIONS OF EMPLOYMENT

As an employee of Tapestry, Inc. (the "Company"), you will be subject to the following policies. Please sign the acknowledgement at the end noting your understanding and agreement.

1. **Incentive Repayment Policy**

Tapestry's Board of Directors has adopted an incentive repayment policy affecting all performance-based compensation that the Company pays to members of its Executive Committee. Information on this policy is attached. You agree that you remain subject to this repayment policy and that it may change from time-to-time as the Committee deems appropriate and/or as is required by law.

2. **Executive Stock Ownership Policy**

Tapestry's Board of Directors has implemented a stock ownership policy for all "Key Executives" and Directors. Information on this policy and the required amounts of stock ownership for your position is attached. As a Key Executive and Section 16(b) officer you will be required to obtain pre-approval of all Tapestry stock transactions from the Tapestry Law Department and Tapestry's CEO.

3. **Notice of Intent to Terminate Employment**

If at any time you elect to terminate your employment with the Company, including a valid retirement from the Company, you agree to provide six (6) months' advance written notice of your intent to terminate your employment and such notice shall be provided via email to the Chief Executive Officer and Global Human Resources Officer of Tapestry. Such notice shall include, if applicable, the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, as well as the proposed starting date of that employment or consulting services. After you have provided your required notice, you will continue to be an employee of the Company. Your duties and other obligations as an employee of the Company will continue and you will be expected to cooperate in the transition of your responsibilities. The Company shall, however, have the right in its sole discretion to direct that you no longer come to work or to shorten the notice period. Nothing herein alters your status as an employee at-will. The Company reserves all legal and equitable rights to enforce the advance notice provisions of this paragraph. You acknowledge and agree that your failure to comply with the notice requirements set forth in this paragraph shall result in: (i) the Company being entitled to an immediate injunction, prohibiting you from commencing employment elsewhere for the length of the required notice, (ii) the Company being entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company, (iii) the forfeiture of any unpaid bonus as of your last day of employment with the Company, (iv) any unvested equity awards and any vested but unexercised stock option awards held by you shall be automatically forfeited on your last day of employment with the Company, and (v) the Company being entitled to claw back any Financial Gain (as defined below) you realize from the

vesting of any Tapestry equity award within the twelve (12) month period immediately preceding your last day of employment with the Company. “Financial Gain” shall have the meaning set forth in the various equity award grant agreements that you receive during your employment with the Company.

4. Post-Employment Restrictions

(a) Non-Competition. You are prohibited from, directly or indirectly, counseling, advising, consulting for, becoming employed by or providing services in any capacity to a “competitor” (as defined below) of the Company or any of its operating divisions, brands, subsidiaries or affiliates (collectively, the “Tapestry Group”) during your employment and the twelve (12) month period beginning on your last day of employment with the Company (the “Restricted Period”).

“Competitor” includes: the companies, together with their respective subsidiaries, parent entities, and all other affiliates as set forth on Exhibit A, attached hereto (such companies subject to change from time-to-time as posted on Tapestry’s intranet, the *Loop*). In the event your employment is terminated for any reason (other than for “cause,” as defined below), or if you resign for “Good Reason,” and the Company, at its sole discretion, elects to enforce its right to enjoin you from joining a competitor at any time during the Restricted Period, including prohibiting you from engaging in any of the activities prohibited by this Section 4(a), the Company shall compensate you at your most recent base salary, subject to usual withholdings, to be paid on normal pay cycles, during the remainder of the Restricted Period. The foregoing payments will be made to you solely to the extent that severance or other termination payments are not paid to you during the remainder of the Restricted Period. Nothing herein shall impact or limit your right to receive any severance payments and benefits pursuant to the terms of your offer letter, except that it is expressly understood and agreed that (i) you will not be entitled to receive payments pursuant to this paragraph during any period you are receiving severance or other termination payments and (ii) your receipt of any severance or other termination payments shall not impact the Company’s right to enforce its rights under this Section 4(a) or otherwise.

You agree that if you are offered and desire to accept employment with, or provide consulting services to, another business, person or enterprise, including, but not limited to, a “competitor,” during the Restricted Period, you will promptly inform Tapestry’s Global Human Resources Officer, in writing, of the identity of the prospective employer or entity, your proposed title and duties with that business, person or enterprise, and the proposed starting date of that employment or consulting services. You also agree that you will inform that prospective employer or entity of the terms of these provisions. Failure to abide by the requirements of this Section 4(a) will also be deemed a failure to provide the required advance written notice set forth above under **Notice of Intent to Terminate Employment**.

(b) Non-Solicitation. You agree that during the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, without the prior written consent of the Company, hire or attempt to hire, employ or solicit for employment, consulting or other service, any officer, employee or agent of the Tapestry Group (each, a “Protected Person”), or encourage, persuade or induce any Protected Person to terminate, diminish or otherwise alter such Protected Person’s relationship with the Tapestry Group.

For purposes of this Section 4(b) and to avoid any ambiguity, you and the Company agree that it will be a rebuttable presumption that you solicited any Protected Person if such Protected Person commences employment or other service for or on behalf of you or any entity to which you provide services or terminates, diminishes or otherwise alters such Protected Person's relationship with the Tapestry Group prior to the end of the Restricted Period.

(c) Non-Interference. During the Restricted Period, you will not, directly or indirectly, whether alone or in association with or for the benefit of others, whether as an employee, owner, stockholder, partner, director, officer, consultant, advisor or otherwise, assist, attempt to or encourage (i) any vendor, supplier, customer or client of, or any other person or entity in a business relationship with the Tapestry Group to terminate, reduce, limit or otherwise alter such relationship, whether contractual or otherwise, (ii) any prospective vendor, supplier, customer or client not to enter into a business or contractual relationship with the Tapestry Group or (iii) to impair or attempt to impair any relationship, contractual or otherwise, between the Tapestry Group and any vendor, supplier, customer or client or any other person or entity in a business relationship with the Tapestry Group.

(d) Remedies. You acknowledge that compliance with Section 4 is necessary to protect the business, good will and proprietary and confidential information of the Tapestry Group and that a breach or threatened breach of any provision in Section 4 will irreparably and continually damage the Tapestry Group, for which money damages may not be adequate. Accordingly, in the event that you breach any provision in Section 4, you will forfeit any remaining earned but unpaid bonus and the Company shall be entitled to claw back any bonus paid to you within 180 days of your last day of employment with the Company. In addition, the Company will be entitled to preliminarily or permanently enjoin you from violating Section 4 in order to prevent the continuation of such harm.

(e) Reasonableness of Restrictions. You acknowledge: (i) that the scope and duration of the restrictions on your activities under Section 4 are reasonable and necessary to protect the legitimate business interests, goodwill and confidential and proprietary information of the Tapestry Group; (ii) that the Tapestry Group does business worldwide and, therefore, you specifically agree that, in order to adequately protect the Tapestry Group, the scope of the restrictions in this provision is reasonable; and (iii) that you will be reasonably able to earn a living without violating the terms of these provisions.

(f) Judicial Modification. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable, the remainder of such covenants and parts thereof shall not thereby be affected and shall be given full effect, without regard to the invalid portion. If any court of competent jurisdiction determines that any of the covenants in Section 4, or any part of them, is invalid or unenforceable because of the geographic or temporal scope of such provisions, such court shall reduce such scope to the minimum extent necessary to make such covenants valid and enforceable. You agree that in the event that any court of competent jurisdiction finally holds that any provision of Section 4 constitutes an unreasonable restriction against you, such provision shall not be rendered void but shall apply to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances.

5. **Other Terms and Conditions of Employment**

If you accept the Company's offer, our relationship is "employment-at-will." That means you are free, at any time, for any reason, to end your employment with the Company and that the Company may do the same, subject to the advance notice requirements set forth above under **Notice of Intent to Terminate Employment**. You hereby represent and warrant that you are not currently, and have never been, the subject of any allegation or complaint of harassment, discrimination, retaliation, or sexual or other misconduct in connection with prior employment or otherwise, and have not been a party to any settlement agreement or nondisclosure agreement relating to such matters (the "Representations").

For the purposes of this letter, termination for "cause" means a determination by the Company that your employment should be terminated for any of the following reasons: (i) your violation of the Company's Code of Conduct, employee guides, or any other written policies or procedures of the Company, which is not remedied within 30 days of written notice to you, via email, (ii) your violation of any of the Company's policies regarding sexual harassment and misconduct, (iii) your indictment, conviction of, or plea of guilty or *nolo contendere* to, a felony or a crime involving moral turpitude, (iv) your willful or grossly negligent breach of your duties, (v) any act of fraud, embezzlement or other similar dishonest conduct, (vi) any act or omission that the Company determines could have a material adverse effect on the Company, including without limitation, its reputation, business interests or financial condition, which is not remedied within 30 days of written notice to you, via email (vii) your failure to follow the lawful directives of your supervisor, which is not remedied within 30 days of written notice to you, via email, (viii) your breach of this offer letter or any other written agreement between you and the Company or any of its affiliates, which is not remedied within 30 days of written notice to you, via email or (ix) your breach of the Representations set forth in this Section 5 above or the Restrictive Covenants set forth in Section 4 above.

For any dispute arising between the parties regarding or relating to this letter and/or any aspect of your employment, the parties hereby consent to the exclusive jurisdiction in the state and Federal courts located in New York, New York. This Agreement will be construed and enforced in accordance with the laws of the state of New York, without regard to conflicts of laws principles.

You have "Good Reason" to resign your employment upon the occurrence of the following without your consent: (i) material diminution of your duties and responsibilities or your ceasing to be the Company's Chief Financial Officer (principal financial officer), (ii) relocation of the Company's executive offices more than 50 miles outside of New York, New York, or (iii) the Company's material breach of the terms of this Agreement; provided however, that notwithstanding the foregoing you may not resign your employment for Good Reason unless: (x) you provide the Company with at least 30 days prior written notice of your intent to resign for Good Reason (which notice is provided not later than the 60th day following the occurrence of the event constituting Good Reason) and (y) the Company does not remedy the alleged violation(s) within such 30-day period.

Our agreement regarding employment-at-will may not be changed, except specifically in writing signed by both the Chief Executive Officer and you. However, the Company may in its discretion add to, discontinue, or change compensation, duties, reporting lines, Company committees, Section 16 and/or executive officer status, benefits and policies. Nothing in the preceding two sentences shall be construed as diminishing the financial obligations of either of the parties hereunder, including, without limitation, the Company's obligations to pay salary, bonus, equity compensation, severance etc., pursuant to the pertinent provisions set forth above. All payments made hereunder are subject to the usual withholdings required by law. In

the event of a breach by you of any provision of this offer letter and/or any of the Company policies which are included herewith, you agree to reimburse the Company for any and all reasonable attorney's fees and expenses related to the enforcement of this agreement, including, but not limited to, the clawback of gains specified hereunder.

Our offer of employment is contingent on the following:

- Formal ratification of this agreement by the Human Resources Committee;
- Completion of satisfactory references;
- You passing a credit/background check and verification of your identity and authorization to be employed in the United States;
- Your returning a signed copy of this offer letter by **June 17, 2019**;
- Your agreement to be bound by, and adhere to, all of the Company's policies in effect during your employment with the Company, including, but not limited to, the Executive Stock Ownership Policy, Incentive Repayment Policy, Code of Conduct, and our Confidentiality, Information Security and Privacy Agreement; and
- The terms and conditions of individual equity award agreements.

Agreed and Accepted by:

_/s/ Joanne Crevoiserat____ 6/17/19_____
Joanne Crevoiserat Date

EXHIBIT A

Competitor List
(as of May 2019)

Adidas AG

Burberry Group PLC

Capri Holdings Limited

Cole Haan LLC

Compagnie Financiere Richemont SA

Fast Retailing Co., Ltd.

Fung Group

G-III Apparel Group, Ltd.

The Gap, Inc.

Kering

L Brands, Inc.

LVMH Moet Hennessy Louis Vuitton SA

Prada, S.p.A.

Proenza Schouler, LLC

PVH Corp.

Rag & Bone, Inc.

Ralph Lauren Corporation

Tory Burch LLC

Samsonite International S.A.

V.F. Corporation

TAPESTRY, INC.
SPECIAL SEVERANCE PLAN

Effective as of August 12, 2019

INTRODUCTION

The purpose of the Tapestry, Inc. Special Severance Plan (the "**Plan**") is to provide assurances of specified benefits to designated employees of the Company who are members of a select group of management or highly compensated employees (as determined in accordance with Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA) in the event their employment is terminated in connection with a Change in Control under the circumstances described in the Plan.

Effective as of the effective date of the Change in Control, but contingent on the occurrence of the Change in Control, unless otherwise agreed to in writing between the Employer and an Eligible Employee on or after the date hereof, the Plan shall supersede, and Eligible Employees covered by the Plan shall not be eligible to participate in, the Tapestry, Inc. Severance Pay Plan for Vice Presidents and Above and Summary Plan Description (the "**Severance Pay Plan"),** or any other severance or termination plan, policy or practice of the Employer, or agreement or arrangement between an Eligible Employee and the Employer, that could otherwise apply under the circumstances described herein. The Plan is intended to be a "top-hat" pension benefit plan within the meaning of U.S. Department of Labor Regulation Section 2520.104-23. This document shall constitute both the plan document and summary booklet and shall be distributed to Participants in this form.

Capitalized terms and phrases used herein shall have the meanings ascribed thereto in Article I.

ARTICLE I

DEFINITIONS

For purposes of the Plan, capitalized terms and phrases used herein shall have the meanings ascribed in this Article.

1.1 "**Accrued Amounts**" means the sum of any Base Salary earned but unpaid through the date the Participant's Qualifying Termination, any unreimbursed expenses in accordance with the Employer's expense reimbursement policy, and any accrued and vested rights or benefits under any Employer-sponsored employee benefit plans payable in accordance with the terms and conditions of such plans.

1.2 "**Administrator**" means the Company, acting through the Committee or another duly authorized committee of members of the Board, or any person to whom the Administrator has delegated any authority or responsibility with respect to the Plan pursuant to Section 4.4, but only to the extent of such delegation.

1.3 "**Affiliate**" means any subsidiary corporation of the Company within the meaning of Section 424(f) of the Code, any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company, or any other entity which is designated as an Affiliate by the Board or the Committee.

1.4 "**Base Salary**" means a Participant's annual base compensation rate for services paid by the Employer to the Participant at the time immediately prior to the Participant's Qualifying Termination (or if the Participant's Qualifying Termination is due to Good Reason based on a reduction in base salary under Section 1.25(a), then the Participant's annualized base salary in effect immediately prior to such reduction). Base Salary shall not include commissions, bonuses, overtime pay, incentive compensation, benefits paid under any qualified plan, any group medical, dental or other welfare benefit plan, non-cash compensation or any other additional compensation, but shall include amounts reduced pursuant to a Participant's salary reduction agreement under Section 125, 132(f)(4) or 401(k) of the Code, if any, or a nonqualified elective deferred compensation arrangement, if any, to the extent that in each such case the reduction is to base salary.

1.5 "**Board**" means the Board of Directors of the Company.

1.6 "**Bonus**" means (i) for a Tier I Participant with a written employment agreement with the Employer in effect on the Effective Date, the greater of (x) such Participant's annual target cash performance bonus opportunity under the Bonus Plan relating to the fiscal year in which a Change in Control occurs or (y) the average of the actual percentages of the maximum annual bonus amounts earned by such Participant with respect to the pre-established Employer financial performance goals (but not individual or business segment goals) for the three (3) fiscal years most-recently completed prior to the date of the Qualifying Termination and applied to the target annual bonus amount otherwise payable with respect to the year in which the Qualifying Termination occurs; and (ii) for all other Participants, such Participant's annual target cash performance bonus opportunity under the Bonus Plan relating to the fiscal year in which a Change in Control occurs. Bonus shall not include any other bonus to be paid upon completion of any specified project or upon the occurrence of a specified event, including, without limitation, a Change in Control.

1.7 "**Bonus Plan**" means the Tapestry, Inc. 2018 Performance-Based Annual Incentive Plan, as may be amended from time to time, or any successor plan adopted by the Company pursuant to which the Employer pays annual performance-based cash bonuses.

1.8 "**Cause**" means the occurrence of any of the following with respect to an Eligible Employee: (i) conviction of, or plea of guilty or nolo contendere to, a felony or a crime involving moral turpitude; (ii) willful or grossly negligent breach of material duties (iii) any act of fraud, embezzlement or other similar dishonest conduct; (iv) any act or omission that has a material adverse effect on the Employer, including without limitation, its reputation, business interests or financial condition; or (v) a material breach of any of restrictive covenants set forth in a written agreement with the Employer. For purposes of the Plan, no act or failure to act on an Eligible Employee's part will be considered "willful" unless done, or omitted to be done, by an Eligible Employee not in good faith or without a reasonable belief that the action or omission was in the best interests of the Employer.

1.9 "**Change in Control**" means (i)and includes each of the following:

(a) any "person" (which term shall have the meaning it has when it is used in Section 13(d) of the Exchange Act, but shall not include the Company, any underwriter temporarily holding securities pursuant to an offering of such securities, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of voting stock of the Company) is or becomes the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of voting stock representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or

(b) the Company consummates a reorganization, merger or consolidation of the Company or the Company sells, or otherwise disposes of, all or substantially all of the Company's property and assets, or the stockholders of the Company approve a liquidation or dissolution of the Company (other than a reorganization, merger, consolidation or sale which would result in all or substantially all of the beneficial owners of the voting stock of the Company outstanding immediately prior thereto continuing to beneficially own, directly or indirectly (either by remaining outstanding or by being converted into voting securities of the resulting entity), more than fifty percent (50%) of the combined voting power of the voting securities of the Company or such entity resulting from the transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's property or assets, directly or indirectly) outstanding immediately after such transaction in substantially the same proportions relative to each other as their ownership immediately prior to such transaction); or

(c) during any period of twelve (12) consecutive months, individuals who, at the beginning of such period, constitute the Board together with any new Director(s) (other than a Director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in Section 1.9(a) or Section 1.9(b)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the Directors then still in office who either were Directors at the beginning of the twelve (12)-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof.

.Notwithstanding anything herein to the contrary, a Change in Control shall be deemed to have occurred under this Section 1.9 solely upon the occurrence of the closing of the transaction giving rise to the Change in Control event. Notwithstanding anything herein to the contrary, none of the foregoing events shall be deemed to be a "Change in Control" unless such event constitutes a "change in control event" within the meaning of Code Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

1.10 "**Change in Control Period**" means the time period beginning on the date of consummation of a Change in Control and ending on the date that is twenty-four (24) months following such Change in Control.

1.11 "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

1.12 "**Code**" means the Internal Revenue Code of 1986, as amended.

1.13 "**Code Section 409A**" means Section 409A of the Code together with the treasury regulations and other official guidance promulgated thereunder.

1.14 "**Committee**" means the Human Resources Committee of the Board or such other committee appointed by the Board from time to time to administer the Plan.

1.15 "**Company**" means Tapestry, Inc., a Maryland corporation, and any successor as provided in Article VI hereof.

1.16 "**Continuation Period**" means the period commencing on the date of a Participant's Qualifying Termination and ending on the earliest of:

(a) (i) for a Tier I Participant with a written employment agreement with the Employer in effect on the Effective Date, the later of eighteen (18) months from such date and the period of time set forth in such Tier I Participant's employment agreement. (ii) for any Tier I Participant not covered by Section 1.16(a)(i) or Tier II Participant, the later of eighteen (18) months from such date and the period of time set forth in such Participant's written employment agreement or offer letter with the Employer in effect on the date of the Qualifying Termination or (iii) for any Tier III or Tier IV Participant, the number of months to which such Participant's Severance Multiple relates.

(b) the date the Participant becomes eligible for coverage under the health insurance plan of a subsequent employer; and

(c) the date the Participant or the Participant's eligible dependents, as the case may be, cease to be eligible under COBRA.

1.17 "**Continued Health Coverage**" means the benefit set forth in Section 2.2(b) of the Plan.

1.18 "**Delay Period**" means the period commencing on the date the Participant incurs a Separation from Service from the Employer until the earlier of (a) the six (6)-month anniversary of the date of such Separation from Service and (b) the date of the Participant's death.

1.19 "**Disability**" means a Participant's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that 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.

1.20 "**Effective Date**" means August 12, 2019.

1.21 "**Eligible Employee**" means any employee of the Employer who, no later than immediately prior to the date of a Change in Control, is (i) at the Company's corporate level of vice president or above with an annualized base salary and annual cash performance bonus target equal to at least two hundred thousand dollars ($200,000) (as would be reportable in Box 5 of Internal Revenue Service Form W-2 if earned, but excluding amounts attributable to vesting or payment of any stock-based awards) or (ii) part of a select group of management or highly compensated employees and who has been selected and designated in writing by the Committee to participate in the Plan as a Tier II Participant, Tier III Participant or Tier IV Participant; provided that any employee of the Employer who is not on a United States payroll system at the time of such employee's termination of employment shall not be an Eligible Employee under the Plan. An Eligible Employee shall not include any temporary employee, independent contractor, consultant or any other person or entity for whom the Employer does not classify or treat as an employee. If, during any period, any such excluded person or entity is reclassified, whether retroactively or otherwise, as an employee of the Employer, such individual or entity shall not be an Eligible Employee for that period. For the avoidance of doubt, no employee of the Employer who is not employed by the Employer immediately prior to the date of a Change in Control may be an Eligible Employee under the Plan.

1.22 "**Employer**" means the Company and/or any Affiliate, as applicable.

1.23 "**Equity Awards**" means any stock-based award (including, but not limited to, stock options, restricted stock units and performance-based restricted stock units) granted to a Participant under the Stock Incentive Plan on or after the Effective Date.

1.24 "**Equity Vesting**" means the benefit set forth in Section 2.2(c) of the Plan.

1.25 "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

1.26 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

1.27 "**Good Reason**" means the occurrence of any of the following events during the Change in Control Period without the Participant's express written consent:

(a) any reduction in the Participant's base salary and/or target bonus opportunity, other than a reduction that is uniformly applied to similarly situated employees of not more than 10%;

(b) relocation of the Participant's principal place of work outside of a fifty (50) mile radius of the Participant's then current location;

(c) the failure of any successor to the Company to assume the Plan; or

(d) the occurrence of any event that constitutes "good reason" (or words of like import) as set forth in a written agreement or offer letter between the Company and the Participant in effect on the date of the Participant's Qualifying Termination.

In order for an event to qualify as Good Reason, (i) the Eligible Employee must first provide the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within thirty (30) calendar days of the initial existence of the grounds for "Good Reason" and a reasonable cure period of thirty (30) calendar days following the date of written notice (the "**Cure Period**"), and such grounds must not have been cured during the Cure Period, and the Eligible Employee must resign his or her employment within the sixty (60) calendar days following the end of the Cure Period.

1.28 "**Outplacement Services**" means the benefit set forth in Section 2.2(e) of the Plan.

1.29 "**Participant**" means any Eligible Employee who is eligible to receive Severance Benefits under the Plan.

1.30 "**Pro-Rata Bonus**" means the payment set forth in Section 2.2(d) of the Plan.

1.31 "**Separation from Service**" means a Participant's termination of employment with the Employer, provided that such termination constitutes a separation from service within the meaning of Code Section 409A and the guidance issued thereunder. All references in the Plan to a "Qualifying Termination," "termination," "termination of employment" or like terms means Separation from Service.

1.32 "**Severance Benefits**" means, as applicable, the Severance Payment, the Continued Health Coverage, the Equity Vesting, the Pro-Rata Bonus and the Outplacement Services.

1.33 "**Severance Multiple**" means:

(a) with respect to a Tier I Participant, two and one-half (2.5) times;

(b) with respect to a Tier II Participant, one and one-half (1.5) times;

(c) with respect to a Tier III Participant, one (1) times or such greater amount, not to exceed one and one-half (1.5) times, approved by the Administrator or its delegate; and

(d) with respect to a Tier IV Participant, the greatest of (i) three-fourths (3/4ths) times, (ii) the multiple applicable to such Participant under the Severance Pay Plan as of the date of the Participant's Qualifying Termination, (iii) such amount approved by the Administrator or its delegate not to exceed one (1) times or (iv) such multiple guaranteed to such Participant in a written employment agreement or offer letter with the Employer in effect on the date of such Participant's Qualifying Termination.

1.34 "**Severance Payment**" means the payments set forth in Section 2.2(a) of the Plan.

1.35 "**Specified Employee**" means a Participant who, as of the date of his or her Separation from Service, is deemed to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code and using the identification methodology selected by the Employer from time to time in accordance therewith, or if none, the default methodology set forth therein.

1.36 "**Stock Incentive Plan**" means the Tapestry, Inc. 2018 Stock Incentive Plan, as may be amended from time to time, or any successor plan adopted by the Company pursuant to which the Company grants stock based awards.

1.37 "**Tier I Participant**" means the Chief Executive Officer of the Company.

1.38 "**Tier II Participant**" means an Eligible Employee who has been selected and designated in writing by the Committee as a "key executive" to participate in the Plan as a Tier II Participant.

1.39 "**Tier III Participant**" means an Eligible Employee at the Company's corporate level of Senior Vice President or higher and who is not otherwise selected and designated in writing by the Committee as a Tier I Participant, Tier II Participant or Tier IV Participant.

1.40 "**Tier IV Participant**" means an Eligible Employee at the Company's corporate level of Vice President or higher and who is not otherwise selected and designated in writing by the Committee as a Tier I Participant, Tier II Participant or Tier III Participant.

ARTICLE II

SEVERANCE BENEFITS

2.1 **Eligibility for Severance Benefits.**

(a) Qualifying Event for an Eligible Employee. If, during the Change in Control Period, the employment of a Participant is terminated by the Employer without Cause or by the Participant for Good Reason (each, a "**Qualifying Termination**"), then, in addition to the Accrued Amounts, the Employer shall pay or provide the Participant with the Severance Payment, the Continued Health Coverage, the Equity Vesting, the Pro-Rata Bonus and the Outplacement Services pursuant to the terms set forth herein.

(b) Non-Qualifying Events. A Participant shall not be entitled to Severance Benefits under the Plan if the Participant's employment is terminated (i) by the Employer for Cause, (ii) by a Participant for any reason other than for Good Reason during the Change in Control Period, (iii) on account of the Participant's death or Disability, or (iv) by the Employer or the Participant for any reason outside the Change in Control Period. In addition, the transfer of a Participant's employment to an Affiliate during the Change in Control Period shall not entitle a Participant to Severance Benefits under the Plan, provided the Affiliate assumes the responsibilities of the Company under the Plan in connection with such transfer of employment and such transfer of employment does not give the Participant Good Reason during the Change in Control Period.

2.2 **Severance Benefits.** In the event that a Participant becomes entitled to benefits pursuant to Section 2.1(a) hereof, the Employer shall pay or provide the Participant with the Severance Benefits as follows:

(a) Severance Payment. Subject to the provisions of Sections 2.3 through 2.8, in the event of a Qualifying Termination, the Employer shall pay and the Participant shall be entitled to receive from the Employer an amount equal to (i) the sum of the Participant's Base Salary plus Bonus *multiplied by* (ii) the Severance Multiple applicable to the Participant, payable in accordance with the Company's normal payroll practices over the number of calendar months to which the Participant's Severance Multiple relates (such applicable number of months, the "**Severance Period**"), with the first payment thereof paid on the first regularly scheduled payroll of the Employer occurring on or after the sixtieth (60^{th}) day following the date of the Participant's Qualifying Termination, which first payment shall include any amounts that would have been otherwise payable to the Participant during such sixty (60) day period. Notwithstanding the foregoing or anything in the Plan to the contrary, to the extent required by Code Section 409A, the payment of the Severance Payments under this Section 2.2(a) shall be subject to the Delay Period as provided in Section 7.8(b) hereof.

(b) Continued Health Coverage. Subject to the provisions of Sections 2.3 through 2.8 and a Participant's timely election pursuant to COBRA and timely payment of premiums at the applicable active employee rate for such employee and his or her spouse and eligible dependents (the "**Applicable Rate**"), during the Continuation Period applicable to the Participant, the Employer shall pay the cost for continued coverage pursuant to COBRA, for the Participant and the Participant's eligible dependents, under the Employer's group health plans in which the Participant participated immediately prior to the date of termination of the Participant's employment or materially equivalent plans maintained by the Employer covering its executives in replacement thereof, less the Applicable Rate. Following the Continuation Period, the Participant (or, if applicable, the Participant's qualified beneficiaries under COBRA) shall be entitled to such continued coverage for the remainder of the COBRA period, if any, on a full self-pay basis to the extent eligible under COBRA.

(c) Accelerated Vesting of Equity Awards . Subject to the provisions of Sections 2.3 and 2.4 and Sections 2.6 through 2.8, all Equity Awards outstanding as of the date of a Change in Control shall be treated as set forth herein.

(i) Any Equity Award that is not assumed, replaced or substituted for in connection with the Change in Control (each, a "**Non-Continuing Equity Award**") shall become fully vested as of the date of the Change in Control. Any Non-Continuing Equity Award that provides for a Participant-elected exercise shall become fully exercisable and will remain exercisable for the applicable period following termination as specified in the Stock Incentive Plan and/or the applicable award agreement, provided that such Non-Continuing Equity Award may be canceled and converted into the right to receive a cash payment equal to the positive difference (if any) between the highest per-share price paid in any transaction related to the Change in Control and the exercise price or base price of such Non-Continuing Equity Award,. In the case of any Non-Continuing Equity Award that is not subject to a Participant-elected exercise, the Company shall remove any restrictions (other than restrictions required by Federal securities law) or conditions in respect of each such Non-Continuing Equity Award as of the date of the Change in Control. In the case of any Non-Continuing Equity Award that is subject to performance-based vesting, as of the

date of the Change in Control, the performance goals or other performance-based condition shall be deemed satisfied at the target level of performance.

(ii) Any Equity Award that is assumed, replaced or substituted for in connection with the Change in Control, or for which a replacement award is granted to the Participant upon or following a Change in Control (but in any event during the Change in Control Period) (each, a "**Continuing Equity Award**"), shall remain outstanding and eligible to vest in accordance with its terms, provided, however, with respect to any Continuing Equity Award granted prior to the date of the Change in Control that is subject to performance-based vesting, the performance goals or other performance-based condition applicable to such Continuing Equity Award shall be deemed satisfied at the target level of performance as of the date of the Change in Control, and such Continuing Equity Award shall continue to be subject to time-based vesting in accordance with the same time-based vesting schedule that applied to such Continuing Equity Award immediately prior to the Change in Control without any performance-based condition. In the event of a Participant's Qualifying Termination during the Change in Control Period, all Continuing Equity Awards shall become vested as of the date of the Participant's Qualifying Termination. Any Continuing Equity Award that provides for a Participant-elected exercise shall remain exercisable for the applicable period following termination as specified in the Stock Incentive Plan and/or the applicable award agreement. In the case of any Continuing Equity Award that is not subject to a Participant-elected exercise, the Company shall remove any restrictions (other than restrictions required by Federal securities law) or conditions in respect of each such Continuing Equity Award as of the date of the Participant's Qualifying Termination.

(d) Pro-Rata Bonus. Subject to the provisions of Sections 2.3 through 2.8, the Participant shall be entitled to receive a pro rata portion (based on the number of days employed during the applicable performance period) of the Participant's annual bonus under the Bonus Plan for the performance period in which the Participant's Qualifying Termination occurs, calculated based on actual results for such performance period using the same calculation methodologies used to determine bonuses to similarly-situated active employees of the Employer for the applicable performance period, payable at the time that the annual performance bonus would otherwise be paid pursuant to the terms of the Bonus Plan. For the avoidance of doubt, a Pro-Rata Bonus shall not be based on any bonus to be paid upon completion of any specified project or upon occurrence of a specified event, including, without limitation, a Change in Control.

(e) Outplacement Services. The Company will assist the Participant for a period of one year from the date of the Participant's Qualifying Termination in the search for new employment by directly paying the professional fees for the services incurred in the normal course of a job search with an outplacement organization arranged for by the Company in an amount generally commensurate with the Employer's past practice for employees similarly situated to the Participant but in no event greater than $15,000.

2.3 **Prior Agreements.** The Severance Benefits under this Plan shall supersede and be in lieu of any severance or termination benefits and/or payments a Participant may be eligible to

receive under any other agreements, arrangements or severance plans by and between the Participant and the Employer. Notwithstanding the foregoing or anything herein to the contrary, (a) in the event that a court of competent jurisdiction or other governmental agency or body determines that, as a result of such termination, a Participant is entitled to receive the severance or termination payments and benefits provided under any other agreements, arrangements or severance or termination plans by and between the Participant and the Employer, or (b) if a Participant otherwise receives severance or termination benefits under any agreements, arrangements or severance plans by and between the Participant and the Employer other than pursuant to this Plan, then the Participant shall continue to be entitled to receive such termination or severance payments and benefits under and in accordance with the terms and conditions of such agreement, arrangement or severance plan, and (i) the Severance Payment hereunder shall be reduced dollar-for-dollar by the amount of any severance payment received by the Participant prior to the commencement of the Severance Payment hereunder, (ii) any severance payment payable under such other agreement, arrangement or severance plan following the commencement of the Severance Payment hereunder shall be offset on a dollar-for-dollar basis by the Severance Payment hereunder, and (iii) the Continued Health Coverage shall commence in the first month following the expiration of any health plan or health care reimbursement coverage provided to the Participant pursuant to such other agreement, arrangement or severance plan following a termination of the Participant's employment and the Participant's Continuation Period shall be reduced by the number of months the Participant received such coverage under such other agreement, arrangement or severance plan. For the avoidance of doubt, there shall be no duplication of severance or termination benefits, including the Severance Benefits, paid or payable to a Participant under this Plan and any other agreements, arrangements or severance or termination plans by and between the Participant and the Employer as a result of a Qualifying Termination.

2.4 **No Duty to Mitigate/Right to Set-off Severance.** No Participant entitled to receive Severance Benefits hereunder shall be required to seek other employment or to attempt in any way to reduce any amounts payable to the Participant by the Company or Employer pursuant to the Plan. Except as provided in Section 1.16(b) hereof, there shall be no offset against any amounts due to the Participant under the Plan on account of any remuneration attributable to any subsequent employment that the Participant may obtain or otherwise. In the event of the Participant's breach of any provision hereunder, including without limitation, Sections 2.5 (other than as it applies to a release of claims under the Age Discrimination in Employment Act, as amended), 2.7 and 2.8 hereof, the Employer shall be entitled to recover any payments previously made to the Participant hereunder. Severance Benefits shall be reduced (offset) by any amounts payable under any statutory entitlement (including notice of termination, termination pay and/or severance pay) of the Participant upon a termination of employment, including, without limitation, any payments related to an actual or potential liability under the Worker Adjustment and Retraining Notification Act (WARN) or similar state or local law.

2.5 **Release Required.** Any Severance Benefits (other than the Equity Vesting) payable or to be provided pursuant to the Plan shall be conditioned upon the Participant's execution, delivery and non-revocation, within sixty (60) days following the effective date of the Participant's Qualifying Termination, of a general release of claims in favor of the Company, its Affiliates and other related persons, in the form attached hereto as Exhibit A (or, at any time prior to a Change in Control, such other similar form of release as the Company may require in its reasonable discretion

for any Participant (with such changes thereon as may be legally necessary at the time of execution to make it enforceable, including, but not limited to the addition of any federal, state or local laws)) (the "**Release**"). For the avoidance of doubt, in no event will the Severance Benefit be paid or provided until the Release becomes effective and irrevocable.

2.6 **Code Section 280G.**

(a) In the event it is determined pursuant to clause (b) below, that part or all of the consideration, compensation or benefits to be paid to the Participant under the Plan in connection with the Participant's Qualifying Termination or under any other plan, arrangement or agreement in connection therewith (each a "**Payment**"), constitutes a "parachute payment" (or payments) under Section 280G(b)(2) of the Code, then, if the aggregate present value of such parachute payments (the "**Parachute Amount**") exceeds 2.99 times the Participant's "base amount," as defined in Section 280G(b)(3) of the Code (the "**Participant Base Amount**") and would be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), the amounts constituting "parachute payments" which would otherwise be payable to or for the benefit of the Participant shall be reduced to the extent necessary so that the Parachute Amount is equal to 2.99 times the Participant Base Amount; provided, however, that the foregoing reduction shall be made only if and to the extent that such reduction would result in an increase in the aggregate Payment to be provided, determined on a net after-tax basis (taking into account the Excise Tax imposed, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income taxes).

(b) Any determination that a Payment constitutes a parachute payment and any calculation described in this Section 2.6 ("**determination**") shall be made in writing by a nationally recognized accounting or valuation firm (the "**Firm**") selected by the Company prior to the occurrence of a Change in Control, and may, at the Company's election, be made prior to termination of the Participant's employment where the Company determines that a Change in Control is imminent. Such determination shall be furnished in writing by the Firm to the Participant no later than thirty (30) days following the date of the Change in Control. The Company and the Participant will furnish the Firm with such information and documents as the Firm may reasonably request in order to make the determination required by this Section 2.6. Absent manifest error, the determination shall be binding, final and conclusive upon the Company and the Participant.

(c) If the final determination made pursuant to clause (b) above results in a reduction of the Payments that would otherwise be paid to the Participant except for the application of Section 2.6(a), the Equity Vesting shall be eliminated or reduced to the extent necessary in order to not exceed the limitation under Section 2.6(a), then, to the extent necessary pursuant to Section 2.6(a), the Severance Payment shall be reduced, and, finally, to the extent necessary pursuant to Section 2.6(a), the Continued Health Coverage shall be reduced. Within ten (10) days following such determination, the Company shall pay to or distribute to or for the benefit of the Participant such amounts as are then due to the Participant under the Plan and shall promptly pay to or distribute to or for the benefit of the Participant in the future such amounts as become due to the Participant under the Plan.

(d) As a result of the uncertainty in the application of Section 280G of the Code at the time of a determination hereunder, it is possible that payments will be made by the Company which should not have been made under Section 2.6(a) (an "**Overpayment**") or that additional payments which are not made by the Company pursuant to Section 2.6(a) above should have been made (an "**Underpayment**"). In the event that there is a final determination by the Internal Revenue Service, or a final determination by a court of competent jurisdiction, that an Overpayment has been made, any such Overpayment shall be treated for all purposes as a loan to the Participant to the extent permitted by law, which the Participant shall repay to the Company together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code. Nothing in this Section 2.6 is intended to violate the Sarbanes-Oxley Act of 2002 and to the extent that any advance or repayment obligation hereunder would do so, such obligation shall be modified so as to make the advance a nonrefundable payment to the Participant and the repayment obligation null and void to the extent required by such Act. In the event that there is a final determination by the Internal Revenue Service, a final determination by a court of competent jurisdiction or a change in the provisions of the Code or regulations pursuant to which an Underpayment arises under the Plan, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Participant, together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code.

2.7 **Restrictive Covenants.** As a condition to receiving the Severance Benefits, the Participant shall comply with the restrictive covenants set forth herein.

(a) Non-Competition. The Participant agrees that the Participant shall be prohibited from, directly or indirectly, counseling, advising, consulting for, becoming employed by or providing services in any capacity to "competitors" (as defined below) of the Employer during the Participant's employment and until the later of (x) the twelve (12) month period beginning on the date of the Participant's Qualifying Termination or (y) the restricted period applicable to the Participant as set forth in a written employment agreement, offer letter or equity award agreement between the Employer and the Participant is in effect on the date of the Participant's Qualifying Termination (the "**Restricted Period**"). For purposes of this Plan, "competitors" include the companies, together with their respective subsidiaries, parent entities and all other affiliates, that the Employer identifies as "competitors" as of the date immediately prior to the Change in Control.

(b) Non-Solicitation. The Participant agrees that during the Restricted Period, the Participant will not, directly or indirectly, whether alone or in association with or for the benefit of others, without the prior written consent of the Company, hire or attempt to hire, employ or solicit for employment, consulting or other service, any officer, employee or agent of the Employer (each, a "**Protected Person**"), or encourage, persuade or induce any Protected Person to terminate, diminish or otherwise alter such Protected Person's relationship with the Employer. Notwithstanding the above, this Section 2.7(b) shall not apply to any person that is an independent contractor provided: (i) that such independent contractor's services to the Employer are not, and were not within the three (3) months prior to the Participant's Qualifying Termination, exclusive to the Employer; and (ii) further provided that, as a result of such action, said independent contractor does not terminate, diminish or otherwise alter his or her agreement with the Employer.

(c) Non-Interference. The Participant agrees that during the Restricted Period, the Participant will not, directly or indirectly, whether alone or in association with or for the benefit of others, whether as an employee, owner, stockholder, partner, director, officer, consultant, advisor or otherwise, assist, attempt to or encourage (i) any vendor, supplier, customer or client of, or any other person or entity in a business relationship with, the Employer to terminate, reduce, limit or otherwise alter such relationship, whether contractual or otherwise, or (ii) to impair or attempt to impair any relationship, contractual or otherwise, between the Employer and any vendor, supplier, customer or client or any other person or entity in a business relationship with the Employer.

(d) Remedies. The Participant acknowledges that compliance with this Section 2.7 is necessary to protect the business, good will and proprietary and confidential information of the Employer and that a breach or threatened breach of any provision in this Section 2.7 will irreparably and continually damage the Employer, for which money damages may not be adequate. Accordingly, in the event that the Participant breaches any provision in this Section 2.7, the Participant will forfeit any remaining Severance Benefits and the Company shall be entitled to seek repayment of any Severance Benefits paid to you prior to the date of such breach. In addition, the Company will be entitled to preliminarily or permanently enjoin you from violating Section 2.7 in order to prevent the continuation of such harm.

(e) Reasonableness of Restrictions. The Participant acknowledges: (i) that the scope and duration of the restrictions on the Participant's activities under Section 2.7 are reasonable and necessary to protect the legitimate business interests, goodwill and confidential and proprietary information of the Employer; (ii) that the Employer does business worldwide and, therefore, the Participant specifically agrees that, in order to adequately protect the Employer, the scope of the restrictions is reasonable; and (iii) that the Participant will be reasonably able to earn a living without violating the terms of these provisions.

(f) Judicial Modification. If any court of competent jurisdiction determines that any of the covenants in Section 2.7, or any part of them, is invalid or unenforceable, the remainder of such covenants and parts thereof shall not thereby be affected and shall be given full effect, without regard to the invalid portion. If any court of competent jurisdiction determines that any of the covenants in Section 2.7, or any part of them, is invalid or unenforceable because of the geographic or temporal scope of such provisions, such court shall reduce such scope to the minimum extent necessary to make such covenants valid and enforceable. The Participant agrees that in the event that any court of competent jurisdiction finally holds that any provision of this Section 2.7 constitutes an unreasonable restriction against the Participant, such provision shall not be rendered void but shall apply to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances.

(g) Other Obligations. Notwithstanding anything to the contrary contained in the Plan, the restrictive covenants set forth in Section 2.7 of the Plan do not supersede, and are in addition to and not in lieu of, any restrictive covenants set forth in any written employment agreement, offer letter or equity award agreement between the Employer and the Participant in effect from time to time, and such restrictive covenants shall remain in full force and effect in accordance with their terms.

2.8 **Cooperation.** By accepting the Severance Benefits under the Plan, and subject to the Participant's other commitments, the Participant agrees to be reasonably available to cooperate (but only truthfully) with the Employer and provide all responsive information to the Employer's reasonable requests concerning any investigation, litigation, or any other matter which relates to any fact or circumstance known to the Participant during his or her employment with the Employer. The Participant agrees to respond to the Employer's request for cooperation and assistance within three (3) business days of any such request, or as soon thereafter as is reasonably practicable. The Participant acknowledges that he or she is not entitled to further compensation or consideration from the Employer for such cooperation or assistance.

ARTICLE III

UNFUNDED PLAN

3.1 **Unfunded Status.** The Plan shall be "unfunded" for the purposes of ERISA and the Code, and Severance Payments shall be paid out of the general assets of the Employer as and when Severance Payments are payable under the Plan. All Participants shall be solely unsecured general creditors of the Company and the Employer. In connection with this Plan, the Administrator may, but shall not be required to, establish a grantor trust (or "rabbi" trust) for the purpose of accumulating funds to satisfy the obligations incurred by the Company under this Plan. If the Company decides in its sole discretion to establish any advance accrued reserve on its books against the future expense of the Severance Payments payable hereunder, or if the Company decides in its sole discretion to fund a trust under the Plan, such reserve or trust shall not under any circumstances be deemed to be an asset of the Plan. Notwithstanding the potential establishment of such a trust pursuant to this Section 3.1, the right of any Participant to receive payments following the establishment of such a trust shall remain an unsecured claim against the general assets of the Company.

ARTICLE IV

ADMINISTRATION OF THE PLAN

4.1 **Plan Administrator.** The general administration of the Plan on behalf of the Company (as plan administrator under Section 3(16)(A) of ERISA) shall be placed with the Administrator. When making any determination or calculation, the Administrator shall be entitled to rely upon the accuracy and completeness of information furnished by the Company's employees and agents.

4.2 **Reimbursement of Expenses of Administrator.** The Company may, in its sole discretion, pay or reimburse the Administrator (including all members of the Committee) for all reasonable expenses incurred in connection with their duties hereunder, including, without limitation, expenses of outside legal counsel.

4.3 **Action by the Committee.** Decisions of the Administrator shall be made by a majority of the members of the Committee attending a meeting at which a quorum is present (which meeting may be held telephonically), or by written action in accordance with applicable law. Unless

otherwise determined by the Administrator, all determinations regarding benefits will be made by the Administrator in accordance with the written terms of the Plan. Subject to the terms of the Plan, and except as expressly provided herein, the Administrator shall have complete and express discretionary authority to determine eligibility for benefits and the amount of benefits (including to determine Participant's participation and Severance Benefits under the Plan), to decide factual and other questions relating to the Plan, to interpret and construe the provisions of the Plan, and to make decisions in all disputes involving the rights of any person interested in the Plan. Determinations and interpretations by the Administrator, including without limitation decisions relating to eligibility for, entitlement to, and payment of benefits, shall be conclusive and binding for all purposes. Notwithstanding anything herein to the contrary, upon and following a Change in Control, the Administrator shall not have discretionary authority with respect to the administration of the Plan, and any court or tribunal that adjudicates any dispute, controversy or claim arising under, in connection with or related to the Plan will apply a *de novo* standard of review to any determinations made by the Administrator, and such *de novo* standard shall apply notwithstanding the administrative authority granted hereunder to the Administrator or characterization of any decision by the Administrator as final, binding or conclusive on any party

4.4 **Delegation of Authority.** Subject to the limitations of applicable law, the Administrator may delegate any and all of its powers and responsibilities hereunder to other persons or committees. Any such delegation may be rescinded at any time by written notice from the Administrator to the person to whom the delegation is made. Any such delegation may be made by the Administrator to one or more person(s) or committee(s) and any awards made by any such person or committee under the Plan may apply to different Participants and need not be uniform in any respect, whether or not the Participants are similarly situated.

4.5 **Retention of Professional Assistance.** The Administrator may employ such legal counsel, accountants and other persons as may be required in carrying out its work in connection with the Plan.

4.6 **Accounts and Records.** The Administrator shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its functions under the Plan and to comply with all applicable laws.

4.7 **Indemnification.** The Administrator, the Committee, its members and any person to whom authority is delegated pursuant to Section 4.4 above shall not be liable for any action or determination made in good faith with respect to the Plan. The Employer shall, to the fullest extent permitted by law, indemnify and hold harmless the Administrator, each member of the Committee and each director, officer and employee of the Employer, and any person designated above, for liabilities or expenses they and each of them incur in carrying out their respective duties under the Plan, other than for any liabilities or expenses arising out of such individual's willful misconduct or fraud.

ARTICLE V

AMENDMENT AND TERMINATION

5.1 **Amendment and Termination.** The Company reserves the right to amend or terminate, in whole or in part, any or all of the provisions of the Plan by action of the Board (or a duly authorized committee thereof) at any time and for any reason, with or without notice. Notwithstanding anything herein to the contrary, the Company shall not amend or terminate the Plan at any time on or after (i) the occurrence of a Change in Control or (ii) the date the Company enters into a definitive agreement which, if consummated, would result in a Change in Control, unless the potential Change in Control is abandoned (as publicly announced by the Company), in either case until the later of two (2) years after the occurrence of a Change in Control and the date that all Severance Benefits under the Plan have been paid.

ARTICLE VI

SUCCESSORS

6.1 **Successors**. For purposes of the Plan, the Company shall include any and all successors or assignees, whether direct or indirect, by purchase, merger, consolidation or otherwise, to all or substantially all the business or assets of the Company, and such successors and assignees shall perform the Company's obligations under the Plan, in the same manner and to the same extent that the Company, would be required to perform if no such succession or assignment had taken place. In the event the surviving corporation in any transaction to which the Company is a party is a subsidiary of another corporation, then the ultimate parent corporation of such surviving corporation shall cause the surviving corporation to perform the Plan in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place. In such event, the term "Company" as used in the Plan, means the Company, as hereinbefore defined and any successor or assignee (including the ultimate parent corporation) to the business or assets of the Company, which by reason hereof becomes bound by the terms and provisions of the Plan.

ARTICLE VII

MISCELLANEOUS

7.1 **Minors and Incompetents**. If the Administrator shall find that any person to whom Severance Benefits are payable under the Plan is unable to care for his or her affairs because of illness or accident, or is a minor, any Severance Benefits due (unless a prior claim therefore shall have been made by a duly appointed guardian, committee or other legal representative) shall be paid to the spouse, child, parent, or brother or sister, or to any person deemed by the Administrator to have incurred expense for such person otherwise entitled to the Severance Benefits, in such manner and proportions as the Administrator may determine in its sole discretion. Any such Severance Benefits shall be a complete discharge of the liabilities of the Company, the Employer, the Administrator, the Committee, and the Board under the Plan. If a Participant dies prior to payment of all Severance Benefits due to such Participant, any and all unpaid amounts shall be paid to the Participant's heir(s), executor or estate.

7.2 **Limitation of Rights.** Nothing contained herein shall be construed as conferring upon a Participant the right to continue in the employ of the Employer as an employee in any other

capacity or to interfere with the Employer's right to discharge him or her at any time for any reason whatsoever.

7.3 **Payment Not Salary.** Any Severance Benefits payable under the Plan shall not be deemed salary or other compensation to the Participant for the purposes of computing benefits to which he or she may be entitled under any pension plan or other arrangement of the Employer maintained for the benefit of its employees, unless such plan or arrangement provides otherwise.

7.4 **Severability.** In case any provision of the Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal and invalid provision never existed.

7.5 **Withholding.** The Company and/or the Employer shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have to withhold federal, state or local income or other taxes incurred by reason of payments pursuant to the Plan. In lieu thereof, the Company and/or the Employer shall have the right to withhold the amounts of such taxes from any other sums due or to become due from the Company and/or the Employer to the Participant upon such terms and conditions as the Administrator may prescribe.

7.6 **Non-Alienation of Benefits.** The Severance Benefits payable under the Plan shall not be subject to alienation, transfer, assignment, garnishment, execution or levy of any kind, and any attempt to cause any Severance Benefits to be so subjected shall not be recognized.

7.7 **Governing Law.** To the extent legally required, the Code and ERISA shall govern the Plan and, if any provision hereof is in violation of any applicable requirement thereof, the Company reserves the right to retroactively amend the Plan to comply therewith. To the extent not governed by the Code and ERISA, the Plan shall be governed by the laws of the State of New York, without reference to rules relating to conflicts of law.

7.8 **Code Section 409A.**

(a) General. Although the Employer makes no guarantee with respect to the tax treatment of payments hereunder and shall not be responsible in any event with regard to non-compliance with Code Section 409A, the Plan is intended to either comply with, or be exempt from, the requirements of Code Section 409A. To the extent that the Plan is not exempt from the requirements of Code Section 409A, the Plan is intended to comply with the requirements of Code Section 409A and shall be limited, construed and interpreted in accordance with such intent. Accordingly, the Company reserves the right to amend the provisions of the Plan at any time and in any manner without the consent of Participants solely to comply with the requirements of Code Section 409A and to avoid the imposition of an excise tax under Code Section 409A on any payment to be made hereunder, provided that there is no reduction in the Severance Benefits hereunder. Notwithstanding the foregoing, in no event whatsoever shall the Employer be liable for any additional tax, interest or penalty that may be imposed on a Participant by Code Section 409A or any damages for failing to comply with Code Section 409A.

(b) Separation from Service; Delay Period for Specified Employees. A termination of employment shall not be deemed to have occurred for purposes of any provision of the Plan providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a Separation from Service. If a Participant is deemed on the date of termination to be a Specified Employee, then with regard to any payment that is specified as subject to this Section, such payment shall not be made prior to the expiration of the Delay Period. All payments delayed pursuant to this Section 7.8(b) (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such delay) shall be paid to the Participant in a single lump sum on the first Company payroll date on or following the first day following the expiration of the Delay Period, and any remaining payments and benefits due under the Plan shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) Separate Payments and No Participant Discretion. For purposes of Code Section 409A, the Participant's right to receive any installment payments pursuant to this Plan shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Employer. For purposes of Code Section 409A, any expenses eligible for reimbursement in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year, the reimbursement of an eligible expense shall be made no later than the end of the calendar year after the calendar year in which such expense was incurred, and the right to reimbursement shall not be subject to liquidation or exchange for any other benefit.

7.9 **Non-Exclusivity.** The adoption of the Plan by the Company shall not be construed as creating any limitations on the power of the Company to adopt such other supplemental retirement income arrangements as it deems desirable, and such arrangements may be either generally applicable or limited in application.

7.10 **Non-Employment.** The Plan is not an agreement of employment and it shall not grant the Participant any rights of employment.

7.11 **Headings and Captions**. The headings and captions herein are provided for reference and convenience only. They shall not be considered part of the Plan and shall not be employed in the construction of the Plan.

7.12 **Gender and Number.** Whenever used in the Plan, the masculine shall be deemed to include the feminine and the singular shall be deemed to include the plural, unless the context clearly indicates otherwise.

7.13 **Electronic Communication and Administration.** Unless prohibited by applicable law, all announcements, notices and other communications regarding the Plan may be made by the Company and/or the Employer by electronic means as determined by the Company or Employer in its sole discretion.

7.14 **Legal Fees**. In the event that a Participant substantially prevails in a litigation between the Participant and the Company arising in connection with such Participant's attempt to obtain or enforce any right or benefit provided by the Plan, the Company agrees to pay the reasonable attorney's fees and other legal expenses incurred by such Participant in pursuing such litigation, including a reasonable rate of interest for delayed payment. The Participant shall submit an invoice for such fees and expenses not later than forty-five (45) days after the final resolution of such contest and the Company shall make such payment within thirty (30) days of the date on which the invoice is so submitted, and the Participant's right to have the Company pay such legal fees, expenses and interest may not be liquidated or exchanged for any other benefit.

ARTICLE VIII

CLAIMS PROCEDURE

8.1 **Claims Procedure.** Any claim by a Participant with respect to eligibility, participation, contributions, benefits or other aspects of the operation of the Plan shall be made in writing to a person designated by the Administrator from time to time for such purpose. If the designated person receiving a claim believes, following consultation with the Chairman of the Committee, that the claim should be denied, he or she shall notify the Participant in writing of the denial of the claim within ninety (90) days after his or her receipt thereof. This period may be extended an additional ninety (90) days in special circumstances and, in such event, the Participant shall be notified in writing of the extension, the special circumstances requiring the extension of time and the date by which the Administrator expects to make a determination with respect to the claim. If the extension is required due to the Participant's failure to submit information necessary to decide the claim, the period for making the determination will be tolled from the date on which the extension notice is sent until the date on which the Participant responds to the Plan's request for information.

If a claim is denied in whole or in part, or any adverse benefit determination is made with respect to the claim, the Participant will be provided with a written notice setting forth (a) the specific reason or reasons for the denial making reference to the pertinent provisions of the Plan or of Plan documents on which the denial is based, (b) a description of any additional material or information necessary to perfect or evaluate the claim, and explain why such material or information, if any, is necessary, and (c) inform the Participant of his or her right to request review of the decision. The notice shall also provide an explanation of the Plan's claims review procedure and the time limits applicable to such procedure, as well as a statement of the Participant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review. If a Participant is not notified (of the denial or an extension) within ninety (90) days from the date the Participant notifies the Plan's administrator, the Participant may request a review of the application as if the claim had been denied.

A Participant may appeal the denial of a claim by submitting a written request for review to the Administrator, within sixty (60) days after written notification of denial is received. Receipt of such denial shall be deemed to have occurred if the notice of denial is sent via first class mail to the Participant's last shown address on the books of the Employer. Such period may be extended by the Administrator for good cause shown. The claim will then be reviewed by the Administrator.

In connection with this appeal, the Participant (or his or her duly authorized representative) may (a) be provided, upon written request and free of charge, with reasonable access to (and copies of) all documents, records, and other information relevant to the claim, and (b) submit to the Administrator written comments, documents, records, and other information related to the claim. If the Administrator deems it appropriate, it may hold a hearing as to a claim. If a hearing is held, the Participant shall be entitled to be represented by counsel.

The review by the Administrator will take into account all comments, documents, records, and other information the Participant submits relating to the claim. The Administrator will make a final written decision on a claim review, in most cases within sixty (60) days after receipt of a request for a review. In some cases, the claim may take more time to review, and an additional processing period of up to sixty (60) days may be required. If that happens, the Participant will receive a written notice of that fact, which will also indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to make a determination with respect to the claim. If the extension is required due to the Participant's failure to submit information necessary to decide the claim, the period for making the determination will be tolled from the date on which the extension notice is sent to the Participant until the date on which the Participant responds to the Plan's request for information.

The Administrator's decision on the claim for review will be communicated to the Participant in writing. If an adverse benefit determination is made with respect to the claim, the notice will include: (a) the specific reason(s) for any adverse benefit determination, with references to the specific Plan provisions on which the determination is based; (b) a statement that the Participant is entitled to receive, upon request and free of charge, reasonable access to (and copies of) all documents, records and other information relevant to the claim; and (c) a statement of the Participant's right to bring a civil action under Section 502(a) of ERISA. A Participant may not start a lawsuit to obtain benefits until after he or she has requested a review and a final decision has been reached on review, or until the appropriate timeframe described above has elapsed since the Participant filed a request for review and the Participant has not received a final decision or notice that an extension will be necessary to reach a final decision. These procedures must be exhausted before a Participant (or any beneficiary) may bring a legal action seeking payment of benefits. In addition, no lawsuit may be started more than two years after the date on which the applicable appeal was denied. If there is no decision on appeal, no lawsuit may be started more than two years after the time when the Administrator should have decided the appeal.

EXHIBIT A

SEPARATION AND RELEASE AGREEMENT

Tapestry, Inc. and its Affiliates ("**Employer**") and [Name] ("**Executive**") enter into this Separation and Release Agreement ("**Agreement**"), which was received by Executive on [____], 20[__], 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 this Agreement before that date, for and in consideration of the promises made among the parties and other good and valuable consideration as follows. All capitalized terms used herein, unless defined otherwise herein, shall have the meaning set forth in the Tapestry, Inc. Special Severance Plan (the "**Severance Plan**").

1.Separation Date. Executive's employment with Employer terminated effective as of [____], 20[__], (the "**Separation Date**"). The Separation Date constitutes Executive's "separation from service" within the meaning of Section 409A.

2.Severance Benefits. In exchange for the general release in paragraph 4 below and other promises contained herein, and in accordance with the terms of the Severance Plan, which Executive hereby acknowledges receiving, Executive will receive the applicable Severance Benefits under Section 2.2 of the Severance Plan, paid or provided in accordance therewith. Regardless of whether Executive executes this Agreement, Executive will receive the Accrued Amounts. 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.

3.Executive Acknowledgements. Executive acknowledges and agrees that the Severance Benefits are adequate and sufficient consideration for entering into this Agreement and exceed any payment, benefit or other thing of value to which Executive might otherwise be entitled under any policy, plan or procedure of the Employer, the Company or Affiliates or pursuant to any prior agreement or contract with the Employer. 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 fulfillment of any matching grant obligations under Employer's Matching Grants Program with respect to commitments made by Executive prior to the Separation Date.

4.Release**.** Executive, for **[himself]/[herself]**, and Executive's successors, administrators, heirs and assigns (the "**Releasors**"), 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 the Releasors ever had, now have 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 except as expressly provided 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, (i) any claim under the Age Discrimination in Employment Act, as amended, and/or the Older Workers Benefit Protection Act which laws prohibit discrimination on account of age; (ii) any claim under Title VII of the Civil Rights Act of 1964, as amended, which, among other things, prohibits discrimination/retaliation on account of race, color, religion, sex, and national origin; (iii) any claim under the Americans with Disabilities Act ("**ADA**") or Sections 503 and 504 of the Rehabilitation Act of 1973, each as amended; (iv) any claim under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"); (v) any claim under the Family and Medical Leave Act; (vi) any claim or other action under the National Labor Relations Act, as amended; (vii) any claim under the Workers' Adjustment and Retraining Notification Act; (viii) any claim under 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; (ix) any claim under 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.*); (x) the Sarbanes-Oxley Act of 2002; (xi) any other claim of discrimination, harassment or retaliation in employment (whether based on federal, state or local law, regulation, or decision; (xii) any other claim (whether based on federal, state or local law, statutory or decisional) arising out of the terms and conditions of Executive's employment with and termination from the Employer and/or the Released Parties; (xiii) any claims for wrongful discharge, whistleblowing, constructive discharge, promissory estoppel, detrimental reliance, negligence, defamation, emotional distress, compensatory or punitive damages, and/or equitable relief; (xiv) any claims under federal, state, or local occupational safety and health laws or regulations, all as amended; and (xv) any claim for attorneys' fees (other than claims for legal fees pursuant to Section 7.14 of the Severance Plan), costs, disbursements and/or the like. By virtue of the foregoing, Executive agrees that **[he/she]** has waived any damages and other relief available to **[him/her]** (including, without limitation, money damages, equitable relief and reinstatement) under the claims waived in this Paragraph 4. Notwithstanding anything herein to the contrary, the sole matters to which this Agreement does not apply are: (A) claims to the Severance Benefits; (B) claims under the Consolidated

Omnibus Budget Reconciliation Act of 1985, as amended; (C) claims arising after the date Executive signs this Agreement; (D) claims relating to any rights of indemnification under Employer's organizational documents or otherwise, (E) claims relating to any outstanding stock options or other equity-based award on the Separation Date, including, without limitation, the Equity Vesting; (F) claims to the Accrued Amounts; or (G) Executive's right to seek enforcement of the terms of the Severance Plan, including, but not limited to, claims for legal fees pursuant to Section 7.14 of the Severance Plan. Executive acknowledges and agrees that this release in this Paragraph 4 and the covenant not to sue set forth in Paragraph 5 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)]/[FORTY-FIVE (45)]** 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]/[45]**-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 (8^{th}) 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."

(b) 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.

5.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 relating to the claims released in Paragraph 4 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, nor shall Executive be prohibited from instituting any action permitted by the terms of the Severance Plan.

6.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 6 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 4 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 ERISA.

7.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, **[she/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 7, Employer will have the remedies available to it pursuant to Section 2.7(d) of the Severance Plan.

8.Return of Company Property. Executive has returned or will promptly 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 **[she]/[he]** received or prepared or helped prepare in connection with **[her]/[his]** employment with Employer, its subsidiaries and Affiliates, and Executive will not retain any copies, duplicates, reproductions or excerpts thereof.

9.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 9, Employer will have the remedies available to it pursuant to Section 2.7(d) of the Severance Plan.

10.Re-Affirmation of Restrictive Covenants. Executive acknowledges and agrees that the non-competition, non-solicitation and non-interference covenants contained in Sections 2.7(a), (b) and (c), respectively, of the Severance Plan, 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 10, retain all rights and remedies under the Section 2.7(d) of the Severance Plan and the award agreements evidencing Executive's equity awards to enforce the terms of such covenants. 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, Employer will have the remedies available to it pursuant to Section 2.7(d) of the Severance Plan. For purposes of Section 2.7(a) of the Severance Plan, "**competitors**" include the following companies together with their respective subsidiaries, parent entities and all other affiliates that have been identified as competitors by the Employer as of the date immediately prior to the Change in Control: [____]. Executive understands and agrees that the list of competitors in effect as of the date of the Change in Control will be the authoritative list of "competitors" for all purposes under this Agreement and the Severance Plan. 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 Severance Plan or the award agreements evidencing Executive's equity awards, and all such rights are hereby explicitly reserved. In addition, Executive agrees that **[he]/[she]** shall not apply for, and shall not be eligible for, any future employment with Employer.

11. Neutral Reference. Employer will provide references for Executive consistent with its neutral reference policy, which is to confirm Executive's dates of employment with Employer and title during the period of employment**.**

12. 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 12, Employer will have the remedies available to it pursuant to Section 2.7(d) of the Severance Plan.

13. 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.

14. 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.

15. 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.

16. 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.

17. Section 409A. Section 7.8 of the Plan is incorporated by reference into this Agreement as if set forth in this Agreement.

18. Binding Agreement. This Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

[Remainder of page intentionally left blank]

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

Tapestry, Inc.

_____

[Name]
[Title]

Date: _____

Accepted and agreed to.

EXECUTIVE:

_____

[Name]

Date: _____

EXHIBIT 21.1

LIST OF SUBSIDIARIES OF TAPESTRY, INC.

Entity Name	Jurisdiction of Formation
504-514 West 34th Street Corp.	United States
Adelington Design Group, LLC	United States
B.B. SAS	France
Coach (Gibraltar) Limited	Gibraltar
Coach (US) Partnership, LLC	United States
Coach Brasil Participações Ltda	Brazil
Coach Consulting Dongguan Co. Ltd.	China
Coach Foundation Inc.	United States
Coach Holdings Partnership (UK) LP	United Kingdom
Coach Hong Kong Limited	Hong Kong
Coach International Holdings, Sàrl	Luxembourg
Coach International Limited	Hong Kong
Coach International UK Holdings Limited	United Kingdom
Coach IP Holdings LLC	United States
Coach Italy S.r.l.	Italy
Coach Japan Investments, LLC	United States
Coach Japan, LLC	Japan
Coach Korea Limited	Korea, Republic Of
Coach Leatherware (Thailand) Ltd.	Thailand
Coach Leatherware India Private Limited	India
Coach Legacy Yards Lender LLC	United States
Coach Legacy Yards LLC	United States
Coach Luxembourg Financing S.a.r.l	Luxembourg
Coach Malaysia SDN. BHD.	Malaysia
Coach Management (Shanghai) Co., Ltd.	China
Coach Manufacturing Limited	Hong Kong
Coach Netherlands B.V.	Netherlands
Coach New Zealand	New Zealand
Coach Operations Singapore Pte. Ltd.	Singapore
Coach Services, Inc.	United States
Coach Shanghai Limited	China
Coach Singapore Pte. Ltd.	Singapore
Coach Spain, S.L.	Spain
Coach Stores Australia PTY LTD	Australia
Coach Stores Austria GmbH	Austria
Coach Stores Belgium	Belgium
Coach Stores Canada Corporation	Canada
Coach Stores France SARL	France
Coach Stores Germany GmbH	Germany
Coach Stores Ireland Limited	Ireland
Coach Stores Limited	United Kingdom
Coach Stores Puerto Rico, Inc.	United States
Coach Stores Switzerland GmbH	Switzerland

Coach Stores, Unipessoal LDA	Portugal
Coach Thailand Holdings, LLC	United States
Coach Vietnam Company Limited	Vietnam
Creaciones S.W., S.A.	Spain
Fifth & Pacific Companies Canada Inc	Canada
Fifth & Pacific Companies Cosmetics, Inc.	United States
Fifth & Pacific Companies Foreign Holdings, LLC	United States
FNP Holdings, LLC	United States
Hope Diamon, S.L.	Spain
IP Holdings 2017 LLC	United States
Juicy Couture, Inc.	United States
Karucci LLC	United States
Kate Spade & Company International Limited	Hong Kong
Kate Spade & Company LLC	United States
Kate Spade Canada Incorporation	Canada
Kate Spade Holdings, LLC	United States
Kate Spade Hong Kong Limited	Hong Kong
Kate Spade IP Holdings Limited	United Kingdom
Kate Spade Japan Co., Ltd.	Japan
Kate Spade LLC	United States
Kate Spade Macau Limited	Macau
Kate Spade New York - France SARL	France
Kate Spade Puerto Rico, LLC	United States
Kate Spade Retail Hong Kong Limited	Hong Kong
Kate Spade UK Holdings Limited	United Kingdom
Kate Spade UK Ltd.	United Kingdom
KS China Co., Ltd.	Hong Kong
KS HMT Co., Limited	Hong Kong
L.C. Licensing, LLC	United States
LCCI Holdings LLC	United States
LCI Holdings, LLC	United States
LCI Investments, LLC	United States
Liz Foreign B.V.	Netherlands
Lizzy Mae LLC	United States
MFE Limited	Hong Kong
Mocaroni, S.L.	Spain
Preparaciones y Moldeados, SL	Spain
Shanghai Kate Spade Trading Co., Ltd.	China
Shenghui Fashion (Shenzhen) Co. Ltd.	China
Shoe Heaven, S.L.	Spain
Shoes By Stuart, S.L.U.	Spain
Stuart Weitzman International UK Holdings Limited	United Kingdom
Stuart Weitzman IP, LLC	United States
Stuart Weitzman Monaco S.A.R.L.	Monaco
Stuart Weitzman UK Holdings Limited	United Kingdom
Sunburst, S.L.	Spain

SW Luxembourg Holdings	Luxembourg
SW-Italy, LLC	United States
Tapestry (Cambodia) Company Limited	Cambodia
Tapestry International US Holdings LLC	United States
Tapestry Myanmar Limited	Myanmar
WCFL Holdings LLC	United States
Westcoast Contempo Fashions Limited	Canada

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-228281,333-222915, 333-209393, 333-214562, 333-219241, 333-172699, and 333-51706 on Form S-8 and Registration Statement No. 333-222914, 333-200642, 333-162502, and 333-162454 on Form S-3 of our reports dated August 15, 2019, relating to the consolidated financial statements and consolidated financial statement schedule of Tapestry, Inc. and subsidiaries ("the Company"), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Tapestry, Inc. for the year ended June 29, 2019.

/s/ DELOITTE & TOUCHE LLP

New York, New York

August 15, 2019

EXHIBIT 31.1

I, Victor Luis, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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 fiscal 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 the 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 control 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: August 15, 2019

By: /s/ Victor Luis

Name: Victor Luis
Title: Chief Executive Officer

I, Joanne C. Crevoiserat, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 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 fiscal 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 the 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 control 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: August 15, 2019

By: /s/ Joanne C. Crevoiserat

Name: Joanne C. Crevoiserat
Title: Chief Financial Officer

EXHIBIT 32.1

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 Annual Report on Form 10-K of the Company for the fiscal year ended June 29, 2019 (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: August 15, 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 Annual Report on Form 10-K of the Company for the fiscal year ended June 29, 2019 (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: August 15, 2019

By: /s/ Joanne C. Crevoiserat

Name: Joanne C. Crevoiserat
Title: Chief Financial Officer